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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)

**The Forty-fourth Session of the UNFCCC Subsidiary Body for
Scientific and Technological Advice (SBSTA44)**

(16 to 26 May 2016 – Bonn, Germany)

Agenda Item 8 (c): Emissions from fuel used for international aviation and maritime transport

(Submission by the International Civil Aviation Organization (ICAO))

Executive Summary

After reviewing the outcome of the UNFCCC Paris Conference (COP21/CMP11), the Council of ICAO decided on 4 March 2016 to:

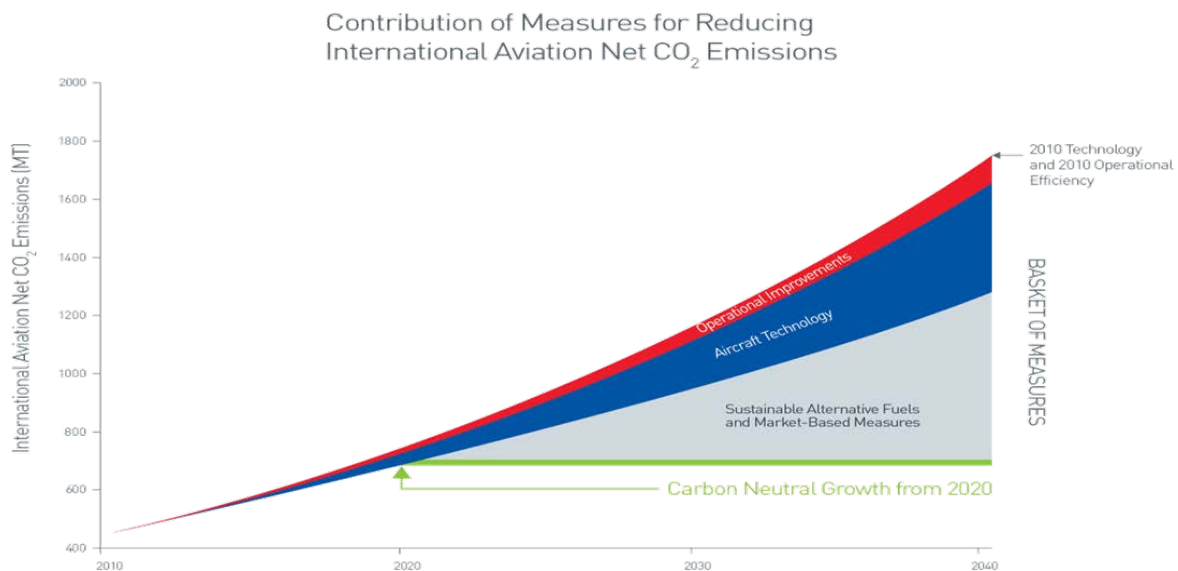
- a) ensure that ICAO continues to exercise leadership on environmental issues relating to international civil aviation, including greenhouse gas (GHG) emissions, as requested by the 38th Assembly Resolution A38-18 paragraph 2 a), and by the Council in its *Declaration on International Aviation and Climate Change* of 18 November 2015, by making further progress toward the 39th Assembly from 27 September to 7 October 2016 and beyond;
- b) note, with satisfaction, that international aviation is not covered under the UNFCCC's Paris Agreement and its associated decision text, which the Council viewed as a vote of confidence in the progress that ICAO and its Member States are achieving, and agreed to take all action to justify that confidence placed in ICAO by the international community;
- c) note the need for ICAO and its Member States to consider the share of international aviation emissions in the "carbon budget" in the context of the feasibility of a possible long-term aspirational goal and related actions for international aviation under the 2 degrees Celsius scenario;
- d) monitor the evolution of the new mechanism to be established under the UNFCCC process and closely follow up on its possible implications for ICAO's work on a global market-based measure (GMBM) scheme for international aviation (see Section 3);
- e) note the importance of ICAO Member States' Action Plans on CO₂ emissions reduction activities for international aviation initiated at the 37th Assembly in 2010, which constituted a parallel to the UNFCCC Parties' NDCs for mitigation of other domestic emissions (see Section 4);
- f) ensure that ICAO and its Member States continue to express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors in a disproportionate manner, as requested by A38-18, paragraph 30 (see Section 5); and
- g) note the critical importance of coordination at the State level among transport, environment, finance and other authorities in ensuring a common position.

1. INTRODUCTION

1.1 ICAO and its Member States have been active in addressing CO₂ emissions from international aviation by developing, and facilitating the implementation of, “a basket of mitigation measures” in order to achieve ICAO’s global aspirational goals for the international aviation sector of improving fuel efficiency by 2 per cent per year and keeping its CO₂ emissions from 2020 at the same level (carbon neutral growth from 2020).

1.2 In order to measure current and estimate future progress toward the achievement of the ICAO aspirational goals, the ICAO Committee on Aviation Environmental Protection (CAEP) develops and regularly updates the CO₂ trends assessment, which reflects the contribution of various categories of mitigation measures to reduce international aviation CO₂ emissions (e.g. aircraft technology, operational improvements, sustainable alternative fuels).

1.3 The CO₂ trends assessment provides the basis for decision-making in ICAO, and the Organization is finalizing work to update the 2013 ICAO CAEP trends assessment (illustrated below), which will support discussion by the ICAO Council and subsequently by the 39th Session of the ICAO Assembly from 27 September to 7 October 2016.



2. PROGRESS ON A BASKET OF MITIGATION MEASURES

2.1 The Organization has progressed in supporting our Member States in taking further action on a basket of measures to reduce emissions from international aviation, including acceleration of the use of fuel-efficient aircraft technologies, air traffic management modernization and other operational improvements, and the development and deployment of sustainable alternative fuels.

2.2 For example, ICAO CAEP/10 meeting in February 2016 finalized its recommendation on an aeroplane CO₂ emissions certification Standard. This new Standard, as the first global Standard for CO₂ emissions of any sector, will apply to new aeroplane type designs from 2020 and to aeroplane type designs that are already in-production in 2023. This means that if an in-production aeroplane design is changed at a time beyond 2023, the aeroplane would have to comply with the CO₂ emissions Standard. In 2028, there is a production cut-off, meaning that in-production aeroplanes that do not meet the standard from 2028 can no longer be produced, unless the designs are modified to meet with the Standard. The new CO₂ emissions Standard is recommended as being included in an entirely new Volume to Annex 16 (Volume III) to the Convention on International Civil Aviation, for adoption by the ICAO Council.

2.3 Recognizing that many of the operational improvements defined in the ICAO Global Air Navigation Plan (GANP) offer the potential to deliver fuel and CO₂ emissions reductions, an analysis of environmental benefits from the implementation of such measures has been conducted. The Organization also continues to support States and stakeholders in their efforts to develop and deploy alternative fuels for aviation, including regular updates to the ICAO Global Framework for Aviation Alternative Fuels (GFAAF)¹ and the projection on future production of such fuels and their life-cycle environmental benefits.

2.4 As part of its cooperation with the UNFCCC Secretariat, the ICAO Secretariat has been developing methodologies under the UNFCCC Clean Development Mechanism (CDM) for aviation-related projects. The methodology on “electric taxiing systems for airplanes” was approved by the CDM Executive Board in November 2015, extending the CDM programme to include aviation-related projects for the first time, and the approval for “solar power for domestic aircraft at-gate operations” is expected in May 2016.

2.5 In addition, significant efforts have been made to fulfill the request of the 38th ICAO Assembly in 2013 to develop a global market-based measure (MBM) scheme for international aviation (see Section 3 below).

3. GLOBAL MARKET-BASED MEASURE (MBM)

3.1 Following the agreement of the 38th ICAO Assembly to develop a global MBM scheme for international aviation, significant efforts have been made by Member States, the aviation industry and other stakeholders with a view to developing a recommendation for a global MBM scheme capable of being implemented from 2020, for decision by the 39th ICAO Assembly.

3.2 Initial progress was made by the ICAO Council’s Environment Advisory Group (EAG) with technical support provided by the ICAO CAEP, using a “Strawman” approach, which started with a basic proposal for a global MBM scheme with a view to generating discussion and analyses on advantages and disadvantages of design elements, thus allowing for improvements of the Strawman proposal. The EAG met 15 times in total, and a series of analyses requested by the EAG and the Council were undertaken by the ICAO CAEP, including:

- a) volumes of future CO₂ emissions from international aviation and overall cost impacts to achieve the carbon neutral growth from 2020;
- b) cost impacts of using different combinations for individual operator’s growth factor and the international aviation sector’s growth factor;
- c) adjustments of offsetting requirements, technical exemptions and exemptions of routes to/from low emitting States; and
- d) various approaches for distribution of offsetting requirements to individual aircraft operators (e.g., route-based approach, accumulative approach, and comparison of these approaches).

3.3 In addition, work on technical aspects of a global MBM scheme (e.g. monitoring, reporting and verification (MRV); emissions units criteria (EUC) and registries) was also undertaken by the ICAO CAEP, in support of the discussion by the EAG and Council.

¹ <http://www.icao.int/environmental-protection/GFAAF/Pages/default.aspx>

3.4 The EAG/15 meeting in January 2016 considered a draft 39th Assembly Resolution text on a global MBM scheme, which was developed by taking into account the progress achieved and views expressed during previous EAG deliberations.

3.5 The EAG/15 recommended, and the Council endorsed, that a High-level Group on a Global MBM Scheme be established to facilitate the convergence of views in order to finalize the draft Assembly Resolution text on a global MBM scheme, for consideration by the Council. The Group was composed of 18 high-level aviation and/or transport representatives, and it met twice (24 to 25 February and 13 to 15 April 2016) to make progress in improving and clarifying a number of provisions in the draft Assembly Resolution text.

3.6 As a means to continue to ensure the full engagement of States and other stakeholders, ICAO conducted the second round of five regional seminars – Global Aviation Dialogues (GLADs) from 20 March to 8 April 2016, which familiarized participants with the proposed draft Assembly Resolution text and provided opportunities to receive feedback. All the material provided during the 2016 GLADs, including the draft Assembly Resolution text, is available on the ICAO website².

3.7 The major considerations for the design of a global MBM scheme, as identified during the 2015 GLADs, such as administrative simplicity, environmental integrity, cost effectiveness and differentiation/non-discrimination, were highlighted in the 2016 GLADs as being closely linked to specific paragraphs of the draft Assembly Resolution text, in particular those related to two-phase implementation of the scheme, exemptions of certain routes to minimize market distortion, and the method of distributing offsetting requirements to individual aircraft operators.

3.8 Based on the discussion by the High-level Group and the GLADs, the Council in April 2016 decided on the draft Assembly Resolution text on a global MBM scheme, to be considered by the High-level Meeting from 11 to 13 May 2016³. The High-level Meeting will focus on deliberations on the draft Assembly Resolution text on a global MBM scheme and make recommendations to the Council, in preparation for the 39th Assembly.

4. STATES' VOLUNTARY ACTION PLANS

4.1 In response to the request of the 38th Assembly to organize seminars to provide Member States with practical, hands-on assistance in further developing and updating their voluntary action plans to reduce international aviation CO₂ emissions, seven seminars were held in all ICAO regions from April 2014 to March 2015. Since the launch of this ICAO initiative in 2010, over 700 experts from 116 States, representing 93 per cent of global international air traffic were trained. The material provided in seminars is made available on the ICAO website⁴.

4.2 In addition, ICAO updated its Doc 9988, *Guidance on the Development of States' Action Plans on CO₂ Emissions Reduction Activities*, including the incorporation of “Rules of Thumbs” which simplify the methodologies for the calculation of emission reduction benefits for inclusion in the action plans. The emissions quantification elements of Doc 9988 have been automated in a software tool, known as the ICAO Environmental Benefits Tool (EBT). ICAO also launched the “Buddy Programme”⁵, whereby States that have submitted action plans are encouraged to build partnerships with Member States that have not yet prepared action plans, in order to provide support and share experiences and knowledge.

² <http://www.icao.int/meetings/GLADs-2016/Pages/default.aspx>

³ <http://www.icao.int/Meetings/HLM-MBM/Pages/default.aspx>

⁴ <http://www.icao.int/Meetings/EnvironmentalWorkshops/Pages/2015-Seminars.aspx>

⁵ <http://www.icao.int/environmental-protection/Pages/ActionPlan-Questions.aspx>

4.3 By April 2016, 92 Member States, representing 88.05 per cent of global international air traffic, prepared and submitted action plans to ICAO. These successful results demonstrate the high level of interest and engagement of Member States in this initiative, as well as the impact of ICAO's assistance and capacity-building initiative, including the establishment of partnerships with other international organizations, such as those developed with the European Union (EU), and with United Nations Development Programme (UNDP) and the Global Environment Facility (GEF).

4.4 The ICAO-EU joint assistance project, *Capacity Building for CO₂ Mitigation from International Aviation*, is a Euro 6.5 million project to assist fourteen States from Africa and the Caribbean in the development of their action plans; setting up of their Aviation Environmental Systems (AES) to monitor aviation emissions; and implementation of measures to reduce aviation emissions. As of April 2016, two Caribbean States and nine African States had submitted action plans to ICAO, and the AES installed in the selected States has been successful in supporting the automated collection and monitoring of data.

4.5 The ICAO-UNDP-GEF joint assistance project, *Transforming the Global Aviation Sector: Emission Reduction from International Aviation*, is a USD 2 million project, including the development of guidance and supporting mechanisms to assist the identification and implementation of measures to reduce aviation CO₂ emissions, and a practical pilot project in Jamaica consisting of the implementation of a measure that could be replicated in other States.

5. UNFCCC – CLIMATE FINANCE

5.1 While the Paris Agreement and associated COP21 decision did not include reference to international aviation, one of the key elements in the Agreement is that developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, with a concrete roadmap to achieve the goal of jointly providing USD 100 billion annually by 2020 for mitigation and adaptation through 2025, while the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) shall set a new financial goal prior to 2025 from a floor of USD 100 billion per year (Paris Agreement, Article 9, and associated COP21 Decision, paragraphs 53 and 114).

5.2 It should be highlighted that in 2010, ICAO Member States adopted global aspirational goals for the international aviation sector of improving the sector's fuel efficiency by 2 per cent per year and keeping its global CO₂ emissions from 2020 at the same level (carbon neutral growth from 2020).

5.3 The achievement of the ICAO global aspirational goals requires adequate financial resources within the sector itself, enabling it to effectively respond to the global climate change challenge. It is of utmost importance that the development of a global MBM scheme for international aviation be treated as one element of a basket of mitigation measures to achieve the ICAO global aspirational goals, and not in isolation.

5.4 In this regard, the 38th Assembly urged that "ICAO and its Member States express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner" (Assembly Resolution A38-18, paragraph 30). The ICAO Assembly also requested Member States to communicate and coordinate with their delegations of Parties to the UNFCCC process regarding developments on international aviation and climate change under ICAO.

APPENDIX A

ICAO Council Declaration on International Aviation and Climate Change (18 November 2015)

Whereas ICAO and its Member States recognize the critical importance of providing continuous leadership to international civil aviation in limiting or reducing its emissions that contribute to global climate change;

Recalling the request for actions to the Council by the 38th Session of the Assembly in 2013, in the form of Assembly Resolution A38-18: *Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change*;

Recognizing that the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP21) is expected to adopt a protocol, another legal instrument or an agreed outcome with legal force on climate change applicable to all Parties for implementation from 2020;

The ICAO Council:

1. *Declares* that it will ensure continuous leadership of ICAO on environmental issues relating to international civil aviation, including greenhouse gas (GHG) emissions;

2. *Recalls* that the 37th and 38th Sessions of the Assembly in 2010 and 2013 resolved that ICAO and its Member States with relevant organizations would work together to achieve collective global aspirational goals for the international aviation sector;

3. *Welcomes* the fact that, as of November 2015, 83 Member States that represent more than 80 per cent of global international air traffic voluntarily prepared and submitted their Action Plans to reduce international aviation CO₂ emissions to ICAO;

4. *Welcomes* the actions, as reflected in States' Action Plans above, that ICAO Member States and the aviation industry have taken and intend to take to reduce aviation CO₂ emissions, including air traffic management modernization, acceleration of the use of fuel-efficient aircraft technologies, and the development and deployment of sustainable alternative fuels;

5. *Recalls* that the Assembly decided to develop a global market-based measure (MBM) scheme for international aviation, and *commits* to finalizing work on a global MBM scheme and making a recommendation that addresses key design elements and the mechanisms for implementation of the scheme from 2020, for decision by the 39th Session of the Assembly in 2016;

6. *Reaffirms* that the development of a global CO₂ Standard for aircraft is on track for adoption in 2016, and that the ICAO Global Framework for Aviation Alternative Fuels (GFAAF) continues to facilitate actions on sustainable alternative fuels for aviation;

7. *Emphasizes* that ICAO Member States require adequate capacity building and financial resources to address CO₂ emissions from international aviation and to effectively respond to the global climate change challenge; and

8. *Urges* ICAO and its Member States to express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner, as requested by Assembly Resolution A38-18, paragraph 30.

APPENDIX B

ICAO Assembly Resolution A38-18: Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change

Whereas ICAO and its member States recognize the critical importance of providing continuous leadership to international civil aviation in limiting or reducing its emissions that contribute to global climate change;

Reemphasizing the vital role which international aviation plays in global economic and social development and the need to ensure that international aviation continues to develop in a sustainable manner;

Whereas the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC) is to achieve stabilization of greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system;

Whereas the Kyoto Protocol, which was adopted by the Conference of the Parties to the UNFCCC in December 1997 and entered into force on 16 February 2005, calls for developed countries (Annex I Parties) to pursue limitation or reduction of greenhouse gases from “aviation bunker fuels” (international aviation) working through ICAO (Article 2.2);

Acknowledging that international aviation emissions, currently accounting for less than 2 per cent of total global CO₂ emissions, are projected to grow as a result of the continued development of the sector;

Whereas a comprehensive assessment of aviation’s impact on the atmosphere is contained in the special report on *Aviation and the Global Atmosphere*, published in 1999, which was prepared at ICAO’s request by the Intergovernmental Panel on Climate Change (IPCC) in collaboration with the Scientific Assessment Panel to the Montreal Protocol on Substances that Deplete the Ozone Layer;

Whereas the IPCC special report recognized that the effects of some types of aircraft emissions are well understood, it revealed that the effects of others are not, and identified a number of key areas of scientific uncertainty that limit the ability to project aviation’s full impacts on climate and ozone;

Whereas ICAO requested that the IPCC include an update of the main findings of the special report in its Fourth Assessment Report, published in 2007 and its Fifth Assessment Report to be published in 2014;

Noting the scientific view that the increase in global average temperature above pre-industrial levels ought not to exceed 2°C;

Acknowledging the principles and provisions on common but differentiated responsibilities and respective capabilities, and with developed countries taking the lead under the UNFCCC and the Kyoto Protocol;

Also acknowledging the principles of non-discrimination and equal and fair opportunities to develop international aviation set forth in the Chicago Convention;

Recognizing that this Resolution does not set a precedent for or prejudice the outcome of negotiations under the UNFCCC and its Kyoto Protocol nor represent the position of the Parties to the UNFCCC and its Kyoto Protocol;

Recognizing that the aspirational goal of 2 per cent annual fuel efficiency improvement is unlikely to deliver the level of reduction necessary to stabilize and then reduce aviation’s absolute emissions contribution to climate change, and that goals of more ambition will need to be considered

to deliver a sustainable path for aviation;

Noting that, to promote sustainable growth of aviation, a comprehensive approach, consisting of work on technology and standards, and on operational and market-based measures to reduce emissions is necessary;

Acknowledging the significant technological progress made in the aviation sector, with aircraft produced today being about 80 per cent more fuel efficient per passenger kilometre than in the 1960's;

Welcoming the agreement by the Committee on Aviation Environmental Protection (CAEP) of certification requirements for a global CO₂ Standard for aircraft;

Recognizing that air traffic management (ATM) measures under the ICAO's Global Air Navigation Plan contribute to enhanced operational efficiency and the reduction of aircraft CO₂ emissions;

Welcoming the adoption of the Aviation System Block Upgrades (ASBUs) strategy at the ICAO Twelfth Air Navigation Conference in November 2012;

Recalling that Assembly Resolution A37-19 requested the Council, with the support of member States, to undertake work to develop a framework for market-based measures (MBMs) in international aviation, including further elaboration of the guiding principles listed in the Annex to A37-19, for consideration by the 38th Session of the ICAO Assembly;

Recognizing the importance of avoiding a multiplicity of approaches for the design and implementation of MBM framework and MBM schemes;

Recalling that Assembly Resolution A37-19 requested the Council to explore the feasibility of a global MBM scheme to address emissions from international aviation;

Noting the decision of the Council on 9 November 2012, which recognized that the results of the qualitative and quantitative analysis of the three options for a global MBM scheme evaluated by the Secretariat with the support of the Experts on MBMs demonstrated that all three options were technically feasible and had the capacity to contribute to achieving ICAO's environmental goals, and that the Council agreed that further quantitative analysis of the three options needed to be undertaken to develop more robust and concrete conclusions;

Recognizing the potential desirability of a global MBM scheme in terms of providing an additional means of promoting achievement of the aspirational global goal referred to in paragraph 7;

Noting the support of the aviation industry for a single global carbon offsetting scheme, as opposed to a patchwork of State and regional MBMs, as a cost effective measure to complement a broader package of measures including technology, operations and infrastructure measures;

Noting that the Conference on Aviation and Alternative Fuels in November 2009 (CAAF/09) endorsed the use of sustainable alternative fuels for aviation, particularly the use of drop-in fuels in the short to mid-term, as an important means of reducing aviation emissions;

Also noting that the CAAF/09 established an ICAO Global Framework for Aviation Alternative Fuels (GFAAF);

Noting the progress achieved in proving the technological feasibility of drop-in sustainable alternative fuels for aviation and that such fuels will require the introduction of appropriate policies and incentives to create a long-term market perspective;

Acknowledging the need for such fuels to be developed and deployed in an economically feasible, socially and environmentally acceptable manner and the need for increased harmonization of the approaches to sustainability;

Noting that, consistent with Assembly Resolution A37-19, a substantial strategy for capacity building was undertaken by the Organization to assist the preparation and submission of States' action plans, including the holding of hands-on training workshops and the development of guidance material, an interactive web-interface and the ICAO Fuel Savings Estimation Tool (IFSET);

Welcoming that, as of 30 June 2013, 61 member States that represent 78.89 per cent of global international air traffic voluntarily prepared and submitted their action plans to ICAO;

Noting that the ICAO "Assistance for Action – Aviation and Climate Change" Seminar in October 2012 highlighted the active involvement of member States and international organizations in the activities related to States' action plans, explored possible sources of financial support for environmental action and provided an opportunity to share information and build partnerships in order to facilitate assistance identified by States for the preparation and implementation of their action plans;

Recognizing the different circumstances among States in their capacity to respond to the challenges associated with climate change and the need to provide necessary support, in particular to developing countries and States having particular needs;

Affirming that specific measures to assist developing States as well as to facilitate access to financial support, technology transfer and capacity building should be initiated as soon as possible;

Whereas the Kyoto Protocol provides for different flexible instruments (such as the Clean Development Mechanism — CDM) which would benefit projects involving developing States;

Affirming that addressing GHG emissions from international aviation requires the active engagement and cooperation of States and the industry, and *noting* the collective commitments announced by Airports Council International (ACI), Civil Air Navigation Services Organisation (CANSO), International Air Transport Association (IATA), International Business Aviation Council (IBAC) and International Coordinating Council of Aerospace Industries Associations (ICCAIA) on behalf of the international air transport industry, to continuously improve CO₂ efficiency by an average of 1.5 per cent per annum from 2009 until 2020, to achieve carbon neutral growth from 2020 and to reduce its carbon emissions by 50 per cent by 2050 compared to 2005 levels;

Recognizing the need to monitor and report the potential impacts of climate change on international aviation operations and related infrastructure; and

Recognizing the progress made by ICAO in its implementation of the Climate Neutral UN initiative and the significant support provided by ICAO to the initiative, in particular through the development of a common methodology for calculating GHG emissions from air travel;

The Assembly:

1. *Resolves* that this Resolution, together with Resolution A38-17: Consolidated statement of continuing ICAO policies and practices related to environmental protection - General provisions, noise and local air quality, supersede Resolutions A37-18 and A37-19 and constitute the consolidated statement of continuing ICAO policies and practices related to environmental protection;

2. *Requests* the Council to:

a) ensure that ICAO exercise continuous leadership on environmental issues relating to international civil aviation, including GHG emissions;

- b) continue to study policy options to limit or reduce the environmental impact of aircraft engine emissions and to develop concrete proposals and provide advice as soon as possible to the Conference of the Parties of the UNFCCC, encompassing technical solutions and market-based measures, and taking into account potential implications of such measures for developing as well as developed countries; and
- c) continue to cooperate with organizations involved in policy-making in this field, notably with the Conference of the Parties to the UNFCCC;

3. *Reiterates* that:

- a) ICAO should continue to take initiatives to promote information on scientific understanding of aviation's impact and action undertaken to address aviation emissions and continue to provide the forum to facilitate discussions on solutions to address aviation emissions; and
- b) emphasis should be on those policy options that will reduce aircraft engine emissions without negatively impacting the growth of air transport especially in developing economies;

4. *Reaffirms* that this Resolution does not set a precedent for or prejudice the outcome of negotiations under the UNFCCC and its Kyoto Protocol nor represent the position of the Parties to the UNFCCC and its Kyoto Protocol;

5. *Resolves* that States and relevant organizations will work through ICAO to achieve a global annual average fuel efficiency improvement of 2 per cent until 2020 and an aspirational global fuel efficiency improvement rate of 2 per cent per annum from 2021 to 2050, calculated on the basis of volume of fuel used per revenue tonne kilometre performed;

6. *Agrees* that the goals mentioned in paragraph 5 above would not attribute specific obligations to individual States, and the different circumstances, respective capabilities and contribution of developing and developed States to the concentration of aviation GHG emissions in the atmosphere will determine how each State may voluntarily contribute to achieving the global aspirational goals;

7. *Also resolves* that, without any attribution of specific obligations to individual States, ICAO and its member States with relevant organizations will work together to strive to achieve a collective medium term global aspirational goal of keeping the global net carbon emissions from international aviation from 2020 at the same level, taking into account: the special circumstances and respective capabilities of States, in particular developing countries; the maturity of aviation markets; the sustainable growth of the international aviation industry; and that emissions may increase due to the expected growth in international air traffic until lower emitting technologies and fuels and other mitigating measures are developed and deployed;

8. *Recognizes* the many actions that ICAO member States have taken and intend to take in support of the achievement of the collective aspirational goals, including air traffic management modernization, acceleration of the use of fuel-efficient aircraft technologies, and the development and deployment of sustainable alternative fuels, and *encourages* further such efforts;

9. *Agrees* to review, at its 39th Session, the goal mentioned in paragraph 7 above in light of progress towards the goal, studies regarding the feasibility of achieving the goal, and relevant information from States;

10. *Requests* the Council to continue to explore the feasibility of a long term global aspirational goal for international aviation, through conducting detailed studies assessing the attainability and impacts of any goals proposed, including the impact on growth as well as costs in all countries, especially developing countries, for the progress of the work to be presented to the 39th Session of the ICAO Assembly. Assessment of long term goals should include information from member States on their experiences working towards the medium term goal.

11. *Further encourages* States to submit their voluntary action plans outlining their respective policies and actions, and annual reporting on international aviation CO₂ emissions to ICAO;

12. *Invites* those States that choose to prepare or update their action plans to submit them to ICAO as soon as possible preferably by the end of June 2015 and once every three years thereafter, in order that ICAO can continue to compile the information in relation to achieving the global aspirational goals, and the action plans should include information on the basket of measures considered by States, reflecting their respective national capacities and circumstances, information on the expected environmental benefits from the implementation of the measures chosen from the basket, and information on any specific assistance needs;

13. *Encourages* States that already submitted their action plans to share information contained in their action plans and build partnerships with other member States in order to support those States that have not prepared their action plans;

14. *Encourages* States to make their action plans available to the public, taking into account the commercial sensitivity of information contained in States' action plans;

15. *Requests* the Council to facilitate the dissemination of economic and technical studies and best practices related to aspirational goals and to continue to provide guidance and other technical assistance for the preparation and update of States' action plans prior to the end of June 2015, in order for States to conduct their necessary studies and to voluntarily submit their action plans to ICAO;

16. *Resolves* that States, when designing new and implementing existing MBMs for international aviation should:

- a) engage in constructive bilateral and/or multilateral consultations and negotiations with other States to reach an agreement, and
- b) grant exemptions for application of MBMs on routes to and from developing States whose share of international civil aviation activities is below the threshold of 1% of total revenue ton kilometres of international civil aviation activities, until the global scheme is implemented;

17. *Requests* the Council to review the *de minimis*, including the *de minimis* threshold of MBMs mentioned in paragraph 16 b) above, taking into account the specific circumstances of States and potential impacts on the international aviation industry and markets, and with regard to the guiding principles listed in the Annex, to be presented for consideration by the 39th Session of the Assembly in 2016;

18. *Decides* to develop a global MBM scheme for international aviation, taking into account the work called for in paragraph 19;

19. *Requests* the Council, with the support of member States, to:

- a) finalize the work on the technical aspects, environmental and economic impacts and modalities of the possible options for a global MBM scheme, including on its feasibility and practicability, taking into account the need for development of

international aviation, the proposal of the aviation industry and other international developments, as appropriate, and without prejudice to the negotiations under the UNFCCC;

- b) organize seminars, workshops on a global scheme for international aviation participated by officials and experts of member States as well as relevant organizations;
- c) identify the major issues and problems, including for member States, and make a recommendation on a global MBM scheme that appropriately addresses them and key design elements, including a means to take into account special circumstances and respective capabilities as provided for in paragraphs 20 to 24 below, and the mechanisms for the implementation of the scheme from 2020 as part of a basket of measures which also include technologies, operational improvements and sustainable alternative fuels to achieve ICAO's global aspirational goals; and
- d) report the results of the work in sub-paragraphs a), b) and c) above, for decision by the 39th Session of the Assembly;

20. *Resolves* that an MBM should take into account the special circumstances and respective capabilities of States, in particular developing States, while minimizing market distortion;

21. *Also resolves* that special circumstances and respective capabilities of developing States could be accommodated through *de minimis* exemptions from, or phased implementation for, the application of an MBM to particular routes or markets with low levels of international aviation activity, particularly those serving developing States;

22. *Also resolves* that, the administrative burden associated with the implementation of an MBM to States or aircraft operators with very low levels of international aviation activity should not exceed the benefits from their participation in the MBM, and that exemptions from the application of the MBM to such States or aircraft operators should be considered, while maintaining the environmental integrity of the MBM;

23. *Also resolves* that adjustments to MBM requirements for aircraft operators could be on the basis of fast growth, early action to improve fuel efficiency, and provisions for new entrants;

24. *Further resolves* that, to the extent that the implementation of an MBM generates revenues, it should be used in consistency with guiding principle n) in the Annex;

25. *Recognizes* that in the short term voluntary carbon offsetting schemes constitute a practical way to offset CO₂ emissions, and *invites* States to encourage their operators wishing to take early actions to use carbon offsetting, particularly through the use of credits generated from internationally recognized schemes such as the CDM;

26. *Requests* the Council to collect information on the volume of carbon offsets purchased in relation to air transport, including through States' action plans submitted to ICAO, and to continue to develop and disseminate best practices and tools, such as the ICAO Carbon Emissions Calculator, that will help harmonize the implementation of carbon offset programmes;

27. *Requests* the Council to maintain and enhance appropriate standard, methodologies and a mechanism to measure/estimate, monitor and verify global GHG emissions from international aviation, and States support the work of ICAO on measuring progress through the reporting of annual data on traffic, fuel consumption and CO₂ emissions;

28. *Requests* the Council to request States to continue to support the efforts of ICAO on enhancing the reliability of measuring/estimating global GHG emissions from international aviation;

29. *Requests* the Council to regularly report CO₂ emissions from international aviation to the UNFCCC, as part of its contribution to assessing progress made in the implementation actions in the sector based on information approved by its member States;

30. While recognizing that no effort should be spared to obtain means to support the reduction and stabilization of CO₂ emissions from all sources, *urges* that ICAO and its member States express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner;

31. *Requests* the Council to:

- a) continue to play a pivotal role in providing assistance to its member States through the dissemination of the latest information on best practices and the provision of guidance and other technical assistance to enhance capacity building and technology transfer, including through the ICAO Technical Cooperation Programme;
- b) consolidate and build on the partnership with other international organizations to meet the assistance needs of ICAO's member States, including through their action plans, which will bring about reductions in international aviation emissions;
- c) initiate work immediately and as a priority in order to develop a process and mechanisms to facilitate the provision of technical and financial assistance, as well as facilitate access to existing and new financial resources, technology transfer and capacity building, to developing countries and report on results achieved as well as further recommendations, preliminarily by the end of 2015 and at the 39th Session of the Assembly; and
- d) continue to initiate specific measures to assist developing States as well as to facilitate access to financial resources, technology transfer and capacity building;

32. *Requests* States to:

- a) promote scientific research aimed at continuing to address the uncertainties identified in the IPCC special report on Aviation and the Global Atmosphere and in the Fourth Assessment report;
- b) ensure that future international assessments of climate change undertaken by IPCC and other relevant United Nations bodies include updated information, if any, on aircraft-induced effects on the atmosphere;
- c) consider policies to encourage the introduction of more fuel efficient aircraft in the market;
- d) accelerate investments on research and development to bring to market even more efficient technology by 2020;
- e) accelerate the development and implementation of fuel efficient routings and procedures to reduce aviation emissions;

- f) accelerate efforts to achieve environmental benefits through the application of technologies that improve the efficiency of air navigation and work with ICAO to bring these benefits to all regions and States, taking into account the Aviation System Block Upgrades (ASBUs) strategy;
- g) reduce legal, security, economic and other institutional barriers to enable implementation of the new ATM operating concepts for the environmentally efficient use of airspace;
- h) set a coordinated approach in their national administrations in order to develop policy actions to accelerate the appropriate development, deployment and use of sustainable alternative fuels for aviation, in accordance with their national circumstances;
- i) consider measures to support research and development as well as processing technology and feedstock production in order to decrease costs and support scale-up of sustainable production pathways up to commercial scale, taking into account the sustainable development of States;
- j) recognize existing approaches to assess the sustainability of all alternative fuels in general, including those for use in aviation which should:
 - 1) achieve net GHG emissions reduction on a life cycle basis;
 - 2) respect the areas of high importance for biodiversity, conservation and benefits for people from ecosystems, in accordance with international and national regulations;
 - 3) contribute to local social and economic development, and competition with food and water should be avoided;
- k) adopt measures to ensure the sustainability of alternative fuels for aviation, building on existing approaches or combination of approaches, and monitor, at a national level, the sustainability of the production of alternative fuels for aviation;
- l) work together through ICAO and other relevant international bodies, to exchange information and best practices, including on the sustainability of alternative fuels for aviation;

33. *Requests* the Council to:

- a) continue to develop and keep up-to-date the guidance for member States on the application of policies and measures aimed at reducing or limiting the environmental impact of emissions from international aviation, and conduct further studies with respect to mitigating the impact of international aviation on climate change;
- b) encourage States to cooperate in the development of predictive analytical models for the assessment of aviation impacts;
- c) continue evaluating the costs and benefits of the various measures, including existing measures, with the goal of addressing aircraft engine emissions in the most cost-effective manner, taking into account the interests of all parties concerned, including potential impacts on developing world;

- d) provide the necessary guidance and direction to ICAO's Regional Offices to assist member States with studies, evaluations and development of procedures, in collaboration with other States in the region, to limit or reduce GHG emissions on a global basis and work together collaboratively to optimize the environmental benefits that can be achieved through their various programmes;
- e) develop a global CO₂ Standard for aircraft aiming to finalize analyses by late 2015 and adoption by the Council in 2016;
- f) further elaborate on relevant fuel efficiency metrics, including for international business aviation, and develop and update medium and long term technological and operational goals for aircraft fuel burn;
- g) maintain and update guidance on ATM improvements and other operational measures to reduce international aviation emissions;
- h) implement an emphasis on increasing fuel efficiency in all aspects of the ICAO's Global Air Navigation Plan, and encourage States and stakeholders to develop air traffic management that optimize environmental benefits and to promote and share best practices applied at airports in reducing the adverse effects of GHG emissions of civil aviation;
- i) continue to develop and update the necessary tools and guidance to assess the benefits associated with ATM improvements, and assess the environmental benefits associated with the implementation of the Aviation System Block Upgrades (ASBUs) strategy;
- j) encourage member States and invite industry, financial institutions and other international organizations to actively participate in exchange of information and best practices and in further work under ICAO on sustainable alternative fuels for aviation;
- k) continue to maintain the ICAO Global Framework for Aviation Alternative Fuels (GFAAF);
- l) collect information on progress of alternative fuels in aviation, including through States' action plans, to give a global view of the future use of alternative jet fuels and to account for changes in life cycle GHG emissions in order to assess progress toward achieving global aspirational goals;
- m) work with financial institutions to facilitate access to financing infrastructure development projects dedicated to sustainable aviation alternative fuels and incentives to overcome initial market hurdles;
- n) monitor and disseminate relevant information on the potential impacts of climate change on international aviation operations and related infrastructure, in cooperation with other relevant international organizations and the industry; and
- o) continue to cooperate with the Climate Neutral UN initiative, remain at the forefront of developing methods and tools for quantifying aviation's GHG emissions with respect to the initiative, and further develop and implement the strategy for reducing GHG emissions and enhancing in-house sustainability management practices of the Organization.

Annex

The guiding principles for the design and implementation of market-based measures (MBMs) for international aviation:

- a) MBMs should support sustainable development of the international aviation sector;
- b) MBMs should support the mitigation of GHG emissions from international aviation;
- c) MBMs should contribute towards achieving global aspirational goals;
- d) MBMs should be transparent and administratively simple;
- e) MBMs should be cost-effective;
- f) MBMs should not be duplicative and international aviation CO₂ emissions should be accounted for only once;
- g) MBMs should minimize carbon leakage and market distortions;
- h) MBMs should ensure the fair treatment of the international aviation sector in relation to other sectors;
- i) MBMs should recognize past and future achievements and investments in aviation fuel efficiency and in other measures to reduce aviation emissions;
- j) MBMs should not impose inappropriate economic burden on international aviation;
- k) MBMs should facilitate appropriate access to all carbon markets;
- l) MBMs should be assessed in relation to various measures on the basis of performance measured in terms of CO₂ emissions reductions or avoidance, where appropriate;
- m) MBMs should include *de minimis* provisions;
- n) where revenues are generated from MBMs, it is strongly recommended that they should be applied in the first instance to mitigating the environmental impact of aircraft engine emissions, including mitigation and adaptation, as well as assistance to and support for developing States;
- o) where emissions reductions are achieved through MBMs, they should be identified in States' emissions reporting; and
- p) MBMs should take into account the principle of common but differentiated responsibilities and respective capabilities, the special circumstances and respective capabilities, and the principle of non-discrimination and equal and fair opportunities.

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RESERVATIONS TO RESOLUTION A38-18

The following reservations were recorded by the States indicated below⁶ in respect of specific provisions of Resolution A38-18 and are available on ICAO's website for the 38th Session of the Assembly:

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| Preambular paragraph 10 | Australia |
| Paragraph 6 | Australia |
| Paragraph 7 | Argentina, Australia, Bahrain, Brazil, China, Cuba, India, Lithuania (on behalf of the 28 Member States of the European Union (EU ⁷) and 14 other Member States of the European Civil Aviation Conference (ECAC ⁸)), the Russian Federation, Saudi Arabia and Venezuela (Bolivarian Republic of) |
| Paragraph 16 | Lithuania (on behalf of the 28 Member States of the EU and 14 other Member States of ECAC) and Singapore |
| Paragraph 16 b) | Afghanistan, Australia, Canada, Japan, New Zealand, Qatar, the United Arab Emirates and the United States |
| Paragraph 20 | Australia |
| Paragraph 21 | Australia |
| Annex Guiding principle p) | Australia, Canada, Japan, Lithuania (on behalf of the 28 Member States of the EU and 14 other Member States of ECAC), New Zealand, the Republic of Korea and the United States |

— END —

⁶ During the Sixth Plenary Meeting on 4 October 2013, the Islamic Republic of Iran made a reservation to paragraph 16 a) and b) but withdrew it by an e-mail dated 4 October 2013 to the Secretary General.

⁷ Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom

⁸ Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Iceland, the Republic of Moldova, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland, and The former Yugoslav Republic of Macedonia