



WORKING PAPER

ASSEMBLY — 40TH SESSION

EXECUTIVE COMMITTEE

Agenda Item 17: Environmental Protection – Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

THE PERSPECTIVE OF THE COUNTRIES OF LACAC ABOUT ICAO MEASURES RELATED TO AVIATION AND CLIMATE CHANGE

(Presented by Brazil and Guatemala with the support of LACAC Member States²)

EXECUTIVE SUMMARY

This working paper presents considerations from the countries of the Latin American region on the measures proposed by ICAO to achieve the aspirational goal of carbon neutral growth from 2020. The countries highlight the importance of CORSIA, but request that ICAO address further the other measures of the basket. These countries recognize the relevance of CORSIA and, in this regard, are seeking the implementation of the monitoring, reporting and verification system (MRV). In addition, they note the support of ICAO in this process under the Assistance, Capacity Building, and Training Programme for CORSIA (ACT-CORSIA) programme and call for its continuation. They also ask that ICAO promotes mechanisms to increase the participation of experts from the region in the technical discussions on CORSIA. Lastly, they underline the importance of the review mechanisms foreseen for 2022 and request that the Council's Committee on Aviation Environmental Protection (CAEP) carry out the studies necessary to support this review.

Action: The Assembly is invited to:

- a) Take note of the region's considerations on the importance of all elements of the basket of measures, including sustainable aviation fuels.
- b) Request the Council to continue the work of strengthening the capacities of States through seminars and workshops on MRV, within the framework of ACT-CORSIA.
- c) Invite the Council to take measures to increase geographical representation in the technical discussions on CORSIA within the scope of the CAEP.
- d) Call upon the Council to formulate, through CAEP, the cost-benefit and cost-effectiveness analyses of CORSIA, considering the environmental integrity and impacts on different types of air operators, which will support the review process in 2022.

Strategic Objectives:

This working paper relates to Strategic Objective E – Environmental Protection

¹ English and Spanish versions provided by Brazil, Guatemala and LACAC Member States.

² Aruba, Belice, Bolivia, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Honduras, Jamaica, México, Nicaragua, Panamá, Paraguay, Perú.

<i>Financial implications:</i>	No additional funding required.
<i>References:</i>	<ul style="list-style-type: none">• Resolution A39-3 of the ICAO Assembly• Resolution A39-2 of the ICAO Assembly

1. INTRODUCTION

1.1 Climate change is a complex issue requiring coordinated action among States when looking for an effective and fair solution, which shall consider the historical responsibilities, needs and different capacities of countries.

1.2 While the issue as a whole is dealt under United Nations Framework Convention on Climate Change (UNFCCC), ICAO is in charge of finding solutions for the greenhouse gas emissions from international civil aviation.

1.3 The Member States of LACAC that support this document understand that the basket of measures proposed by ICAO contains the relevant actions for the promotion of the sustainable development of the sector, meaning the operational, technological and infrastructural measures, the support for the development of sustainable aviation fuels and the market-based measures. These countries support that all the elements of the basket of measures should be equally developed and encouraged by ICAO.

2. DISCUSSION

2.1 In the recent years, strong emphasis has been placed on market-based measures at ICAO with the adoption of CORSIA. Although CORSIA is an important scheme that complements, on a provisional basis, the other measures of the basket, it should be noted that CORSIA cannot be considered as the most important or the only measure. In this regard, it is essential to find ways to explore and to make feasible the other elements of the basket as long term, effective solutions.

2.2 Operational measures, especially those related to better airspace management, can lead to significant efficiency gains and reductions in greenhouse gas emissions. Thus, cooperation for the implementation of more advanced air traffic management systems must be one of the priorities of aviation. In addition, infrastructure development and the adoption of best management practices can expand airport capacity, reducing inefficiencies and unnecessary emissions.

2.3 However, it is known that the transition to a low carbon sector requires technological disruptions. Thus, ICAO must follow and, within its limits and competences, stimulate the development of new technologies, such as, for example, electrification and low carbon fuels.

2.4 While these technologies are not commercially available, an important solution is the use of sustainable aviation fuels. Therefore, in the medium term, the availability of new aviation fuels that emit less than fossil fuel and have no negative secondary impacts on the environment will be fundamental. However, these fuels are not commercially available in large scale at competitive prices nowadays.

2.5 In this scenario, it is undeniable that CORSIA shows up as a necessary measure in the short term so that international aviation can achieve the aspirational goal of neutral growth of its

emissions. The LACAC countries congratulate the ICAO Secretariat and the group of experts that worked in the recent years on the development of standards and recommended practices (SARPs) and other elements necessary for the implementation of CORSIA.

2.6 CORSIA is now a reality and the ICAO Member States are seeking to adapt their domestic practices and regulations to implement the first part and pillar of the scheme, which is the emissions monitoring, reporting and verification (MRV).

2.7 It should be noted that the LACAC countries are committed to the implementation of the CORSIA MRV, but the Assembly should consider some common concerns.

2.8 The process of technical discussion on the mechanisms of implementation of CORSIA is very concentrated in specialists from few countries, with low participation of the countries of the Latin American region. Despite the efforts of the ICAO Secretariat to disseminate CORSIA through training activities and seminars, the countries of the region understand that there is a lack of participation in the structural discussions of CORSIA.

2.9 Considering the budgetary constraints of many countries, it is suggested that ICAO allow the transmission of technical meetings on this subject via Internet and make technical documents widely available. These would be two ways of broadening participation in the technical decisions on CORSIA.

2.10 In addition, it is worth highlighting the importance of the support given by the ICAO Secretariat to the countries for the implementation of the CORSIA MRV over the past year. The countries of the region request that ICAO continue these support activities through the ACT-CORSIA programme.

2.11 Finally, looking ahead, it is essential that this Assembly gives guidelines for the work of ICAO over the next three years with a view to subsidize the CORSIA review process scheduled for the 2022 Assembly. This review will only be effective if we have data available on the effective impact of CORSIA in terms of environmental integrity and possible distortions, and if the CAEP is requested to make the analyses necessary to subsidize the discussions in 2022.

3. CONCLUSION

3.1 The Assembly, in 2022, shall be able to make a cost-effectiveness analysis of CORSIA. In terms of cost, it will be necessary to analyze not only the total cost, but also to demonstrate transparently the burden for different countries, or groups of countries. Similarly, the impact of CORSIA on companies already established in the market, rapidly growing companies and new entrants should be analyzed. This analysis will be critical in assessing the regulatory quality of the measure, with regards to the competitiveness in international air transport.

3.2 To conclude, it is necessary to assess the environmental effectiveness of the measure. It is essential to demonstrate that countries' efforts will result in the desired environmental objective, with effective compensation of greenhouse gas emissions. To achieve this objective, the Council shall consider in its decision on the eligibility of compensation programmes, in addition to the primary fact of environmental integrity, the impacts in promoting sustainable growth in developing countries and in the different kinds of air operators.