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WORKING PAPER

ASSEMBLY — 41ST SESSION

EXECUTIVE COMMITTEE

Agenda Item 17: Environmental Protection – International Aviation and Climate Change

CONSIDERATIONS FOR THE LONG-TERM ASPIRATIONAL GOAL

(Presented by India)

EXECUTIVE SUMMARY

The paper presents considerations that would be necessary for a realistic and pragmatic LTAG including the concept of Global Net Zero so as to allow each State to contribute towards LTAG within its own national timeframe. The paper also suggests strong support mechanisms for LTAG so as to ensure that No Country is Left Behind.

Action: The Assembly is invited to resolve that:

a) ICAO's LTAG has to be consistent with the global principles of carbon neutrality and therefore there is need to work towards building commitment to 'Global Net Zero as per individual states' national timeframe', with clear indication of means of implementation supported by structured multi-lateral funding mechanism and capacity building policies;

b) ICAO as part of LTAG should make building assistance mechanisms priority, and provide developing countries with adequate technical, funding and capacity-building, so as to strengthen the efforts of developing countries to address international aviation and climate change. A report with proposals for assistance mechanisms including that for a multilateral fund should be presented for consideration of 42nd Assembly;

c) LTAG should not lead to non-tariff barriers on growth of international routes. It should not lead to a greater oligopoly market in airline industry on trans-continental routes. There are likely to be carbon taxes or penalties put in place on airlines who are not able to fulfill the net-zero target of industry as it indicated in EU-ETS Scheme of EU. If ICAO adopts a LTAG it should not create the basis for levying all kind of punitive action on airlines not adhering to it in future.

Strategic Objectives:	This working paper relates to the Environmental Protection Strategic Objective.
Financial implications:	
References:	

1. BACKGROUND

1.1 At the ICAO General Assembly held in September/October, 2019 the resolution A-40/18 (9) was adopted, which reads: "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 41st 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".

1.2 ICAO's CAEP LTAG-TG has carried out study regarding Long Term Aspirational Goal (LTAG) and submitted its report, which was released in the month of March 2022 to all the countries. It presents the background, methodologies, results and interpretations of the LTAG analysis. The CAEP report presents three aspirational scenarios low (IS1), mid (IS2) and high (IS3) generated for considering the LTAG. The three scenarios IS1, IS2, and IS3 generate Carbon Emissions savings of 39%, 68% and 87% respectively.

1.3 The High-Level Meeting on the feasibility of a Long-Term Aspirational Goal for international aviation CO2 emissions reductions (HLM-LTAG), convened by the International Civil Aviation Organization (ICAO) at its Headquarters in Montréal from 19 to 22 July 2022, reached the following conclusion: "ICAO and its Member States are encouraged to work together to strive to achieve a collective long-term global aspirational goal for international aviation (LTAG) of net-zero carbon emissions by 2050, in support of the Paris Agreement's temperature goal, recognizing that each State's special circumstances and respective capabilities (e.g., the level of development, maturity of aviation markets, sustainable growth of its international aviation, just transition, and national priorities of air transport development) will inform the ability of each State to contribute to the LTAG within its own national timeframe".

2. CONSIDERATIONS BY THE ASSEMBLY FOR LTAG

2.1 The three Scenarios of the CAEP report do not reach 100% reduction of carbon emissions from in sector measures- hence concept of Net Zero is not achievable by 2050.

2.2 The Paris Agreement agreed to climate neutrality by second half of the century, based on the concept of 'global peaking' as mentioned in Article 4 of Paris Agreement, which reads:

> "In order to achieve the long-term temperature goal, set out in Article 2, Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognizing that peaking will take longer for developing country Parties."

2.3 The HLM LTAG conclusions also refer to "…. each State's special circumstances and respective capabilities (e.g., the level of development, maturity of aviation markets, sustainable growth of its international aviation, just transition, and national priorities of air transport development) will inform the ability of each State to contribute to the LTAG within its own national timeframe".

2.4 Hence, any long-term goal of Net Zero Emissions, must mean a 'Global Net Zero' and not 'Individual Net Zero', wherein developed countries have to take the lead in pursuing a "Net-Minus" by the target year, to accommodate the "Net-Plus" of developing countries, as developing countries will take longer time to peak. It therefore is based on the principles of CBDR and Equity.

2.5 The aviation sector in developing countries will be seeing high growth whereas in the developed countries, it has already peaked or is very near to peak levels leading to very slow growth. The growth of aviation sector has a multiplier effect for increase in GDP and employment, the growth of aviation sector in developing countries has direct positive impact on other SDGs like poverty eradication and employment. Therefore, it is absolutely important that aviation sector of developing countries are allowed carbon space to achieve growth.

2.6 The technology and Sustainable Aviation Fuels (SAF) required for de-carbonisation of aviation are still in developing stage and there is no certainty over availability, accessibility and applicability. There is no certainty about the time when the technology and SAF will become commercially viable and accessible to all the countries so that no country is left behind. It is obvious that technology and SAF will first become available in developed countries and then in developing countries. Similarly, the resources required for deployment of technology and SAF will be more accessible to aviation sector of developed States than in developing States.

2.7 Further, the path being decided to achieve this goal is based on a complete revolution in technology, operations and fuels. There will be need for considerable costs for this transformation which will include: Capital expenditures, Infrastructure costs, Fuel technology transfer, capacity building, funding etc. This will have a very heavy cost implication on the aviation sector. This would require ICAO to ensure that appropriate support mechanisms are available to developing countries.

2.8 The CAEP report indicates that the total investments required for LTAG across all the segments of aviation sectors will range from 2873 billion USD to 8576 billion USD. Considering the Net Zero targets that are being considered, it would be safe to assume that the investments required will be even more than the higher side of the range as IS3 scenario predicts only 87% carbon emissions savings. For the LTAG to be achievable, it is essential that ICAO establishes a climate finance initiative or funding mechanism in the form a multilateral fund that ensures fair, transparent and equitable funding support to developing countries.

2.9 Given the above, it is proposed that if HLM LTAG conclusions are considered for LTAG then we have to consider Global Net-Zero, where developing countries will take longer to reach Net-Zero, this can only be compensated if developed countries reach Net-Zero earlier than 2050. In other words, in order to vacate the carbon space in 2050 for developing countries to grow, the developed countries should in fact, do a Net-Minus in 2050 (sequestering more carbon than emitted). That is, developed countries should do a Net-Zero much earlier, not just in 2050. It logically follows that if the developed countries are only doing individual Net-Zeros in 2050, we would in effect be moving farther away from achieving the Paris targets, for which developing countries cannot be held responsible.

2.10 There is need of a degree of flexibility for any long-term goals, in view of lack of availability of data, a clear trajectory of timelines for advancement in technology and operations and unknown challenges in moving forward on the path of SAF, for setting a inflexible 2050 as a deadline. It is absolutely imperative that if ICAO adopts Global Net Zero by 2050 it should be as an aspirational goal only, even more so, when the deadline of Net Zero by 2050 is clearly unachievable in the sector measures, as reported clearly by the CAEP report. Most importantly, contribution of each State towards achievement of LTAG would be according to special circumstances and respective capabilities (e.g., the level of development, maturity of aviation markets, sustainable growth of its international aviation, just transition, and national priorities of air transport development) of each State within its own national timeframe.

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