



DIRECTORS GENERAL OF CIVIL AVIATION-MIDDLE EAST REGION

Second Meeting (DGCA-MID/2)
(Jeddah, Saudi Arabia, 20-22 May 2013)

Agenda Item 8: Environmental Protection

FUNDAMENTAL PRINCIPLES OF INTERNATIONAL AVIATION & THE ENVIRONMENT

(Presented by the Arab Air Carriers Organization)

<p style="text-align: center;">SUMMARY</p> <p>This Working Paper highlights the position of the Arab Airlines with respect to reaching a global system that addresses the issue of aviation and the environment, and sets a number of principles to be used as a whole package in order to avoid divergent and individual actions by the States.</p>
<p style="text-align: center;">REFERENCES</p> <p>Kyoto Protocol, Chicago Convention, ICAO Resolutions</p>

1. INTRODUCTION

1.1 Kyoto Protocol which was signed and ratified by 191 countries except the United States (which signed with no intention to ratify) stipulated that developed countries commit to reduce their emissions, except those of international aviation and shipping

1.2 UNFCCC identified ICAO as THE reference to deal with aviation emissions

1.3 None of the Kyoto Protocol articles imposes any obligations on reduction of aviation emissions on the countries that are not included in the Annex 1, which included only developed countries.

1.4 ICAO Assembly acknowledged the principles of non-discrimination and equal and fair opportunities to develop international civil aviation set forth in the Chicago Convention, as well as the principles and provisions on common but differentiated responsibilities and respective capabilities under the UNFCCC and the Kyoto Protocol.

1.5 ICAO emphasized promoting 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; Noting that 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

1.6 ICAO 36th Assembly urged Contracting States to refrain from unilateral implementation of greenhouse gas emissions charges

1.7 ICAO 36th Assembly urged Contracting States not to implement an emissions trading system on other Contracting States' aircraft operators except on the basis of mutual agreement between those States

1.8 The EU adopted an emission trading scheme on fixed installations applicable as of 2005.

1.9 The EU unilaterally expanded its scheme to include emissions of flights to, from and within the EU as of 1/1/2012. It is worth mentioning that this expansion does not include shipping although it emits higher emissions than aviation.

1.10 Many countries opposed the application of the EU ETS on international aviation and some states endorsed laws or took measures to prevent their airlines from complying with the requirements of the EU ETS considering the EU move as a clear breach of the Chicago Convention and an infringement on national sovereignty of other countries and the airspace.

2. DEVELOPMENTS

2.1 The European Commission announced the suspension of the enforcement of the EU ETS on international flights for one year only, awaiting the outcome of the ICAO Assembly in Sept. 2013.

2.2 The European Commission announced that if ICAO fails to reach an acceptable agreement, then the EU ETS will restart again on flights into and out of Europe.

2.3 The general approach at ICAO is to adopt the Carbon Neutral Growth Strategy beyond 2020, be that through global mandatory offsetting (Option 1), global mandatory offsetting complemented by a revenue generation mechanism (Option 2) or a global emissions cap and trade system (Option 3). The approach includes taking into account the special situation of developing countries and investments made by airlines before that and grant exemptions to countries whose contribution to international air transport don't exceed a certain threshold. (ICAO 37th Assembly identified that States below 1% would not be expected to take early action to contribute towards the global goal)

3. FUNDAMENTAL PRINCIPLES OF A GLOBAL SYSTEM / FROM AACO POINT OF VIEW

3.1 Any global system to addresses the issue of aviation and the environment to be adopted by the International Organization of Civil Aviation (ICAO) must include the following principles.

3.2 The following principles are aimed to be the basis for an international consensus of a global system, thus avoiding divergent and individual actions by the States. These principles must be taken as a whole package and should not be adopted independently of each other:

- 1- Not to impose unilateral action on the environment by any country in the world outside of their national boundaries
- 2- No duplication of measures and withdrawal of all previous actions taken under the banner of the environment which were applied to international aviation.
- 3- Any revenues generated by states as a result of the adoption of the global system to be reinvested to improve the environmental performance of civil aviation
- 4- Any global system should be designed and chosen based on the ease and simplicity to administer and as the most cost effective in achieving emissions reduction
- 5- If a single, global economic measure cannot be achieved in a single step, a clear framework and pathway should be established to ensure that any economic measures developed in the interim meet the above key principles and will not impede progress towards a single global measure
- 6- Such framework must be carefully and tightly defined to ensure environmental integrity and avoid distortions and administrative complexity. A loosely formulated framework will only promote the proliferation of overlapping, incompatible and costly MBMs
- 7- Voluntary submission of action plans
- 8- The economic measure (Market Based Measures), if implemented, should be considered as a gap filler and hence be complementary to the other 3 measures (3 pillars) required by the governments:
 - a. Infrastructure development: to remove the congestion in the skies and airports
 - b. The presence of specific criteria for the aircraft and the engines industries
 - c. Enhancement of operational procedures for airlines to reduce emissions
 - d. The economic measure pillar should not be applied until the first other three pillars are implemented
- 9- Carbon Neutral Growth goal as adopted by ICAO assembly 2009 should not be implemented before 2020 at least
- 10- No monopoly or restriction of use of carbon certificates to be used for offset and the carbon market should be the international market and not a specific one
- 11- To recognize the investments made by airlines prior to the start of the single mechanism (called early actions). And taking into consideration the special needs of developing countries and the relative immaturity of certain aviation markets (called as high and fast growth)
- 12- If any state is exempted from market based measures obligation, or in the absence of action by any state to implement a market based measure, all incoming and outgoing flights to this country should be excluded from any market based measures, in order to maintain adherence to the Chicago Convention

4. RECOMMENDATIONS

4.1 AACO emphasizes the need for ICAO Contracting States to agree on a global framework, with principles established by ICAO, as the most appropriate means of addressing CO2 emissions from international aviation and avoid conflicting and unilateral policy measures.

4.2 Aviation should not carry the burden of taxes or fees resulting from its emissions. Aviation accounts for only 2% of the world's emissions.

4.3 Consideration should be given to the airlines which have not reached maturity in the developing countries by providing them with alleviations to provide a relative balance between the opportunities that airlines of mature countries have had without limitations and airlines of developing nations who didn't enjoy the same benefits.

4.4 A global system to tackle the environmental impact of aviation is required to avoid imposing and implementing conflicting and overlapping environmental procedures on the aviation sector by states individually, similar to the EU ETS, in addition to the various taxes imposed by many countries and the possibility of adopting new taxes.

4.5 The uncoordinated application of climate policy to aviation carries many risks. It could result in significant market distortion, increased administrative burden, and costs that are substantially higher than necessary for operators, while failing to adequately address aviation's carbon footprint.

4.6 Technology, operations and infrastructure measures should provide the long-term solution for aviation's sustainable growth. And, indeed, these are the most crucial pillars, as they bring emissions reductions within the industry while bringing synergistic benefits for the flying and shipping public.

5. ACTION BY THE MEETING

5.1 The meeting is invited to endorse the recommendation in para. 4.

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