



ASSEMBLY — 37TH SESSION

EXECUTIVE COMMITTEE

Agenda Item 17: Environmental protection

INTERNATIONAL CIVIL AVIATION AND CLIMATE CHANGE

(Presented by the Russian Federation)

EXECUTIVE SUMMARY

This document brings to the attention of the Assembly information about problematic issues, related to implementing market-based measures to economically encourage cutting greenhouse gas emissions in international civil aviation, and also a proposal in relation to creating conditions for adequate funding of ICAO programmes in the area of minimizing the adverse effect of aviation on the environment and climate change.

Action: The Assembly is invited to:

- a) support the leading role of ICAO in issues of civil aviation environmental protection;
- b) urgently request Contracting States to refrain from unilaterally introducing market-based measures before ICAO makes a global decision; and
- c) assign the ICAO Council, on the basis of the consultations with Contracting States to study the possibility of forming a targeted volunteer fund or reassigning existing ones to fund ICAO environmental programmes.

<i>Strategic Objectives:</i>	This working paper relates to the Strategic Objective C, <i>Environmental Protection – Minimize the adverse effect of global civil aviation on the environment.</i>
<i>Financial implications:</i>	Additional funding for environmental programmes is a possibility.
<i>References:</i>	Doc 9902, <i>Assembly Resolutions in Force</i> (as of 28 September 2007) A37-WP/25, <i>Consolidated Statement of Continuing ICAO Policies and Practices Related to Environmental Protection – Climate Change</i> A37-WP/27, <i>Developments in Other United Nations (UN) Bodies</i>

1. INTRODUCTION

1.1 In the period since the 36th session of the ICAO Assembly, a series of key meetings were held under ICAO's aegis on minimizing the adverse effect of aviation on the environment and climate

¹ Russian translation provided by the Russian Federation.

change, including four sessions of the Group on International Aviation and Climate Change (GIACC), a High-level Meeting on International Aviation and Climate Change (HLM-ENV) and the Conference on Aviation and Alternative Fuels (CAAF).

1.2. The final documents of the said meetings emphasize ICAO's leading role in resolving environmentally-related issues in international civil aviation. "Aspiration" global goals were determined to minimize the adverse effect of aviation on the environment and unanimous support was voiced for expediting development and implementation of technologies and procedures including renewal of the aircraft fleet and using alternative fuels which should facilitate achieving these goals sooner.

2. ISSUES OF IMPLEMENTING MARKET-BASED MEASURES OF ECONOMIC INCENTIVES

2.1 Since the 36th Session of the ICAO Assembly and during the ICAO events in 2008-2010 on environmental protection, the aviation community is divided in its opinion on next steps in implementing market-based measures to cut greenhouse gas emissions by civil aviation aircraft. Despite the lack of any globally agreed-to measures, some States have informed the world aviation community about their plans to introduce such measures unilaterally. Meanwhile, most of these States feel that a greenhouse gas trading scheme would be the most effective.

2.2 It is necessary to acknowledge that the majority of ICAO member States agreed with including market-based economic incentives in the basket of measures targeted at cutting civil aviation greenhouse gas emissions. However, there remain serious disagreements regarding the type and sequence of how these measures will be implemented, including the issue of common but differentiated responsibility (CBDR) which is clearly illustrated by the position of developed and developing countries.

2.3 One of the main discussion items was the issue of whether unilateral market-based incentives were acceptable and in particular, can some ICAO member States integrate the emissions of aircraft operators from other States into their quota trade systems without their consent. (The ICAO Council, citing resolution A36-22 of the ICAO Assembly, "*Urges Contracting States to refrain from unilateral implementation of greenhouse gas emissions charges*" and proposes being guided by the principle of integrating the emissions of other States' operators' aircraft on the basis of mutual consent, while continuing to analyze other approaches.) In addition, environmental experts confirmed that greenhouse gas emissions from the aviation sector are not regulated by the Kyoto Protocol of the UN Framework Convention on Climate Change and they cannot be included in a mandatory trading scheme under said protocol (due to a lack of recommendations in the protocol on how to build a trading scheme for aircraft engine emissions).

2.4 The "regional approach" announced by a number of States forcing foreign aircraft operators of other States onto market-based measures of financial incentives complicates competition in the field of international air transport. Besides the additional burden of exchanging statistics among States and air carriers, this approach in some instances could spark "environmental conflicts" between States and even regions. Meanwhile, the issue remains open as to whether national laws that place international obligations on third parties can apply to these parties as they do not constitute an international agreement.

2.5 The issue has not been resolved of how to use the funds resulting from applying market-based measures. There is an opinion that a part of these funds must be sent as aid to developing countries. However, issues remain open: what part of these funds will be used to provide such aid; how will the remaining funds be used and who will make the decision about that?

2.6 Taking into account the fact that the problem of global warming evidently is global, it seems that said issues can be solved only by a consensus of all interested parties by taking on a global level in the ICAO framework decisions that will be mandatory for all parties.

3. ISSUES OF FUNDING ICAO'S ENVIRONMENTAL PROGRAMMES

3.1 The High-level Meeting on International Aviation and Climate Change recommended the ICAO Council to review the issue of including resources for environmental protection activity in ICAO's regular programme budget and analyze the possibility of introducing voluntary contributions.

3.2 The CAAF conference recommended that Contracting States continue efforts to financially support research and development in the area of sustainable alternative fuels and other measures to reduce greenhouse gas emissions. In addition, according to recommendations of said Conference on aviation and alternative fuels ICAO must take measures to ensure access to financial resources to fund this activity.

3.3 Clearly including environmental protection programmes in the ICAO Regular Programme Budget when observing zero nominal growth (ZNG) of the budget will have an adverse effect on the feasibility of implementing ICAO programmes in other priority areas of the organization, such as aviation safety and security. At the same time, we cannot rule out the possibility that the funds intended under the ICAO Regular Programme Budget for environmental projects will be insufficient to yield the "aspiration" goals.

3.4 Decisions taken at the High-level Meeting on International Aviation and Climate Change (HLM-ENV) and goals set will require significant material resources and human resources, and their implementation for some Contracting States without the support of the world aviation community may be an impossible task. In this connection, ICAO also should take a leading role in recruiting the necessary financial resources, as well as acting as a coordinator of environmental protection measures taken on behalf of the world aviation community. Meanwhile, one of ICAO's priorities should be creating conditions that ensure the consistent and thorough implementation of measures dedicated to minimizing the adverse effect of civil aviation on the environment and achieving global "aspiration" goals as soon as possible.

3.5 As one of the options for adequate funding for measures to achieve global "aspiration" goals, we could consider keeping the principle of voluntary contributions as an additional source of funding for ICAO environmental programmes, including an aid programme for certain States and regions. These voluntary contributions may be generated either under existing funds by repurposing them or separately. Meanwhile it needs to be recognised that such an approach could lead to an unequal flow of finances and as a result, will not make it possible to implement planned mid-term and long-term environmental projects, including in terms of giving substantive aid to developing countries.

3.6 It would seem that said steps will facilitate conditions for States to make a rightful contribution to ICAO global and regional programmes based on common but differential responsibility.