



ASSEMBLY – 35TH SESSION

EXECUTIVE COMMITTEE

Agenda Item 15: Environmental protection

CHARGES RELATED TO AIRCRAFT EMISSIONS

(Presented by the African States²)

Summary

This paper sums up the outcome of ICAO work regarding the development of guidance for States that may wish to explore emission-related charging mechanisms. It reflects also the position of African States on the matter.

The action to be taken by the Assembly is given in paragraph 4

1. INTRODUCTION

1.1 According to Resolution A33-7, the 33rd Assembly considered the developments that have taken place since the 32nd Session of the Assembly in the field of aircraft engine emissions including improved understanding of their impact and of possible means of limiting or reducing greenhouse gas emissions from aviation, in its Appendix H (Environmental Impact on Civil Aviation on the Atmosphere) and Appendix I (Market-Based Measures Regarding Aircraft Engine Emissions).

1.2 The 33rd Session of the Assembly requested the Council to continue to pursue the question of emission-related levies aimed at reaching a conclusion prior to the next Assembly session.

1.3 In CAEP/6, the activities undertaken to execute the mandate from the 33rd Session of the Assembly, i.e. “to carry out further studies and develop guidance on emission-related levies” were presented. This included a framework for guidance for those States that might wish to implement CO₂-related emissions charges, and described the outstanding issues and points of disagreement that had surfaced during the development of the framework.

1.4 Outstanding issues that have been identified during the development of guidance and additional issues that have been addressed during CAEP/6 include the following:

¹ French version provided by the African States.

² Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Cote d’Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe

- a) level of detail for guidance (is the guidance that has been developed sufficiently detailed for States to use in developing emission-related charges programmes or is simply a list of issues to address?);
- b) legal issues (most relate to how-and even if-existing ICAO's Policies on Charges can be applied to a CO₂ specific charge);
- c) geographical scope of charges (charging is possible over sovereign territories, but emissions also occur over high seas and these have to be addressed through a multilateral or global agreement);
- d) responsibility for emissions (imposing charges only on air carriers or other parties responsible for emissions?);
- e) implications for developing countries (actions taken should take into account their relatively small contribution to the overall level of aviation-related emissions);
- f) existing emission-related charges for local air quality;
- g) design of a revenue-neutral charge (a previous analysis conducted by a CAEP Working Group had concluded that from the information available the group had been unable at this time to develop any form of parameter that correlates sufficiently well with aircraft/engine performance on which such a charge should be based);
- h) application of funds (a list of possible applications was included in the guidance framework); and
- i) guidance on how to conduct cost/benefit analyses of charges.

1.5 The outcome of CAEP/6 relating to the above mentioned matters shows that the development of further guidance on emission-related charging mechanisms requires more in-depth analyses at several levels so as to result in a solid understanding of all issues involved for the subsequent approval by the 188 ICAO Contracting States.

2. DISCUSSION

2.1 The ICAO Council acknowledges that it might not be easy to resolve the aforementioned complex issues. The Council noted however that some possible new approaches may be considered in order to reduce the emissions impact on the environment.

2.2 Detailed studies conducted by CAEP/6 aimed at providing additional guidance to States highlighted a great number of issues for which some disagreement still exists.

2.3 Indeed, studies conducted so far concerning the cost/benefits of charges on CO₂ emissions lead to different interpretations and give rise to doubts as regards costs/benefits given that the criteria and parameters as adopted do not give a real picture of air transport, notably in developing countries.

2.4 Furthermore, there are no accepted means to assess precisely the costs of climatic change-related damages due to aircraft engine emissions. The very nature of emissions is global in scope and their

impact is not only local or regional. Emissions levies cannot be identified properly or be attributable directly to aircraft and the air transport industry as a whole.

2.5 Discussions on the issues raised revealed that Standards set in Annex 16, Volume II on emissions relating to CO, NO_x, HC, particles etc. aim at reducing the impact of aircraft engines on the environment, but should not be considered as a basis for a mechanism and guidance material for emissions levies.

2.6 Levying charges on emissions will have a negative impact on any State for which air transport is a tool for socio-economic development. In clear terms, developing countries and their airlines will be in an unfavourable situation with respect to operations bearing in mind the limited size of their markets. This would create an economic barrier due to an increase in operating costs.

3. CONCLUSION

3.1 The CAEP/6 meeting failed to reach a consensus agreement on the framework of guidance, and while scope remained for further study of points raised during the discussions it is questionable if CAEP can resolve these problems due to different views on essential aspects, without additional guidance from the Council.

3.2 Apart from the discussions on the proposed guidance material, there were some underlying concerns on the context in which charges might be applied in the following three main areas:

- a) the need to protect the economic interests of developing States;
- b) the present situation of the airline industry in light of the downturn in traffic and the consequential reduction in CO₂ production; and
- c) the need to ensure that actions taken would be consistent with the commitments under the United Nations Framework Convention on Climate Change (UNFCCC) process.

4. ACTION BY THE ASSEMBLY

4.1 The Assembly is invited to:

- a) note the above information;
 - b) amend, based on the draft revised text appended to the ICAO working paper A35-WP/76, the current text in Appendix I (*Market based measures regarding aircraft engine emissions*) of Assembly Resolution A33-7 - *Consolidated Statement of continuing ICAO Policies and practices related to environmental protection*, to reflect the decision taken as regards the proceedings on emissions charges.
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