



WORKING PAPER

ASSEMBLY — 36TH SESSION

EXECUTIVE COMMITTEE

Agenda Item 17: Environmental protection

ADDRESSING AVIATION EMISSIONS BASED ON THE PRINCIPLE "COMMON BUT DIFFERENTIATED RESPONSIBILITIES"

(Presented by China)

EXECUTIVE SUMMARY

With the growth of global air transportation, the issue of aviation emissions and its impact on climate change is drawing increasing concerns from the international community. Technology, operation and improving infrastructure are the measures focused by industry stakeholders to address aviation emissions, while market and government-based economic measures to address aviation emissions will be a much more challenging core issue in future. The adoption of economic measures to address aviation emissions should be discussed by States within the framework of International Civil Aviation Organization (ICAO). ICAO should take the lead in researching and assessing those economic measures and addressing aviation emissions based on the principle of “common but differentiated responsibilities” and the principles of consensus, active participation and broad cooperation, oppose the adoption of any unilateral action and non-differentiated coercive emissions-reduction measures, oppose the adoption of non-differentiated global emissions trading, and urge to include civil aviation into the Clean Development Mechanism (CDM) as soon as possible.

Action: The Assembly is invited to:

- a) reaffirm the provisions, purposes and principles of the UNFCCC and its Kyoto Protocol, recognize the common but differentiated responsibilities of developed and developing countries to address climate change, emphasize any decision to be taken by ICAO on addressing civil aviation emissions shall be in conformity with the UNFCCC and its Kyoto Protocol, and request all parties to refrain from any kind of unilateral measures;
- b) maintain the moratorium on greenhouse gas charges;
- c) encourage UNFCCC Annex I Parties to reach agreement on emissions trading guidelines within the framework of the ICAO. Non Annex I parties shall not be obliged to participate in such emissions trading under the guidelines;
- d) encourage ICAO to consult with the UNFCCC to study the feasibility of carrying out CDM project in the sector of civil aviation;
- e) urge ICAO to continue to conduct research and assessment on the impact of measures to address civil aviation emissions on global air transport industry, especially on that of the developing countries;

f) call on the developed countries to provide additional financial, technological and training support to developing countries to strengthen their capacity to address civil aviation emissions.	
<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective C (<i>Environmental Protection - Minimize the adverse effect of global civil aviation on the environment</i>).
<i>Financial implications:</i>	Not applicable.
<i>References:</i>	

1. INTRODUCTION

1.1 The CO₂ emissions, produced by aviation using fossil fuels, account only 2% of the global CO₂ emissions, and are relatively low. However, the aviation CO₂ emissions are attracting more and more concern, because of the unique characteristics of aviation to transport people and goods between long distances.

1.2 Air transport industry is becoming more and more popular, has been recognized as an environment-friendly industry because of its safety, efficiency and convenience which meets the demand of people's travel and the transportation of goods. In addition, due to providing public service, air transport is an industry that affects public interests.

1.3 As prescribed in Article 2.2 of Kyoto Protocol, the Parties included in Annex I of UNFCCC shall pursue limitation or reduction of emission of greenhouse gases from aviation, working through the ICAO.

1.4 The exploration of measures to address greenhouse gas emissions from aviation needs broad cooperation. The developed and developing countries could conduct comprehensive discussions within the framework of ICAO. It must be pointed out that the international community must envisage the issues, such as how to deal with the balance between civil aviation development and environment protection properly, and how to address aviation greenhouse gas emissions, while complying with the provisions of the UNFCCC and its Kyoto Protocol.

2. PROPOSED MEASURES TO ADDRESS AVIATION EMISSIONS

2.1 Aviation industry has achieved certain improvements on addressing aviation emissions, such as the Research and Development of aviation technology and its application (e.g. R&D of substitute fuel), improving aircraft operation efficiency, and secure infrastructural capability.

2.2 The economic measures to address aviation emissions are mainly voluntary measures, government-based measures and market-based measures.

2.3 Government-based measures include carbon tax, charge, fine, deposit, subsidy and public control; market-based measures derive from the three flexible mechanisms of Kyoto Protocol, usually in the form of Emission Trading (ET) and Clean Development Mechanism (CDM). Because of the principle

of UNFCCC and Kyoto Protocol and different economic systems, States may have different countermeasures and choices on selections from either government-based or market-based measures to address aviation emissions.

2.4 ICAO makes efforts to limit or reduce aviation emissions by technology, operation, market-based measures and other actions, specifically voluntary measures, government-based measures (emissions-related charges) and market-based measures (emissions trading and CDM). Regarding market-based measures, ICAO has provided seven options and suggestions, focusing particularly on emissions trading.

2.5 Market-based measures are designed to make aircraft operators consider future benefits and tendency of costs that are incurred by emissions reduction. The costs that are incurred by addressing emissions should be borne by the aircraft operator itself. Such a market-based measure makes the internalization of external cost of emissions become the aircraft operator's own issue, and would make the aircraft operator have to take every measure to address aviation emissions.

2.6 Clean Development Mechanism (CDM) is a market-based measure. A developed country could implement CDM project in developing countries and gain Certified Emission Reductions (CERs) from it; on one hand, it meets part of emission reduction targets by relatively low cost through "emission reduction abroad", it helps developed countries to reduce the pressure of meeting the overall emission reduction target. On the other hand, implementation CDM project in these developing countries is consistent with developing countries' economic and social development targets of facilitating technological improvement, protecting regional and global environment and their strategies of sustainable development. Therefore, CDM is a win-win mechanism for both developing and developed countries.

2.7 According to UNFCCC and its Kyoto Protocol, emissions trading can be only applied to UNFCCC Annex I countries. In addition, such "cap and trading" mechanism is unfair to developing countries' air transport industries which are still undergoing the growing period. Therefore, the Parties not included in Annex I should not be imposed such coercive duty on emissions trading..

3. SUGGESTIONS ON ADDRESSING AVIATION EMISSIONS

3.1 The legitimacy, environmental effectiveness, cost effectiveness and feasibility should be taken into consideration when assessing abovementioned measures. The different "route reliance" to address aviation emissions by different countries, developing countries in particular, should be taken into consideration.

3.2 Addressing aviation emissions is a development issue, not merely an environmental issue. Developed countries' air transport industries have developed for a long time. The developed countries should take the lead in addressing climate change and its adverse impact, reducing greenhouse gas emissions, and providing support to developing countries in order to strengthen their capacity to address climate change. For developing countries whose civil aviation industries have just started, in order to develop the economy and improve standards of life, the fuel consumption as well as greenhouse gas emissions from air transportation will definitely grow. However, such greenhouse gases emission is the "survival emission" that is prescribed as "the first and overwhelming priority for developing country to achieve its economic and social development and to eliminate poverty" in UNFCCC.

3.3 To address aviation emissions, we should strengthen cooperation between developed and developing countries, seek a way of sustainable development that is consistent with the framework of existing international law and each State's condition, and avoid any restraint to the sustainable development of air transportation.

3.4 Principles

- a) In compliance with the principle of "common but differentiated responsibilities" of UNFCCC;
- b) In compliance with the principle of consensus within the framework of ICAO;
- c) In compliance with the principle of active participation and broad cooperation.

3.5 Suggestions

3.5.1 UNFCCC and its Kyoto Protocol have set the foundations to guide actions to address aviation emissions. ICAO should play the main role in this regard, and oppose any unilateral action and any other non-differentiated coercive emission reduction measure.

3.5.2 According to the Kyoto Protocol, emissions trading could only be applied among developed countries. Oppose any global emission trading initiative which is non-differentiated and without agreement among States.

3.5.3 Maintain the resolution of moratorium on greenhouse gas emissions charges agreed in the 35th Session of the ICAO Assembly.

3.5.4 ICAO should consult with UNFCCC to explore the feasibility of implementing aviation-related CDM projects in developing countries as soon as possible; meanwhile, both developed and developing countries could carry out preliminary research on CDM in aviation sector.

3.5.5 Considering economic development and people's living condition in developing countries, the developed countries should provide financial, technological and training support to developing countries to improve developing countries' capacity to address aviation emissions.