

Global Aviation Dialogues (GLADs) on Market-Based Measures to address Climate Change

Key Elements of an Aviation MBM



Environment, Air Transport Bureau
International Civil Aviation Organization (ICAO)



- Key Elements of an Aviation MBM
 - A scope
 - An objective
 - A baseline
 - A common approach for all participants to contribute to the attainment of the objective
 - Monitoring, reporting and verifying emissions
 - Environmental integrity of emissions units
 - Registry
 - Compliance cycle
 - Enforcement mechanism
- Planning to A39



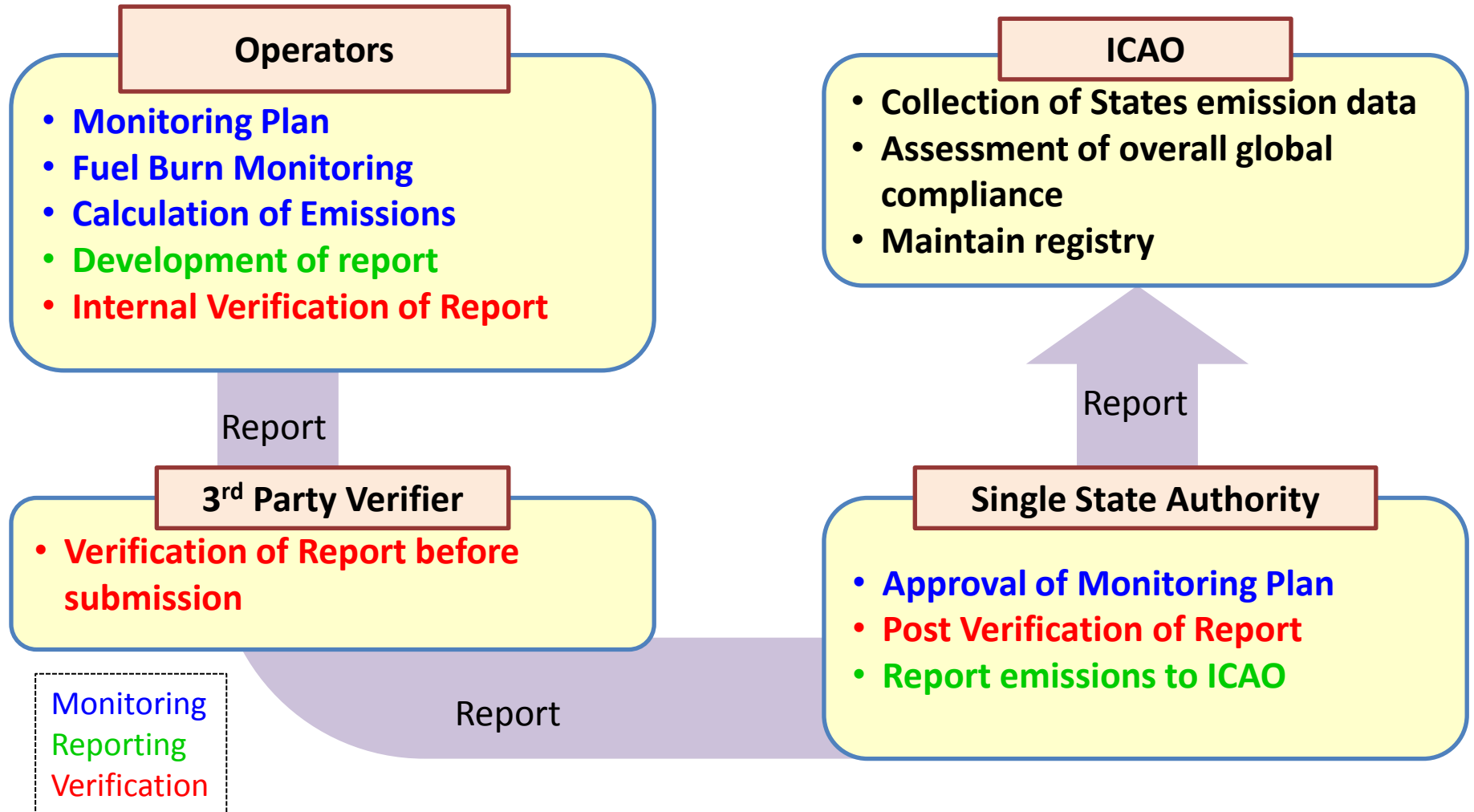
- **Scope**
 - **Type of greenhouse gas emissions**
 - CO₂ only
 - **Type of flights**
 - International flights
 - **Attribution of emissions in international airspace**
 - Every international flight is only covered once for its full length, to avoid double counting
 - **Sustainable alternative fuels**
 - Provisions for accounting emissions from flights using sustainable alternative fuels needs to be defined (in the current CAEP Work Programme)



- Objective
 - ICAO's aspirational goal is carbon neutral growth from 2020
- Baseline
 - International aviation emissions in 2020
- A common approach for all participants to contribute to the attainment of the objective:
 - Distributes obligations among operators
 - Adjustments and/or exemptions might be needed



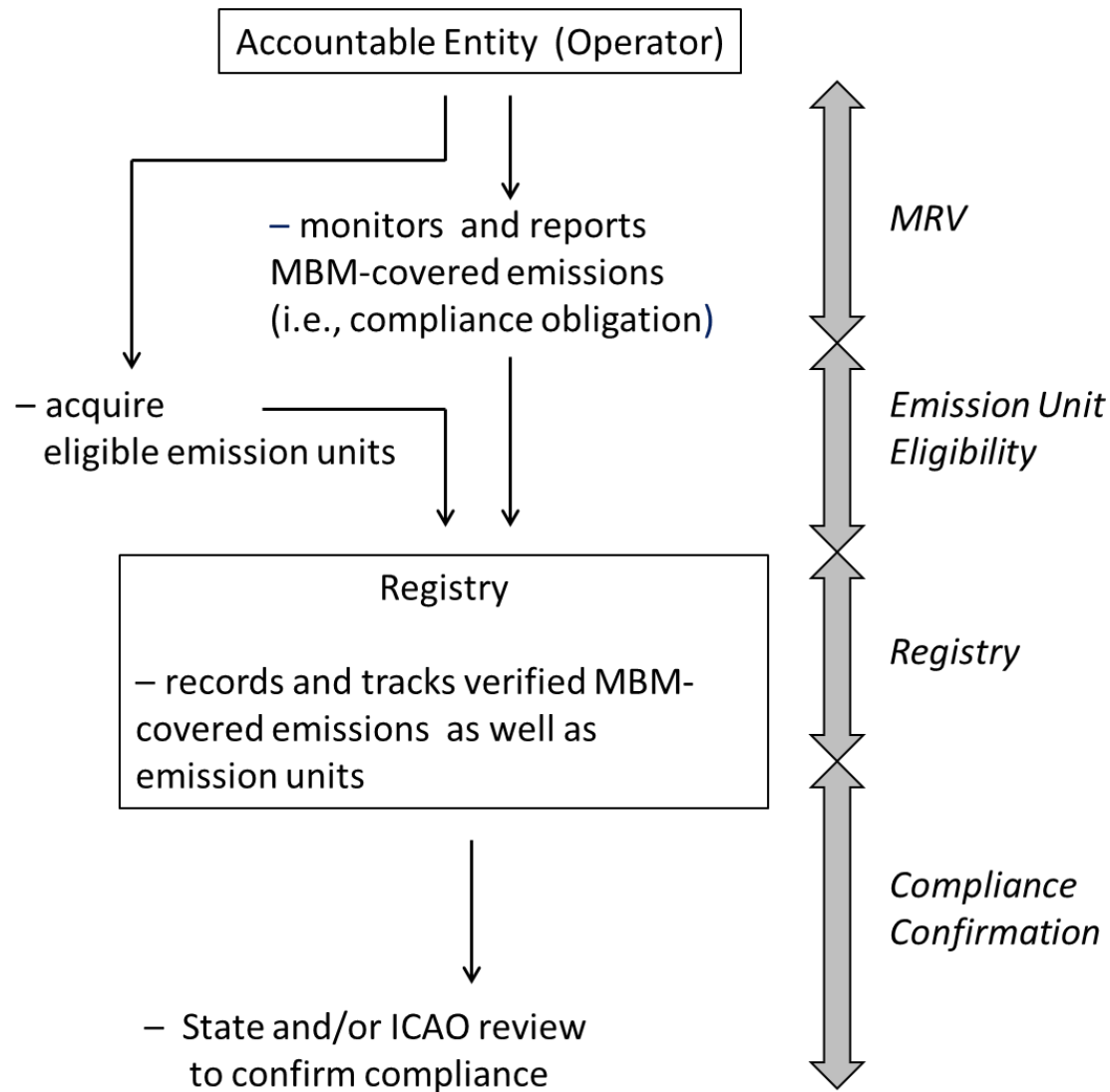
- **Monitoring, reporting and verifying emissions**
 - Purpose: to collect data on international aviation emissions annually and compare emissions against the baseline
 - Components:
 - Monitoring of fuel use and calculation of CO₂ emissions (1 tonne fuel burn = 3.16 tonnes CO₂ emissions)
 - Reporting of emissions data, a basis to establish annual obligation
 - Verification of reported emissions data to ensure completeness and avoid misstatements



- Environmental integrity of emissions units
 - Quality: emissions units must correspond to actual emission reductions (e.g.: real, permanent, additional, verified)
 - Quantity: emissions units must not be counted for more than one purpose in this MBM and/or other MBMs (no double counting)
 - Compliance: need to cancel an adequate amount of emissions units to offset emissions above the baseline
- Registry
 - Track compliance of participants of the MBM
 - Avoid double counting by recording all transactions centrally
 - Help assess progress towards the goal
 - Maintains transparency for participants and stakeholders

There are two main types of emissions units, and a variety of issuers worldwide

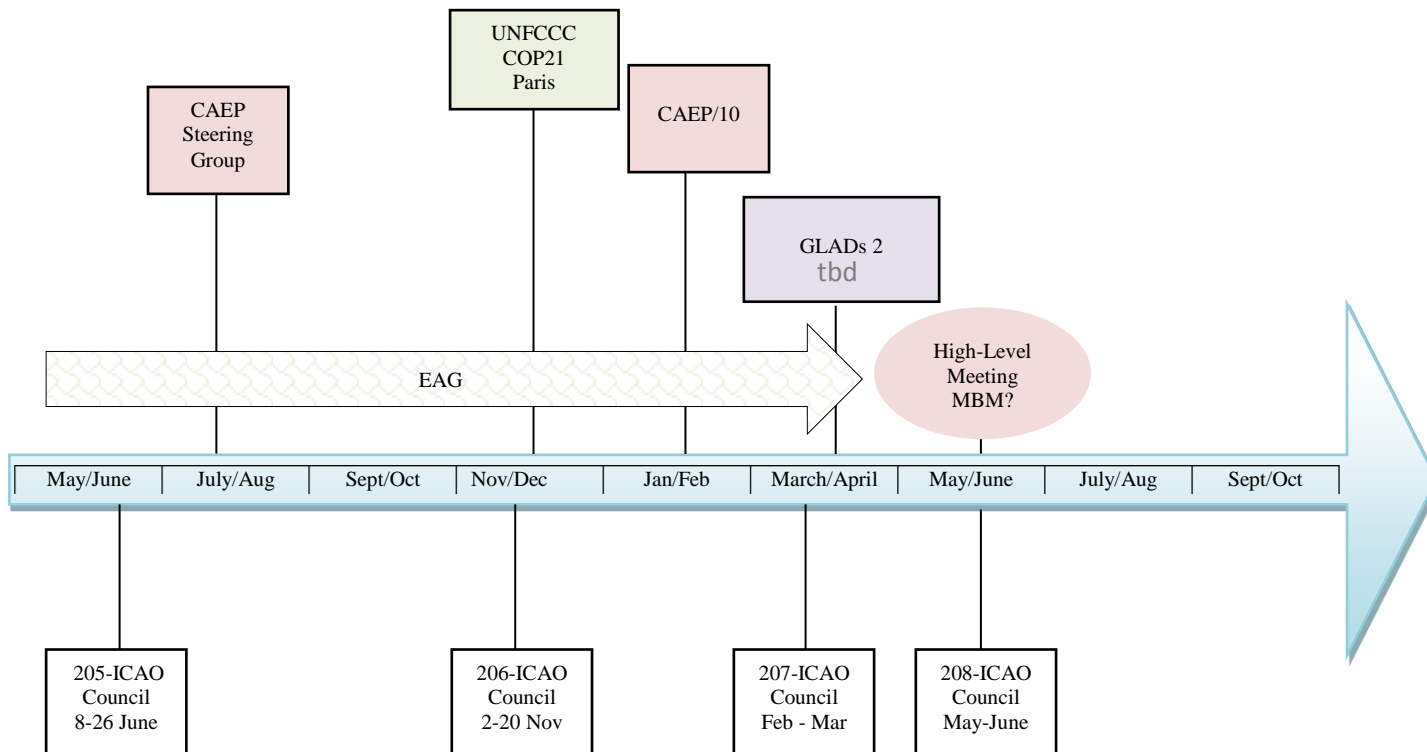
Type of unit	Definition	Examples of issuers
“Allowance”	Units issued by an ETS Correspond to the emissions cap established by the ETS	National/subnational governments
“Credit”	Units issued by a crediting programme Correspond to emissions reductions that have been monitored, reported and verified	UNFCCC (CDM) National/subnational governments Third parties/Voluntary Markets





- Compliance cycle
 - Monitoring of emissions
 - Reporting of emissions
 - Verification of emissions
 - Cancellation of emissions units (compliance)
- Enforcement mechanism
 - States agree to relevant Assembly Resolution and potential ICAO standards
 - It is expected that States will then adopt provisions to implement and enforce the scheme for covered operators

GLADs 2015



ICAO Assembly 2016