ICAO Agreement on CO₂ emissions from aviation

At its 39th triennial Assembly, the International Civil Aviation Organization (ICAO) reached an agreement to tackle international aviation emissions. The first agreement of this type applying to a specific sector of the economy, its key component is the establishment of a global market-based measure to offset CO₂ emissions from international aviation.

Background
International aviation accounts for approximately 1.3% of global CO₂ emissions and, with the anticipated growth in traffic, emissions are expected to increase by almost 300% over the coming decades, if nothing is done to curb them. Consequently, the development of a global market-based measure (GMBM), as part of a basket of measures designed to mitigate the climate change impacts of international aviation, has been on the ICAO agenda for several years. In October 2013, the 38th ICAO Assembly resolved that, together with its member states and the relevant stakeholders’ organisations, it would work towards developing a global market-based mechanism to address international aviation emissions, in order to deliver carbon-neutral growth from 2020. While in the EU, emissions from all flights from, to and within the European Economic Area (EEA) are included in the EU emissions trading system (EU ETS), the EU ETS requirements for flights to and from non-European countries were suspended in order to allow time for international negotiations with a view to the setting up of a global solution for international aviation.

Content of the agreement
On 7 October 2016 the 39th ICAO Assembly adopted a resolution for the establishment of a global market-based measure in the form of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), to offset CO₂ emissions from international aviation above 2020 levels. Voluntary during the pilot and first phase (until 2026), participation will become mandatory for all states in phase II (as of 2027), though exemptions would apply to small island developing states, least developed countries, landlocked developing countries, and countries with low levels of aviation activities. Already over 65 states, including all EU Member States, have expressed their intention to participate voluntarily in the scheme from the start. Basically, to compensate CO₂ emissions growth above 2020 levels in international aviation and achieve carbon-neutral growth over time, emitters (i.e. airlines) would buy emissions units (representing 1 tonne of CO₂) from green projects, to compensate excess CO₂ levels. Contrary to the EU emissions trading system (EU ETS), which is a ‘cap and trade’ scheme, the GMBM is an ‘offsetting scheme’ implying that emissions can grow as long as they are compensated by offsets. The ICAO and participating states are expected to adopt the implementing tools and measures needed to have the mechanism operational in 2021. The 39th ICAO Assembly also agreed on CO₂ standards for aircraft, which are dependent on the craft’s weight and whether it concerns a ‘new type’ or an aircraft already ‘in-production’.

EU position and next steps
The EU has pushed for the adoption of the ICAO global scheme, underlining the need for international civil aviation to contribute to achieving the goals of the 2015 Paris Agreement on climate change. Reducing aviation emissions was also highlighted by the Commission as a priority in the 2015 Aviation Strategy for Europe and in the 2016 European Strategy for Low-Emission Mobility. The European Parliament has advocated in many resolutions, for example in November 2015, measures to tackle emissions of international transport notably aviation, and in October 2016, its expectations regarding GMBM and its position concerning amendment of the existing EU ETS legislation. The Commission will report soon to the Parliament and the Council on the ICAO Assembly outcome and may, if appropriate, propose some changes to the EU ETS.