

ICAO Agreement on CO₂ emissions from aviation

At its 39th triennial Assembly in 2016, 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. Work is going on, at both EU and ICAO level, in order to have the new system operational in 2021.

Background

Air transport has [become](#) one of the fastest-growing sources of greenhouse gas emissions - in 2016, [aviation](#) accounted for 3.6 % of the total EU-28 greenhouse gas emissions – and with the anticipated growth in traffic, global international emissions are, according to ICAO, expected to [increase](#) by a further 300-700 % by 2050. 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 civil 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), although exemptions would apply to small island developing states, least developed countries, landlocked developing countries, and countries with low levels of aviation activities. Basically, to compensate for 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. ICAO and the 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 aircraft's weight and whether it concerns a 'new type' or an aircraft already 'in production'.

EU position and coherence with EU law

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. In [October 2017](#), Parliament recalled 'that while intra-European flights will continue to be covered by the EU ETS, any changes to the existing

legislation and the scheduled operationalisation of CORSIA can only be considered in the light of the system's level of ambition and the implementing measures yet to be developed'. In the [mission letter](#) to the Commissioner-designate for Transport, Rovana Plumb, the European Commission President-elect notably asks the former to play a leading role in international forums, notably in negotiations on global emissions reduction within the International Civil Aviation Organization.

In light of the [adoption](#) of a global measure to address the growth in international aviation emissions globally from 2021 through an offsetting system (CORSIA), the EU has decided to maintain the current limitation of the EU ETS to intra-EEA flights, and to prepare for the implementation of the global market-based measure as of 2021. Two of the key elements of the [regulation](#) consist notably of:

- maintaining the current scope limitations of the EU ETS, particularly by **prolonging the derogation** for non-intra-European Economic Area (EEA) flights until 31 December 2023, when the 'first' phase of CORSIA will begin;
- establishing provisions for a review aimed at implementing the global market-based measure within the EU, particularly in the ETS Directive, when all ICAO decisions have been taken;

The anticipated review, described in Article 28b of the Regulation, in particular states: 'Before 1 January 2019 and regularly thereafter, the Commission shall report to the European Parliament and to the Council on progress in the ICAO negotiations to implement the global market-based measure to be applied to emissions from 2021'. It further states that, 'Within 12 months of the adoption by the ICAO of the relevant instruments, and before the global market-based measure becomes operational, the Commission shall present a report to the European Parliament and to the Council in which it shall consider ways for those instruments to be implemented in Union law through a revision of this Directive. The Commission shall, in that report, also consider the rules applicable in respect of flights within the EEA, as appropriate.'

Since the end of 2016, work has been going on within ICAO in order to put in place the technical elements needed for [CORSIA](#)'s implementation. In [June](#) 2018, the ICAO Council approved the CORSIA [Standards](#) and Recommended Practices (SARPs), covering in particular the sets of rules that airlines need to monitor, report and verify their emissions from 2019, building the baseline for the voluntary phase starting in 2021. In [March](#) 2019, the ICAO Council adopted the full set of emissions units eligibility criteria. Work is continuing regarding the additional 'Implementation [Elements](#)' needed, such as rules on eligible fuels and emission units that can be used to comply with CORSIA offsetting requirements. To implement CORSIA's provisions, the participating states will have to adopt the necessary national law.

As of 5 November 2018, 76 states, including all EU Member States, had officially notified ICAO their intention to participate voluntarily in the pilot and first phase of CORSIA. Altogether, they represent approximately 76 % of international aviation activity in terms of revenue tonne kilometres (RTKs). States can notify their intentions to participate on an annual basis during the voluntary period. The EU continues to push its international partners to join the scheme, and to start offsetting emissions when the voluntary phase begins in 2021.

In order to implement CORSIA within Europe and internationally, the European Commission is supported by EASA and Eurocontrol.

Next Steps

ICAO's 40th triennial Assembly is due to take place between 24 September and 4 October 2019. Among the points to be discussed is a draft [resolution](#) revising the 2016 resolution establishing CORSIA, in light of the developments which have taken place since then. One of the key issues will be the part of the draft resolution which states that CORSIA is 'the only global market-based measure applying to CO₂ emissions from international aviation so as to avoid a possible patchwork of duplicative State or regional MBMs, thus ensuring that international aviation CO₂ emissions should be accounted for only once'. Such an 'exclusivity clause', likely to be adopted by ICAO, raises concern at EU level as it could threaten the compatibility between CORSIA and ETS, and undermine the ability of the EU to legislate autonomously on the issue.

This updates an ['at a glance' note](#) from October 2016.

