



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 December 2005

15328/05

**ENV 581
AVIATION 188**

INFORMATION NOTE

from : General Secretariat of the Council
to Delegations

No. prev. doc. : 14631/05 ENV 539 AVIATION 170

No. Cion doc. : 12790/05 ENV 433 AVIATION 133 - COM(2005) 459 final + ADD 1

Subject : Reducing the climate change impact of aviation
- Council conclusions

Delegations will find attached the text of the Conclusions as adopted by the Council (Environment) on 2 December 2005.

Reducing the climate change impact of aviation

- Council conclusions -

The Council of the European Union,

1. RECALLS the need, in developing the EU's medium and long-term strategy to combat climate change and initiating a process among all Parties to the United Nations Framework Convention on Climate Change (UNFCCC), to explore how further to implement this Convention to achieve its ultimate objective by developing a post-2012 arrangement, to ensure the widest possible co-operation by all countries, include all important greenhouse gases, sectors and mitigation options, drive technological innovation, employing an optimal mix of "push" and "pull" policies, promote the transfer of technologies to appropriate markets, and provide for the continued use of market-based and flexible instruments.
2. RECALLS the 6th Community Environment Action Programme (EAP) calls for the identification and undertaking of specific actions to reduce greenhouse gas emissions from aviation if no such action is agreed within the International Civil Aviation Organisation (ICAO) by 2002; REAFFIRMS the numerous past Council Conclusions which recognise global emissions from aviation as a serious and growing problem and have called for action as set out in the 6th EAP; and RECOGNISES that the European Union, as a major player in global aviation accounting for about half of the CO₂ emissions from international aviation reported by Annex I Parties to the UNFCCC, has a responsibility to pursue courses of action to address the climate impact of aviation.
3. RECOGNISES that Member States have obligations under international law, notably arising from the Convention on International Civil Aviation (the Chicago Convention) and the UNFCCC and NOTES the European Union's position that, until the aviation sector has reached the point of fully addressing its climate impact, all policy instruments with the capability of reducing this climate impact should be maintained as potential options .

4. WELCOMES the Commission Communication "Reducing the climate impact of aviation" on tackling the urgent problem of aviation emissions as an important step in analysing the options for further action and RECOGNISES this Communication as being a specific response to calls by the Council for action to be taken.
5. RECOGNISES that, in view of the urgency of the issue, follow-up work on the Communication must receive prompt attention from Member States; AFFIRMS the assessment of the Commission in its Communication that a comprehensive and consistent approach to tackling the climate impact of aviation is needed, and STRESSES that existing policies and actions should continue and be strengthened, and complemented with additional cost-effective approaches.
6. RECOGNISES that, from an economic and environmental point of view, the inclusion of the aviation sector in the EU Emissions Trading Scheme (EU ETS) seems to be the best way forward, in view of emissions trading already having been implemented within the EU and it holding greater potential for application internationally than other policy alternatives; therefore, URGES the Commission to bring forward a legislative proposal by the end of 2006 which is both environmentally meaningful and economically efficient, accompanied by an impact assessment which provides detailed analysis of the environmental, economic including competitiveness and social impacts, including inter alia analysis of the effects of the inclusion of the aviation sector on:
 - the trading scheme, including the price of allowances, and in conjunction with the general review of the Emissions Trading Scheme, potential impacts on the price of electricity and the competitiveness of the energy sector, including energy-intensive industry;
 - the competitive market between air carriers;
 - the competitive market between different modes of transport;
 - the diversity of situations in the various regions of the Community including islands, the Outermost Regions and Overseas Countries and Territories.

7. WELCOMES the decision of the Commission to set up an Aviation Working Group under the second phase of the European Climate Change Programme with the task of considering ways of incorporating the climate impact of aviation into the EU ETS; EMPHASISES the need to apply the system under uniform conditions to both EU and third country carriers; NOTES that the design of the system should take into account the diversity of the various regions of the Community including islands, the Outermost Regions and Overseas Countries and Territories and RECOGNISES that the following issues are at the centre of the further debate: the type of entity made responsible for aviation's climate impact, the extent to which the full impact is addressed, the types of flights covered, the approach taken for calculating and apportioning the sector's overall emissions limitation; and the interplay with the Kyoto Protocol. Without prejudice to the outcomes of further technical analysis by the Aviation Working Group, TAKES NOTE that the following preliminary guiding principles should be taken into account:

- The entity made responsible should be the air carriers and aircraft operators, as they have the most direct control over the type of aircraft in operation and the way in which they are flown;
- In order to minimise potential negative trade-offs between the different impacts and safeguard the environmental integrity of the overall scheme, both the CO₂ and non-CO₂ impacts of aviation should be addressed to the extent possible. In doing so, the uncertainties surrounding certain impacts should be balanced against the risks they pose to the climate. Pending scientific progress in developing more suitable metrics for comparing the different impacts, a pragmatic approach is needed. The Aviation Working Group should assess this issue further;
- The objective should be to provide a workable model for aviation within emissions trading in Europe that can be extended or replicated worldwide. In environmental terms, the preferred option is to cover all flights departing EU airports as limiting the scope to intra-EU flights would address less than 40% of the emissions from all flights departing from the EU. Work within the Aviation Working Group should further consider this issue and should, in particular, address competition issues such as the impact on relative market shares of EU and non-EU carriers and minimising distortions in the market;

- Given the level of integration in the Community's air transport market, the methodology for distributing the total number of allowances allocated to the aviation sector within that sector should be harmonised at EU level. However, the Aviation Working Group should further consider this issue;
- The inclusion of aviation should not adversely affect the accounting system established in Commission Regulation (EC) No 2216/2004 to ensure consistency between trading under the EU ETS and trading under the Kyoto Protocol.

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