



**COUNCIL OF
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INFORMATION NOTE

from: Commission
to: Council
Subject: Aviation / ETS update
– Information from the Commission

Delegations will find in Annex an information note from the Commission on the above-mentioned subject, which will be dealt with under "Any other business" at the meeting of the Council (Transport, Telecommunications and Energy) on 10 June 2013.

Update on ICAO negotiations and "Stopping-the-clock"

Information note by the Commission

This note provides an update on the international negotiations to prepare a climate change Resolution for the 2013 ICAO Assembly, and the EU's 'stopping-the-clock' with regard to the enforcement of the EU Emission Trading System (ETS) in 2012 for international flights to and from Europe.

The 'stop-the-clock' decision, which Parliament and Council adopted on 25 April 2013, makes clear that the temporary one year derogation from enforcement has been provided with a view to facilitate an agreement at the 2013 ICAO Assembly on:

- a realistic timetable for the development of a global market-based measure (MBM) beyond the 2013 ICAO Assembly,
- a framework for facilitating the comprehensive application of national and regional MBMs to international aviation (pending the application of the global MBM).

Global MBM

At the last meeting of the ICAO High-level Group for Climate Change (HGCC) in March, the European members have put forward a roadmap for the development of a global MBM until the next ICAO Assembly in 2016. The presentations by NGOs and the industry, as well as the analysis carried out by sector experts at the request of the ICAO Council, have clearly confirmed that market-based measures are necessary to achieve emissions reductions targets for the aviation sector. Operational and technical measures and sustainable alternative fuels are an important part of the action, but they are most likely simply not enough.

Acknowledging this, the aviation industry itself – through IATA – has at their recent meeting in South Africa come forward with a proposal for a global MBM. This initiative by IATA is expected to inject a positive momentum to the discussion on international aviation emissions at ICAO. To deliver on the task of addressing international aviation emissions assigned to the ICAO in 1997, ICAO States should build on this IATA Assembly initiative to develop an ambitious global MBM.

Framework for MBM

The MBM framework is intended to provide guidance and policy principles to facilitate the application of national and regional MBMs. The HGCC has narrowed down the options for the geographical scope to be either based on departing flights, or on different variants of regional and national airspace. In the context of the MBM framework, the EU supports a departing flights approach. However, the consideration of alternative approaches should continue and be assessed in view of their potential to reduce international aviation emissions, and of an overall ambitious outcome at the ICAO Assembly. The global MBM, which should be agreed, developed and implemented over the next years, and the application of national or regional MBMs – like the EU ETS – in the interim, should together achieve meaningful emissions reductions that match or exceed the levels foreseen to result from the application of the full scope of the EU ETS to aviation.