

72ND IATA ANNUAL GENERAL MEETING

RESOLUTION ON THE DEVELOPMENT OF A GLOBAL MARKET-BASED MEASURE FOR INTERNATIONAL AVIATION

Whereas at the 69th IATA AGM in 2013, IATA member airlines adopted a Resolution which strongly endorsed “the continuing efforts of its member airlines and States within ICAO to develop a comprehensive proposal towards a single, global market-based mechanism (GMBM) to address CO₂ emissions from aviation under ICAO”;

Whereas that Resolution outlined a series of principles to be taken into consideration in determining responsibilities for individual aircraft operators;

Recalling that ICAO Assembly Resolution A38-18 decided to develop a GMBM scheme for international aviation for decision by the 39th Session of the Assembly in 2016;

Emphasizing that there needs to be a strong commitment from all stakeholders, including governments and non-governmental organizations, working together on all elements of the global aviation community’s four pillar strategy to address CO₂ emissions from international aviation, through technology improvements, including sustainable alternative fuels, operational improvements, infrastructure measures and a GMBM to fill any remaining emissions gap;

Recognizing that ICAO must continue to play a leading role in these efforts;

Emphasizing further that a global MBM for aviation should only be considered as part of a broader basket of measures to address aviation’s CO₂ emissions, including advances in airframe and engine technologies, sustainable alternative fuels, operational improvements and infrastructure measures that cannot be achieved by cost-effective in-sector reduction measures; that it should not be designed or used to raise general revenues or to suppress demand for air travel; that it must ensure environmental integrity and maximize geographical coverage, while minimizing competitive distortion and administrative complexity,

Resolution

The 72nd IATA Annual General Meeting:

1. Endorses the continuing efforts of its member airlines and other industry stakeholders to develop and implement efficiency and emissions reduction measures to address CO₂ emissions from aviation as part of broader ambitions within the global community to address climate change and to safeguard sustainable development;
2. Urges governments to adopt at the 39th ICAO Assembly a mandatory and global carbon offset mechanism to address CO₂ emissions from international aviation in a cost-effective manner, which can be implemented from 2020 and which is consistent with the recommended design elements as set out in **Appendix I** to this Resolution;
3. Calls upon governments to work constructively with industry to support the continued growth of a safe, orderly and efficient global air transport system through the consistent and coordinated implementation of the uniform global mechanism, which should obviate the need for existing and new economic measures to be applied to emissions from international aviation on a regional or national basis.

**RECOMMENDED DESIGN ELEMENTS FOR A GLOBAL CARBON OFFSET
MECHANISM
FOR INTERNATIONAL AVIATION**

- **Phased implementation** – a phased approach to the inclusion of routes between certain States could address differentiation between States by taking into account their special circumstances and respective capabilities in a practical way, thus recognizing the different levels of maturity of aviation markets, provided that the criteria adopted to classify States do not cause market distortions and all operators on the same route are treated equally, irrespective of their State of origin.
- **Technical exemptions** - for very small aircraft, small operators and specific types of operations, technical exemptions should be included. This limits the administrative burden on some operators that only account for a negligible share of CO₂ emissions from international aviation. A time-limited exemption for new entrant operators should also be included.
- **Baseline calculation** - using a single year to determine the baseline ignores the risk that the industry's measured emissions in 2020 could be affected by extraordinary circumstances that disrupt the level of aviation activities in that year. Using an average of emissions over a period of 2 or 3 years would allow any potential unforeseen fluctuations that may occur to be evened out.
- **Distribution of obligations** –this should be determined by States at the 39th ICAO Assembly giving due consideration to an appropriate weighting between a sectoral and an individual component, recognizing that the weighting may change over the lifetime of the GMBM scheme. Part of the overall package to be agreed by States could also include specific adjustments for fast growing airlines or those who have taken CO₂ reduction measures prior to the entry into force of the GMBM in 2020.

To ensure clarity and certainty for operators, clear methodologies for the **calculation of the distribution of obligations** should be agreed by States at the 39th ICAO Assembly.

- **Pre-implementation phase** - if States agree that the GMBM should include a pre-implementation (or pilot-) phase for an initial period prior to full implementation, this should focus on gaining experience with standardized monitoring, reporting and verification processes without delaying the planned GMBM start date of 2021.
- **Re-distribution** – emissions which are not covered by the scheme, as the result of phased implementation or exemptions, should not be **re-distributed** to those operators which are subject to the scheme.
- **No duplicative measures** – the GMBM should be the sole, global mechanism to address CO₂ emissions from international aviation, obviating the need for any **duplicative regional or national measures**.

- **Reporting and compliance cycle** – the **monitoring and reporting of emissions** should be done on a yearly basis, with a three-year compliance cycle for the **surrendering of carbon offsets**, in order to give operators maximum flexibility for the acquisition of carbon offsets to cover their offset obligations.
- **Review of the scheme** – the inclusion of a detailed, specific and regular **review clause** would allow for any issues that may arise during the implementation of the scheme to be addressed.
- **Carbon units** – aircraft operators should have as **broad access** as possible to the carbon markets and be able to use any **carbon emissions units** that meet the environmental integrity and other eligibility criteria to be agreed by States at ICAO. These should include, but not be limited to, all emissions units currently or to be accepted under the United Nations Framework Convention on Climate Change, including from REDD+ activities.
- **Cost safeguard** - a provision to trigger a fundamental review of the GMBM if certain cost parameters are exceeded may be considered appropriate by States but this should not directly interfere with natural carbon market dynamics nor influence the price or availability of emissions units.