



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 19 March 2013

7471/13

ENV	208
AVIATION	41
MI	198
IND	72
ENER	91

NOTE

from: General Secretariat
to: Delegations

Subject: EU ETS/Aviation
- Information from the Commission

Delegations will find attached an information note on the above, submitted by the Commission, to be dealt with under "other business" at the meeting of the Council (Environment) on 21 March 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 Scheme (ETS) in 2012 for international flights to and from Europe.

Key issues at ICAO

Following the ICAO Council meeting of 9 November 2012, the High-level Group on Climate Change (HGCC) was set up to work on a number of key climate change issues on the agenda for the ICAO 2013 Assembly. The HGCC has met in December and January and will meet again at the end of March. The European representatives in the HGCC have made two submissions to this third HGCC meeting. These are on a global market-based measure, and on the coverage of geographic scope options for the framework for MBMs.

The HGCC work is centred on three strands of work, notably:

1. ICAO Framework for Market Based Measures (MBM)

An ICAO MBM framework should provide guidance and policy principles to enable the application of national and regional MBMs. The key outstanding issue is the geographic scope of a national or regional MBM. In the context of such an ICAO framework, the EU would favour a departing-flight approach, under which a country would decide on timing and content of appropriate measures for its departing flights. Nationality- and airspace-based approaches are also under discussion.

2. Global MBM scheme

The ICAO expert group has assessed three options for a global MBM (Offsetting, Offsetting with revenue, Emissions trading) as technically feasible. Ideally, the HGCC should be seeking to set a clear way forward for the development of a global MBM scheme by launching real negotiations and establishing a timeline for agreement and implementation. However, the HGCC discussions on this item have been very limited and the majority of the HGCC members have shown little interest. An agreement in principle on a global MBM would be clear progress. The industry and civil society representatives have been invited to make presentations on MBM options and expectations at the next HGCC.

3. Basket of non-market based measures

There exist several technological and operational measures (e.g. state action plans, CO₂ aircraft standards) to reduce the climate impacts of aviation. The EU is in favour of these measures and supports such action. However, the EU considers that these measures are on their own insufficient to deliver the necessary emission reductions.

'Stopping-the-clock' in 2012 for international flights to and from Europe

The Commission proposal has been discussed by the Parliament committees and the Council and provisional agreement was reached at the Trilogue on 12 March. The aim is for the agreement to be formalised soon.

To achieve full legal certainty for national authorities and aircraft operators, the 'stop-the-clock' proposal should enter into force before the date of 30 April 2013 when in line with the legislation surrendering of allowances with regard to 2012 emissions is required. Any delay in the legislative process could lead to serious administrative and legal complications.

A firm and coordinated line has to be maintained with regard to the implementation and in particular the submission of verified emission reports by end March and surrender of allowances by end April 2013. To avoid distortion, all aircraft operators (including those registered outside the EU) need to fully comply for flights operated within Europe in 2012. It will be important to have a common enforcement approach in cases of non-compliance by aircraft operators.
