



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 19 June 2012**

**11488/12**

**AVIATION 103  
RELEX 549**

**"I" ITEM NOTE**

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from: General Secretariat  
to: COREPER

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No. prev. doc.: 11486/12 AVIATION 102 RELEX 548

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Subject: Preparation of the 196th session of the ICAO Council  
- European Union coordination of a common position

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**1. BACKGROUND**

The discussions to take place in the next meeting of the ICAO Council<sup>1</sup> will focus on the results of the work on MBMs carried out since the previous session of the ICAO Council (March 2012) by the ICAO Secretariat, with the assistance of experts from a number of states and international organisations, and overseen by the Ad-hoc Working Group on Market Based Measures. The working paper transmitted by the Ad-hoc Working Group to the ICAO Council presents the results of the work conducted since March and requests the ICAO Secretary General to continue further work, both on the evaluation of options for a global MBMs scheme and on developing an ICAO framework for MBMs, and to report on progress made to the ICAO Council during its next session (29 October - 16 November 2012).

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<sup>1</sup> Dates for the 196th Council Session:  
Committee phase: 30 April - 18 May 2012  
Council phase: 1 - 29 June 2012

In March, the ICAO Council had agreed that four options for a global MBMs scheme should be further evaluated:

- Global Mandatory Offsetting (Option 1);
- Global Mandatory Offsetting complemented by a revenue generation mechanism (Option 2);
- Global Emissions Trading (Cap & Trade System) (Option 3); and
- Global Emissions Trading (Baseline & Credit System) (Option 4).

On 26 June, the ICAO Council will be invited to confirm the recommendation of the Ad-hoc Working Group, i.e. to concentrate further work on the first three options and leave out Option 4 on the grounds that in practice it would effectively be the same as an offsetting option (e.g. Option 1), but with added complexity.

The ICAO Council will also be invited not to require further study on establishing an emissions price for revenue mechanism in Option 2 (Global Mandatory Offsetting complemented by a revenue generation mechanism). The work on an ICAO framework for MBMs will continue and a fully developed proposal for such a framework should be delivered to the ICAO Council in November this year.

## **2. PREPARATION OF THE EU POSITION**

On 19 June 2012, with a view to preparing the 196th session of the ICAO Council, the Working Party on Aviation examined an information note prepared by the Commission services, recommending the adoption of an EU position on the ICAO Council's agenda item dealing with market based measures (MBMs) (doc. 11486/12).

During this meeting, the delegations expressed their overall support to the Commission's information note and in particular to the recommended EU position on the results of the work on MBMs overseen by the above mentioned Ad-hoc Working Group.

### 3. CONCLUSION

In the light of the above, COREPER is invited to approve the text of the Commission's information note (doc. 11486/12) and to endorse the recommended EU position, which should be used as the basis for the interventions on MBMs of the representatives of the EU Member States members of the ICAO Council during its next meeting (Montréal, 1- 29 June 2012).

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