



Proposal for the inclusion of aviation in the EU ETS

European Commission



Overview

- **Background**
 - **International Background**
 - **EU context**
- **Proposal**
- **Next steps**



International Background (1)

- **International aviation emissions not included in the targets of the Kyoto Protocol (KP)**
- **KP requires Annex I Parties to**
“...pursue limitation or reduction of [GHG emissions of from aviation], working through the International Civil Aviation Organization...” (ICAO).



International Background (2)

- **ICAO discussions on market-based measures since 1991 and emissions trading since 1998**
- **2001 ICAO Assembly:**
 - **Endorsed the development of open emissions trading for international aviation;**
 - **Requested ICAO Council to develop guidelines as a matter of priority**



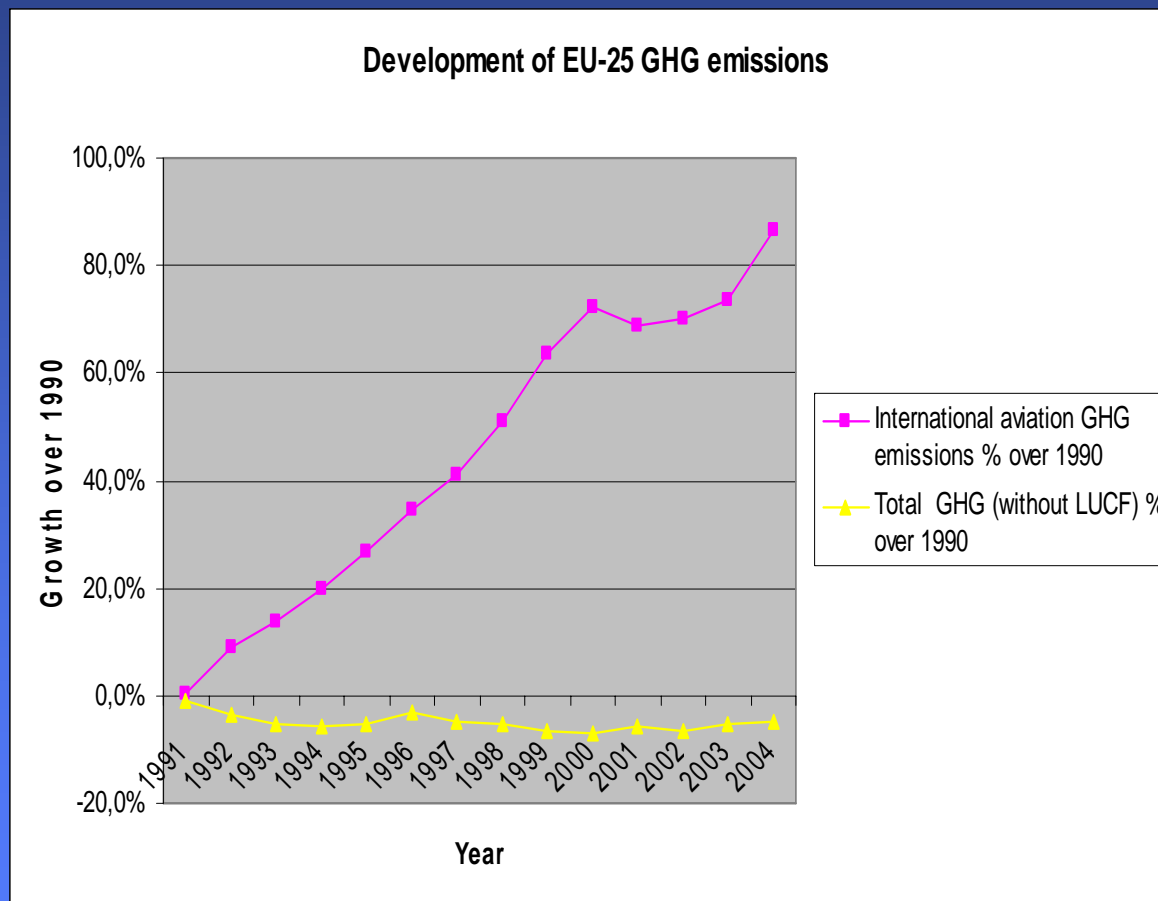
International Background (3)

- **2004 ICAO Assembly:**
 - Decided not to work towards a new global legal instrument under ICAO
 - Endorsed the concept of open emissions trading for international aviation through:
 - Voluntary emissions trading
 - The incorporation of international aviation into States' existing emissions trading schemes



EU context (1)

- **Climate change high on EU agenda**
- **Rapid growth in aviation emissions**
- **Repeated calls for Commission to make proposals**
- **Commission strategy climate change & aviation, Sept. 2005**





EU context (2)

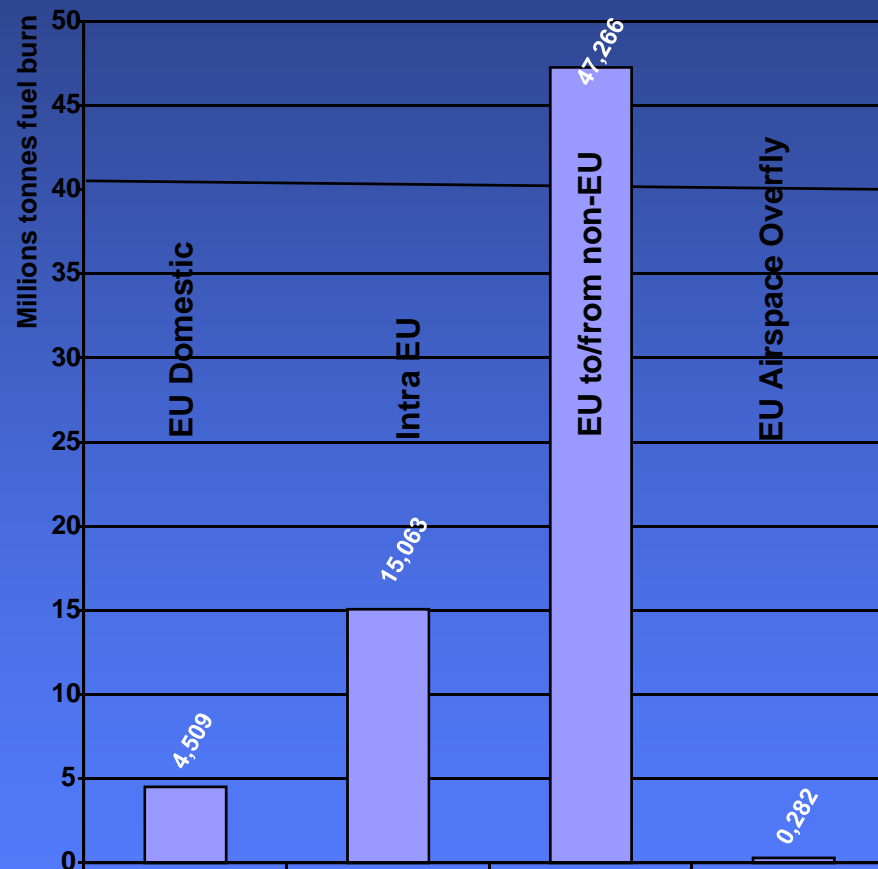
- **2005 strategy based on a comprehensive approach - key elements include:**
 - **R&D: more focus on "greening" air transport**
 - **Infrastructure: Better air traffic management**
 - **Design standards: Continued work in ICAO**
- **But stronger economic incentives needed:**
Including aviation in the EU ETS would be the most cost-efficient and environmentally effective solution



Proposal (1)

- Scope

- 2011: Intra-EU
- From 2012: all flights arriving or departing
- If 3rd country takes equivalent measures arriving flights excluded
- Certain flights & small aircraft excluded
- CO2 emissions only





Proposal (2)

- **Environmental objective**
 - Stabilise emissions by cap at 2004-2006 levels
- **Distribution of allowances**
 - Auctioning as in other sectors (average)
 - Mainly benchmarking: CO₂/tonne-kilometer
 - Any proceeds to be spent on covering administration and to mitigate and adapt to climate change



Proposal (3)

- **Open scheme**
 - Full trading with other sectors
 - JI and CDM credits can be used
- **Administration**
 - Aircraft operator will be responsible entity
 - Each operator administered by one Member State only



Next steps

- **Commission proposal is first step of EU legislative process, not final outcome**
 - ❑ European Parliament 1st reading expected for Nov.'07
 - ❑ Council 1st reading by end of 2007?
 - ❑ 2nd reading in 2008?
- **Time to consider views from other parties and outcome of ICAO discussions (Sept. '07)**



Thank you!

Further information:

Aviation and climate change website:

http://ec.europa.eu/environment/climat/aviation_en.htm