

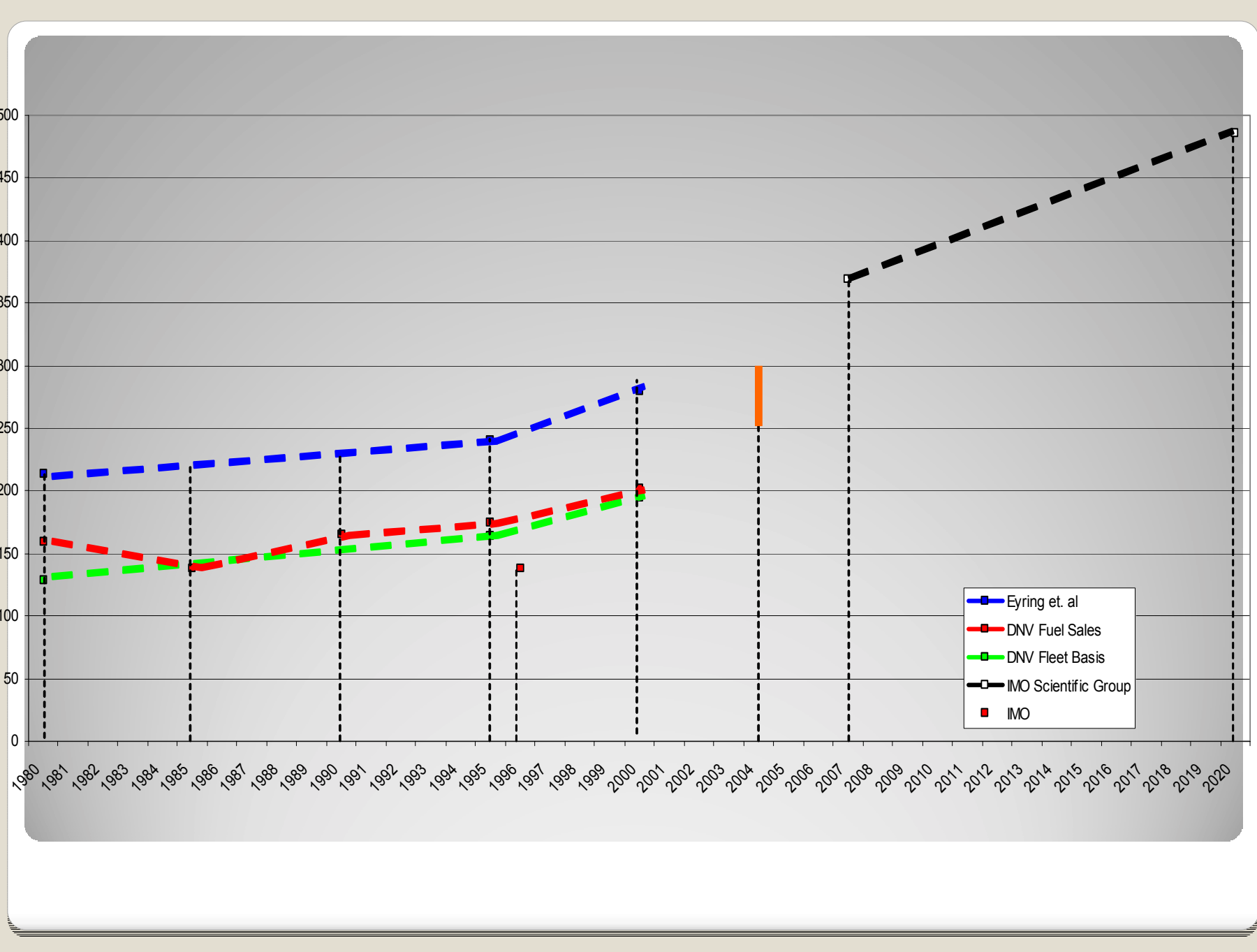
**Workshop on Article 9 KP
Bonn 28.-29. April 2008**

**International aviation and maritime
transport**

**Marit Viktoria Pettersen
Norway**

International aviation and maritime transport

- Only GHG-emitting sectors not covered by Annex I Party commitments
- Today: about 5 % of global GHG emissions. Increase 3-4% per year -> higher share in the future
- Norway's vision: Ensure global temperature increase below 2 °C since pre-industrial level
- UNFCCC responsibility: establish targets for reductions of emissions from international aviation and maritime transport



The Kyoto Protocol

- Article 2.2 of the KP:

Annex I Parties shall **pursue** limitations or reductions of GHG from international aviation and marine bunker fuels working through ICAO and IMO

- Important to respect principles of non-discrimination (ICAO)/no more favorable treatment of ships (IMO) -> global coverage
- No regulations to reduce GHG emissions are in place in IMO or ICAO, no targets agreed:
 - Art 2.2 has so far not resulted in reduced or limited GHG emissions
- There is a need for stronger commitment and leadership by UNFCCC on this issue:
 - Targets for emissions from international aviation and maritime transport should be included in the KP

International maritime transport

- Principles agreed by the majority at MEPC 57 in April

A coherent and comprehensive future IMO regulatory framework on GHG emissions from ships should be:

- Effective in contributing to reductions in total GHG
 - Binding and equally applicable to all ships in order to avoid evasion
 - Cost effective
- Intersessional meeting in Oslo 23.-27. June. ToR:
 - Work on a mandatory CO2 design index + review existing operational CO2-index
 - Market-based measures, including hybrid mechanism/global levy and emissions trading schemes and/or CDM
 - Resolution on voluntary mechanisms/best practices
 - Shipping truly global- differentiated approach not appropriate
 - Most ships registered in developing countries (85% of emissions), but owned by companies in developed countries

International maritime transport

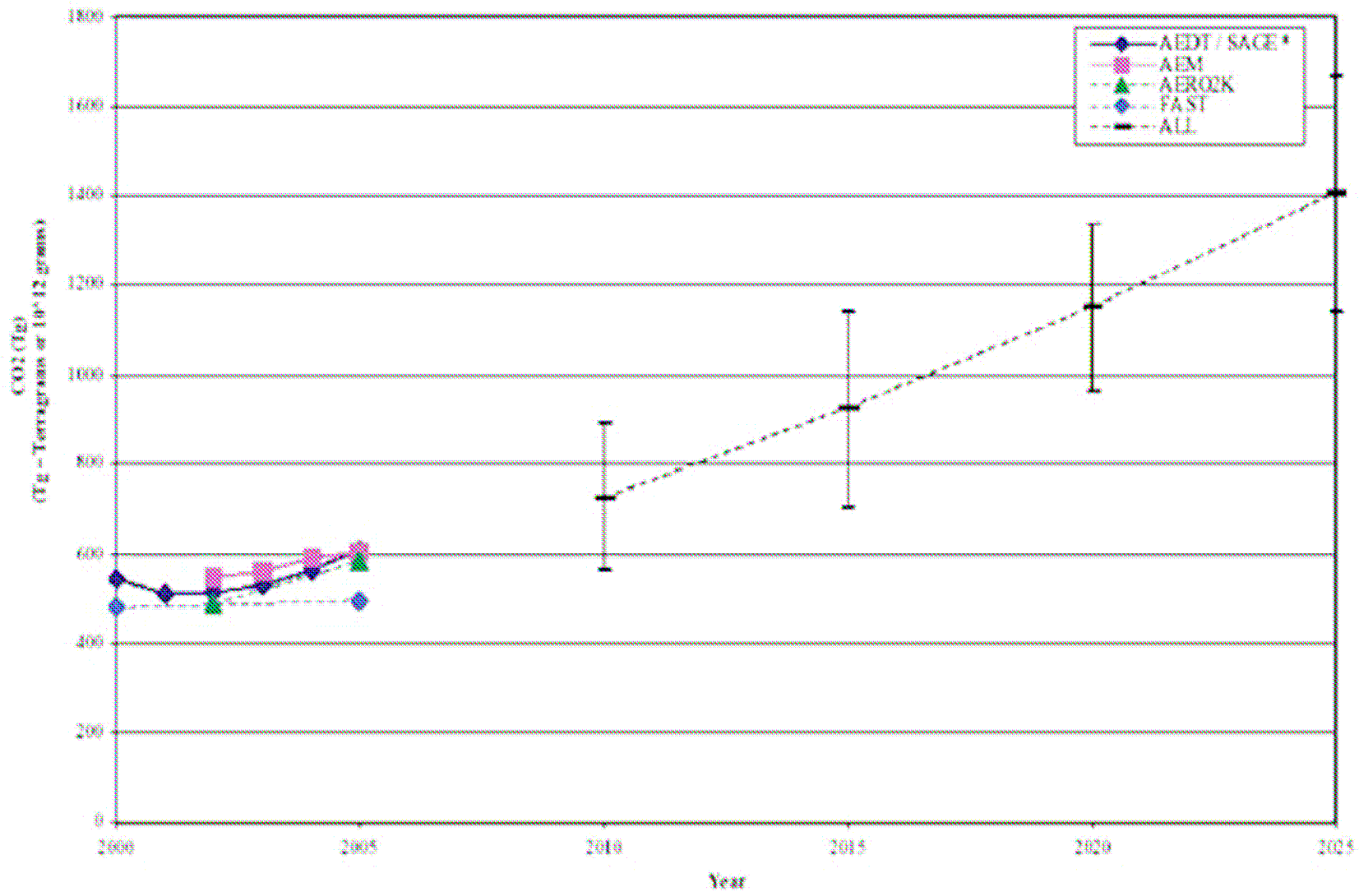
- Technical and operational mechanisms alone will not provide necessary reductions
- Need for a market-based system
- Hybrid mechanism – proposed by Norway:
 - Establishment of a cap on CO₂-emissions from shipping,
 - Implementation of a CO₂-charge on all bunker fuels sold
 - Establishment of an international fund to be used on:
 - Adaptation projects in developing countries
 - CO₂-credits, including from CDM
 - Technological development within the sector, technology transfer

Hybrid mechanism

- Must be established in a legally binding instrument - amendment of MARPOL Annex VI
- The cap should be flexible, related to total emissions from international shipping, not a Party obligation but as a basis for setting the CO₂-charge
- Legal responsible subject for payment of the charge must be defined. In most cases legal subject is the ship
- Flag state or port state obligation to ensure that all ships under its flag/entering its ports comply with the regime
- Flag state verification of compliance – issuance of certificates by bunker suppliers (bunker delivery notes)
- Port State Control based upon certificates of fuel purchased
- International entity needed to administer elements of the mechanism (a Board), e.g. distribution of the funds, accounting rules
- Rules and modalities for the Board a part of the legal instrument, under control of the Parties to the instrument

International aviation

- ICAO Assembly 2007: No decision on a regulatory framework for GHG reductions, no discussion of target
- No decision on a work plan leading to regulations for the three-year period until 2010
- Established a **Group on International Aviation and Climate Change** (GIACC) to develop and recommend “aggressive programme of action on international aviation and climate change” including the identification of “possible global aspirational goals”
- Important to internalise costs for environmental damage caused by GHG emissions from aviation – existing ICAO regulations may prevent this



International aviation

- Global sectoral approach preferable
- But: Annex I Party commitments an option
- Allocation non-discriminatory: Route-based allocation of emissions to Parties
- Emissions part of national GHG inventories and the national quantified emission reduction target
- Annex I Parties may include GHG emissions from international aviation in emission trading schemes

Conclusion

- Global sectoral approach to international aviation and maritime transport
- Art. 9 review: Establish flexible targets/caps for emissions from international aviation and maritime transport -> Art.2.2 KP
- International maritime transport:
- Request IMO to establish regulatory framework to ensure that the target is met