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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**Subsidiary Body for Scientific and Technological Advice**

**Forty-third session**

**Paris, 1–4 December 2015**

Item 10(c) of the provisional agenda

**Methodological issues under the Convention**

**Emissions from fuel used for international aviation and maritime transport**

**Information relevant to emissions from fuel used for  
international aviation and maritime transport**

**Submissions from international organizations**

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA), at its forty-second session, invited the secretariats of the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) to continue to report, at future sessions of the SBSTA, on relevant work on addressing emissions from fuel used for international aviation and maritime transport.<sup>1</sup>

2. The secretariat has received submissions from ICAO and IMO containing information on emissions from fuel used for international aviation and maritime transport. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced\* in the language in which they were received and without formal editing.

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<sup>1</sup> FCCC/SBSTA/2015/2, paragraph 58.

\* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.



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Paper no. 1: International Civil Aviation Organization

**UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)**

**The Forty-third Session of the UNFCCC Subsidiary Body for  
Scientific and Technological Advice (SBSTA43)**

**(1 to 4 December 2015 – Paris, France)**

**Agenda Item 10 (c): Emissions from fuel used for international aviation and maritime transport**

**(Submission by the International Civil Aviation Organization (ICAO))**

**Executive Summary**

ICAO and its Member States have been active in addressing CO<sub>2</sub> emissions from international aviation, with collective global aspirational goals for the international aviation sector of improving fuel efficiency by 2 per cent per year and keeping its CO<sub>2</sub> emissions from 2020 at the same level (carbon neutral growth from 2020).

The Organization has progressed in supporting our Member States in taking further action on a basket of measures to reduce emissions from international aviation, including air traffic management modernization, acceleration of the use of fuel-efficient aircraft technologies, and the development and deployment of sustainable alternative fuels for aviation. A new global CO<sub>2</sub> certification Standard for aircraft is expected by 2016, and significant efforts have been made to fulfill the request of the 38th ICAO Assembly in 2013 to develop a global market-based measure (MBM) scheme for international aviation. The next Assembly in September 2016 will consider a recommendation on the global scheme that addresses key design elements and the implementation mechanisms from 2020.

To support concrete actions to reduce CO<sub>2</sub> emissions from international aviation by its Member States, ICAO has been undertaking capacity building and assistance strategy, including regional seminars in all ICAO regions and provision of guidance and tools, which will enable 50 per cent of Member States to voluntarily develop and submit their action plans to ICAO by end 2015. In addition, ICAO established two partnerships – one with the European Union (EU) and another with the Global Environment Facility (GEF) and United Nations Development Programme (UNDP) to facilitate finance access to Member States' climate actions.

ICAO Member States require adequate capacity building and financial resources to address CO<sub>2</sub> emissions from international aviation. In this regard, the 38th Assembly urged that "ICAO and its Member States express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner" (Assembly Resolution A38-18, paragraph 30).

ICAO's concern above and willingness for continuous leadership in addressing emissions from international aviation was reemphasized by the recent session of the ICAO Council on 18 November 2015 in the form of a Council Declaration, which is provided in **Appendix A**.

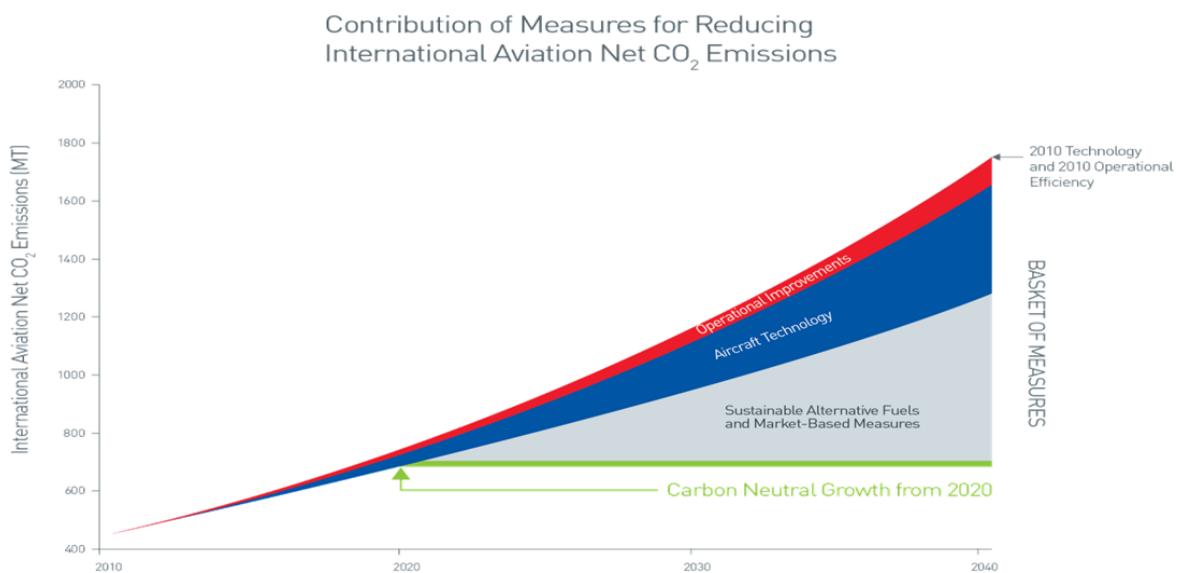
Resolution A38-18 text adopted by the 38th ICAO Assembly is provided in **Appendix B**.

## 1. INTRODUCTION

1.1 ICAO and its Member States have been active in addressing CO<sub>2</sub> emissions from international aviation, by developing and facilitating the implementation of a variety of mitigation measures, in order to achieve ICAO's global aspirational goals for the international aviation sector of improving fuel efficiency by 2 per cent per year and keeping its CO<sub>2</sub> emissions from 2020 at the same level (carbon neutral growth from 2020 – see the conceptual figure below).

1.2 In order to measure current and estimate future progress toward the achievement of the ICAO aspirational goals, the ICAO Committee on Aviation Environmental Protection (CAEP) develops and regularly updates the CO<sub>2</sub> trends assessment, which reflects the contribution of various categories of mitigation measures to reduce international aviation CO<sub>2</sub> emissions (e.g. aircraft technology, operational improvements, sustainable alternative fuels).

1.3 The CO<sub>2</sub> trends assessment provides the basis for decision-making in ICAO, and CAEP has currently been updating the 2013 trends assessment (illustrated below), which will support discussion by the ICAO Council, and subsequently by the 39th Session of the ICAO Assembly in 2016.



## 2. PROGRESS ON A BASKET OF MITIGATION MEASURES

2.1 The Organization has progressed in supporting our Member States in taking further action on a basket of measures to reduce emissions from international aviation, including air traffic management modernization and other operational improvements, acceleration of the use of fuel-efficient aircraft technologies, and the development and deployment of sustainable alternative fuels for aviation. A new global CO<sub>2</sub> certification Standard for aircraft is expected by 2016, and significant efforts have been made to fulfill the request of the 38th ICAO Assembly in 2013 to develop a global market-based measure (MBM) scheme for international aviation (see Section 5).

## 3. STATES' ACTION PLANS TO REDUCE INTERNATIONAL AVIATION CO<sub>2</sub> EMISSIONS

3.1 In response to the request of the 38th Session of the ICAO Assembly to organize seminars to provide Member States with practical, hands-on assistance in developing and updating their voluntary action plans on aviation CO<sub>2</sub> emissions reduction activities, seven seminars were held in all ICAO regions from April 2014 to March 2015, and

an additional seminar was recently held in September 2015 for national action plan focal points who could not attend the regional seminars. The material provided in each seminar is made available on the ICAO action plan website<sup>2</sup>.

3.2 In addition, ICAO updated its Doc 9988, *Guidance on the Development of States' Action Plans on CO<sub>2</sub> Emissions Reduction Activities*, including the incorporation of “Rules of Thumbs” which simplify the methodologies for the calculation of emission reduction benefits for inclusion in the action plans. The emissions quantification elements of Doc 9988 have been automated in a software tool, known as the ICAO Environmental Benefits Tool (EBT).

#### ICAO “Capacity Building and Assistance” seminars for States’ Action Plans

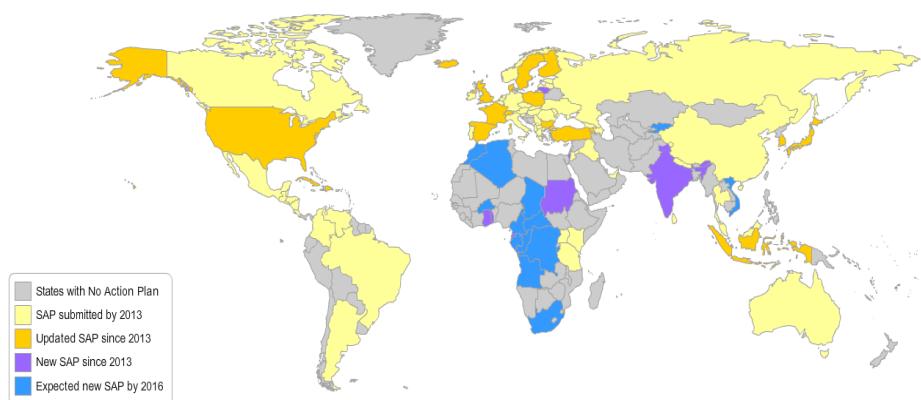
1 to 4 April 2014	• Mexico, Mexico	10 to 12 March 2015	• Dubai, UAE
7 to 11 April 2014	• Lima, Peru	18 to 20 March 2015	• Warsaw, Poland
10 to 13 June 2014	• Yaoundé, Cameroon	18 Sept. 2015	• Montreal, Canada (ICAO Headquarters)
16 to 19 June 2014	• Nairobi, Kenya		
28 to 30 October 2014	• Kuala Lumpur, Malaysia		

**Other ICAO Seminars**

9 to 10 Sept. 2014	• ICAO Green Technologies Seminar
16 to 17 Sept. 2015	• ICAO Global Aviation Partnerships Seminar

3.3 With the support of ICAO, as of November 2015, 83 States representing more than 80 per cent of global international aviation traffic submitted action plans, as shown in Figure 1 below. The Secretariat continues to directly contact national action plan focal points to assist in developing and updating action plans. By the 38th ICAO Assembly in 2013, 72 State Action Plans had been submitted. By the next ICAO Assembly in 2016, it is expected that the total number of States submitting action plans will be 50 per cent higher.

#### Status of State Action Plans submissions, as of November 2015



<sup>2</sup> <http://www.icao.int/Meetings/EnvironmentalWorkshops/Pages/2015-Seminars.aspx>

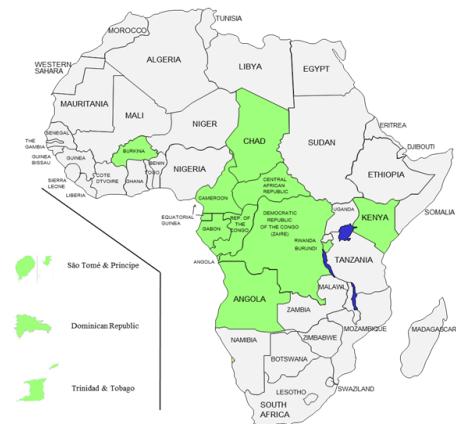
#### 4. ASSISTANCE TO STATES

4.1 As part of ICAO's efforts to provide further assistance to States and facilitate access to financing for the development and implementation of States' action plans, ICAO established partnerships with the European Union (EU), as well as with the Global Environment Facility (GEF) and the United Nations Development Programme (UNDP).

4.2 The ICAO-EU joint assistance project, *Capacity Building for CO<sub>2</sub> Mitigation from International Aviation*, is a Euro 6.5 million project to assist fourteen States from Africa and the Caribbean in the development of their action plans; setting up of their Aviation Environmental Systems (AES) to monitor aviation emissions; and implementation of measures to reduce aviation emissions. Following the kick-off seminars in the Dominican Republic in December 2014 and in Cameroon in February 2015, the national action plan teams have been established in all the selected States to start developing their action plans, and they will submit action plans by the end of 2015. In 2016, ICAO will continue to support them in the implementation of mitigation measures included in the action plans.

#### ICAO-EC partnership to assist Member States – 6.5 Million Euros

African Region	Caribbean Region
10 ECCAS States	Dominican Republic
Burkina Faso	Trinidad and Tobago
Kenya	



4.3 The ICAO-GEF-UNDP joint assistance project, *Transforming the Global Aviation Sector: Emission Reduction from International Aviation*, is a USD 2 million project, including the development of guidance and supporting mechanisms to assist the identification and implementation of measures to reduce aviation CO<sub>2</sub> emissions, and a practical pilot project in Jamaica consisting of the implementation of a measure that could be replicated in other States.

#### 5. GLOBAL MARKET-BASED MEASURE (MBM)

5.1 Following the agreement of the 38th ICAO Assembly to develop a global MBM scheme for international aviation, significant efforts have been made by Member States, the aviation industry and other stakeholders with a view to developing a recommendation for a global MBM scheme capable of being implemented from 2020, for decision by the 39th ICAO Assembly in October 2016.

5.2 Progress is being achieved by the ICAO Council's Environment Advisory Group (EAG) with technical support provided by the CAEP, using a "Strawman" approach, which started with a simple and basic proposal for a global MBM scheme with a view to generating the discussion and analyses on advantages and disadvantages of design elements and allowing for the improvements of the Strawman.

5.3 By November 2015, the EAG met 14 times and CAEP has been providing support on some design elements of a global MBM scheme, i.e. monitoring, reporting and verification (MRV) system; eligible emission units criteria (EUC) and registries, and on analytical work of proposed global MBM elements.

5.4 As a means to ensure the full engagement of States and other stakeholders and widest possible range of inputs, ICAO conducted the first round of five regional seminars – MBM Global Aviation Dialogues (GLADs) in April 2015. The material provided during the GLADs has been made available on the ICAO website<sup>3</sup>.

5.5 The second round of regional GLADs will be held during the period from 21 March to 8 April 2016, followed by the convening of a High-level Meeting on a global MBM scheme in Montreal from 11 to 13 May 2016, to make further progress in delivering a recommendation for consideration by the 39th ICAO Assembly.

## **6. ICAO GLOBAL AVIATION PARTNERSHIPS ON EMISSIONS REDUCTIONS (E-GAP) SEMINAR**

6.1 ICAO Global Aviation Partnerships on Emissions Reductions (E-GAP) Seminar<sup>4</sup> was held in Montréal, Canada from 16 to 17 September 2015. The seminar provided a forum to showcase the synergetic effects of ICAO's ongoing partnerships with governments and other organizations for action to reduce emissions from international aviation. The Seminar was a concrete vehicle for the Organization's message to the 21st Session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC).

6.2 The Seminar addressed various topics including developments in aircraft technology and research programmes; aircraft end-of-service and recycling; green operations and airports; adaptation to climate change; sustainable alternative fuels; financing for aviation environmental activities; and carbon markets. More than a thousand partnerships were showcased and further synergies, partnerships and areas of cooperation were identified.

6.3 During the closing panel, high-level representatives from States, United Nations (UN) agencies, industry and non-governmental organizations (NGOs) discussed expectations for the climate change process towards the COP21, the 39th ICAO Assembly and beyond, focusing on the progress achieved by ICAO to tackle international aviation emissions. It was highlighted that cooperation, partnerships and innovative ideas are key for the aviation sector to continue to move towards greater environmental sustainability.

## **7. UNFCCC – CLIMATE FINANCE**

7.1 One of the areas where international aviation was considered under the UNFCCC process is the issue of climate finance. The UNFCCC conferences adopted a series of decisions which included the work programme on long-term climate finance to further analyse options for the mobilization of USD 100 billion per year by 2020 from a wide variety of potential sources.

7.2 Some Parties expressed concern with the proposals to use international aviation as a potential source for mobilizing such revenue. Such proposals include the report of the World Bank (WB)/International Monetary Fund (IMF) under the G20 process in 2011, which explored global carbon charges of USD 25 per tonne of CO<sub>2</sub> emissions on international transport, which the report suggested could raise USD 12 billion per year by 2020 from international aviation.

7.3 The Negotiation text (document FCCC/ADP/2015/1) includes a proposal on the use of international aviation and maritime sectors as a source of financing for adaptation, and encouraging ICAO and IMO to develop a levy scheme to provide financing support for the Adaptation Fund (paragraph 116.5 of the Negotiating text).

7.4 It should be highlighted that in 2010, ICAO Member States adopted global aspirational goals for the international aviation sector of improving the sector's fuel efficiency by 2 per cent per year and keeping its global CO<sub>2</sub> emissions from 2020 at the same level (carbon neutral growth from 2020).

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<sup>3</sup> <http://www.icao.int/meetings/GLADs-2015/Pages/default.aspx>

<sup>4</sup> <http://www.icao.int/meetings/EGAP/>

7.5 The achievement of the ICAO global aspirational goals requires adequate financial resources within the sector itself, enabling it to effectively respond to the global climate change challenge. It is of utmost importance that the development of a global MBM scheme for international aviation be treated as one element of a basket of mitigation measures to achieve the ICAO global aspirational goals, and not in isolation.

7.6 In this regard, the 38th Assembly urged that “ICAO and its Member States express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner” (Assembly Resolution A38-18, paragraph 30). The ICAO Assembly also requested Member States to communicate and coordinate with their delegations of Parties to the UNFCCC process regarding developments on international aviation and climate change under ICAO.

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## APPENDIX A

### **ICAO Council Declaration on International Aviation and Climate Change** (18 November 2015)

*Whereas* ICAO and its Member States recognize the critical importance of providing continuous leadership to international civil aviation in limiting or reducing its emissions that contribute to global climate change;

*Recalling* the request for actions to the Council by the 38th Session of the Assembly in 2013, in the form of Assembly Resolution A38-18: *Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change*;

*Recognizing* that the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP21) is expected to adopt a protocol, another legal instrument or an agreed outcome with legal force on climate change applicable to all Parties for implementation from 2020;

*The ICAO Council:*

1. *Declares* that it will ensure continuous leadership of ICAO on environmental issues relating to international civil aviation, including greenhouse gas (GHG) emissions;
2. *Recalls* that the 37th and 38th Sessions of the Assembly in 2010 and 2013 resolved that ICAO and its Member States with relevant organizations would work together to achieve collective global aspirational goals for the international aviation sector;
3. *Welcomes* the fact that, as of November 2015, 83 Member States that represent more than 80 per cent of global international air traffic voluntarily prepared and submitted their Action Plans to reduce international aviation CO<sub>2</sub> emissions to ICAO;
4. *Welcomes* the actions, as reflected in States' Action Plans above, that ICAO Member States and the aviation industry have taken and intend to take to reduce aviation CO<sub>2</sub> emissions, including air traffic management modernization, acceleration of the use of fuel-efficient aircraft technologies, and the development and deployment of sustainable alternative fuels;
5. *Recalls* that the Assembly decided to develop a global market-based measure (MBM) scheme for international aviation, and *commits* to finalizing work on a global MBM scheme and making a recommendation that addresses key design elements and the mechanisms for implementation of the scheme from 2020, for decision by the 39th Session of the Assembly in 2016;
6. *Reaffirms* that the development of a global CO<sub>2</sub> Standard for aircraft is on track for adoption in 2016, and that the ICAO Global Framework for Aviation Alternative Fuels (GFAAF) continues to facilitate actions on sustainable alternative fuels for aviation;
7. *Emphasizes* that ICAO Member States require adequate capacity building and financial resources to address CO<sub>2</sub> emissions from international aviation and to effectively respond to the global climate change challenge; and
8. *Urges* ICAO and its Member States to express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner, as requested by Assembly Resolution A38-18, paragraph 30.



## APPENDIX B

### **ICAO Assembly Resolution A38-18: Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change**

*Whereas* ICAO and its member States recognize the critical importance of providing continuous leadership to international civil aviation in limiting or reducing its emissions that contribute to global climate change;

*Reemphasizing* the vital role which international aviation plays in global economic and social development and the need to ensure that international aviation continues to develop in a sustainable manner;

*Whereas* the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC) is to achieve stabilization of greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system;

*Whereas* the Kyoto Protocol, which was adopted by the Conference of the Parties to the UNFCCC in December 1997 and entered into force on 16 February 2005, calls for developed countries (Annex I Parties) to pursue limitation or reduction of greenhouse gases from “aviation bunker fuels” (international aviation) working through ICAO (Article 2.2);

*Acknowledging* that international aviation emissions, currently accounting for less than 2 per cent of total global CO<sub>2</sub> emissions, are projected to grow as a result of the continued development of the sector;

*Whereas* a comprehensive assessment of aviation’s impact on the atmosphere is contained in the special report on *Aviation and the Global Atmosphere*, published in 1999, which was prepared at ICAO’s request by the Intergovernmental Panel on Climate Change (IPCC) in collaboration with the Scientific Assessment Panel to the Montreal Protocol on Substances that Deplete the Ozone Layer;

*Whereas* the IPCC special report recognized that the effects of some types of aircraft emissions are well understood, it revealed that the effects of others are not, and identified a number of key areas of scientific uncertainty that limit the ability to project aviation’s full impacts on climate and ozone;

*Whereas* ICAO requested that the IPCC include an update of the main findings of the special report in its Fourth Assessment Report, published in 2007 and its Fifth Assessment Report to be published in 2014;

*Noting* the scientific view that the increase in global average temperature above pre-industrial levels ought not to exceed 2°C;

*Acknowledging* the principles and provisions on common but differentiated responsibilities and respective capabilities, and with developed countries taking the lead under the UNFCCC and the Kyoto Protocol;

*Also acknowledging* the principles of non-discrimination and equal and fair opportunities to develop international aviation set forth in the Chicago Convention;

*Recognizing* that this Resolution does not set a precedent for or prejudge the outcome of negotiations under the UNFCCC and its Kyoto Protocol nor represent the position of the Parties to the UNFCCC and its Kyoto Protocol;

*Recognizing* that the aspirational goal of 2 per cent annual fuel efficiency improvement is unlikely to deliver the level of reduction necessary to stabilize and then reduce aviation’s absolute emissions contribution to climate change, and that goals of more ambition will need to be considered to deliver a sustainable path for aviation;

*Noting* that, to promote sustainable growth of aviation, a comprehensive approach, consisting of work on technology and standards, and on operational and market-based measures to reduce emissions is necessary;

*Acknowledging* the significant technological progress made in the aviation sector, with aircraft produced today being about 80 per cent more fuel efficient per passenger kilometre than in the 1960’s;

*Welcoming* the agreement by the Committee on Aviation Environmental Protection (CAEP) of certification

requirements for a global CO<sub>2</sub> Standard for aircraft;

*Recognizing* that air traffic management (ATM) measures under the ICAO's Global Air Navigation Plan contribute to enhanced operational efficiency and the reduction of aircraft CO<sub>2</sub> emissions;

*Welcoming* the adoption of the Aviation System Block Upgrades (ASBUs) strategy at the ICAO Twelfth Air Navigation Conference in November 2012;

*Recalling* that Assembly Resolution A37-19 requested the Council, with the support of member States, to undertake work to develop a framework for market-based measures (MBMs) in international aviation, including further elaboration of the guiding principles listed in the Annex to A37-19, for consideration by the 38th Session of the ICAO Assembly;

*Recognizing* the importance of avoiding a multiplicity of approaches for the design and implementation of MBM framework and MBM schemes;

*Recalling* that Assembly Resolution A37-19 requested the Council to explore the feasibility of a global MBM scheme to address emissions from international aviation;

*Noting* the decision of the Council on 9 November 2012, which recognized that the results of the qualitative and quantitative analysis of the three options for a global MBM scheme evaluated by the Secretariat with the support of the Experts on MBMs demonstrated that all three options were technically feasible and had the capacity to contribute to achieving ICAO's environmental goals, and that the Council agreed that further quantitative analysis of the three options needed to be undertaken to develop more robust and concrete conclusions;

*Recognizing* the potential desirability of a global MBM scheme in terms of providing an additional means of promoting achievement of the aspirational global goal referred to in paragraph 7;

*Noting* the support of the aviation industry for a single global carbon offsetting scheme, as opposed to a patchwork of State and regional MBMs, as a cost effective measure to complement a broader package of measures including technology, operations and infrastructure measures;

*Noting* that the Conference on Aviation and Alternative Fuels in November 2009 (CAAF/09) endorsed the use of sustainable alternative fuels for aviation, particularly the use of drop-in fuels in the short to mid-term, as an important means of reducing aviation emissions;

*Also noting* that the CAAF/09 established an ICAO Global Framework for Aviation Alternative Fuels (GFAAF);

*Noting* the progress achieved in proving the technological feasibility of drop-in sustainable alternative fuels for aviation and that such fuels will require the introduction of appropriate policies and incentives to create a long-term market perspective;

*Acknowledging* the need for such fuels to be developed and deployed in an economically feasible, socially and environmentally acceptable manner and the need for increased harmonization of the approaches to sustainability;

*Noting* that, consistent with Assembly Resolution A37-19, a substantial strategy for capacity building was undertaken by the Organization to assist the preparation and submission of States' action plans, including the holding of hands-on training workshops and the development of guidance material, an interactive web-interface and the ICAO Fuel Savings Estimation Tool (IFSET);

*Welcoming* that, as of 30 June 2013, 61 member States that represent 78.89 per cent of global international air traffic voluntarily prepared and submitted their action plans to ICAO;

*Noting* that the ICAO “Assistance for Action – Aviation and Climate Change” Seminar in October 2012 highlighted the active involvement of member States and international organizations in the activities related to States’ action plans, explored possible sources of financial support for environmental action and provided an opportunity to share information and build partnerships in order to facilitate assistance identified by States for the preparation and implementation of their action plans;

*Recognizing* the different circumstances among States in their capacity to respond to the challenges associated with climate change and the need to provide necessary support, in particular to developing countries and States having particular needs;

*Affirming* that specific measures to assist developing States as well as to facilitate access to financial support, technology transfer and capacity building should be initiated as soon as possible;

*Whereas* the Kyoto Protocol provides for different flexible instruments (such as the Clean Development Mechanism — CDM) which would benefit projects involving developing States;

*Affirming* that addressing GHG emissions from international aviation requires the active engagement and cooperation of States and the industry, and *noting* the collective commitments announced by Airports Council International (ACI), Civil Air Navigation Services Organisation (CANSO), International Air Transport Association (IATA), International Business Aviation Council (IBAC) and International Coordinating Council of Aerospace Industries Associations (ICCAIA) on behalf of the international air transport industry, to continuously improve CO<sub>2</sub> efficiency by an average of 1.5 per cent per annum from 2009 until 2020, to achieve carbon neutral growth from 2020 and to reduce its carbon emissions by 50 per cent by 2050 compared to 2005 levels;

*Recognizing* the need to monitor and report the potential impacts of climate change on international aviation operations and related infrastructure; and

*Recognizing* the progress made by ICAO in its implementation of the Climate Neutral UN initiative and the significant support provided by ICAO to the initiative, in particular through the development of a common methodology for calculating GHG emissions from air travel;

*The Assembly:*

1. *Resolves* that this Resolution, together with Resolution A38-17: Consolidated statement of continuing ICAO policies and practices related to environmental protection - General provisions, noise and local air quality, supersede Resolutions A37-18 and A37-19 and constitute the consolidated statement of continuing ICAO policies and practices related to environmental protection;

2. *Requests* the Council to:

- a) ensure that ICAO exercise continuous leadership on environmental issues relating to international civil aviation, including GHG emissions;
- b) continue to study policy options to limit or reduce the environmental impact of aircraft engine emissions and to develop concrete proposals and provide advice as soon as possible to the Conference of the Parties of the UNFCCC, encompassing technical solutions and market-based measures, and taking into account potential implications of such measures for developing as well as developed countries; and
- c) continue to cooperate with organizations involved in policy-making in this field, notably with the Conference of the Parties to the UNFCCC;

3. *Reiterates* that:

- d) ICAO should continue to take initiatives to promote information on scientific understanding of aviation's impact and action undertaken to address aviation emissions and continue to provide the forum to facilitate discussions on solutions to address aviation emissions; and
- e) emphasis should be on those policy options that will reduce aircraft engine emissions without negatively impacting the growth of air transport especially in developing economies;

4. *Reaffirms* that this Resolution does not set a precedent for or prejudge the outcome of negotiations under the UNFCCC and its Kyoto Protocol nor represent the position of the Parties to the UNFCCC and its Kyoto Protocol;

5. *Resolves* that States and relevant organizations will work through ICAO to achieve a global annual average fuel efficiency improvement of 2 per cent until 2020 and an aspirational global fuel efficiency improvement rate of 2 per cent per annum from 2021 to 2050, calculated on the basis of volume of fuel used per revenue tonne kilometre performed;

6. *Agrees* that the goals mentioned in paragraph 5 above would not attribute specific obligations to individual States, and the different circumstances, respective capabilities and contribution of developing and developed States to the concentration of aviation GHG emissions in the atmosphere will determine how each State may voluntarily contribute to achieving the global aspirational goals;

7. *Also resolves* that, without any attribution of specific obligations to individual States, ICAO and its member States with relevant organizations will work together to strive to achieve a collective medium term global aspirational goal of keeping the global net carbon emissions from international aviation from 2020 at the same level, taking into account: the special circumstances and respective capabilities of States, in particular developing countries; the maturity of aviation markets; the sustainable growth of the international aviation industry; and that emissions may increase due to the expected growth in international air traffic until lower emitting technologies and fuels and other mitigating measures are developed and deployed;

8. *Recognizes* the many actions that ICAO member States have taken and intend to take in support of the achievement of the collective aspirational goals, including air traffic management modernization, acceleration of the use of fuel-efficient aircraft technologies, and the development and deployment of sustainable alternative fuels, and *encourages* further such efforts;

9. *Agrees* to review, at its 39th Session, the goal mentioned in paragraph 7 above in light of progress towards the goal, studies regarding the feasibility of achieving the goal, and relevant information from States;

10. *Requests* the Council to continue to explore the feasibility of a long term global aspirational goal for international aviation, through conducting detailed studies assessing the attainability and impacts of any goals proposed, including the impact on growth as well as costs in all countries, especially developing countries, for the progress of the work to be presented to the 39th Session of the ICAO Assembly. Assessment of long term goals should include information from member States on their experiences working towards the medium term goal.

11. *Further encourages* States to submit their voluntary action plans outlining their respective policies and actions, and annual reporting on international aviation CO<sub>2</sub> emissions to ICAO;

12. *Invites* those States that choose to prepare or update their action plans to submit them to ICAO as soon as possible preferably by the end of June 2015 and once every three years thereafter, in order that ICAO can continue to compile the information in relation to achieving the global aspirational goals, and the action plans should include information on the basket of measures considered by States, reflecting their respective national capacities and circumstances, information on the expected environmental benefits from the implementation of the measures chosen from the basket, and information on any specific assistance needs;

13. *Encourages* States that already submitted their action plans to share information contained in their action plans and build partnerships with other member States in order to support those States that have not prepared their action plans;

14. *Encourages* States to make their action plans available to the public, taking into account the commercial sensitivity of information contained in States' action plans;

15. *Requests* the Council to facilitate the dissemination of economic and technical studies and best practices related to aspirational goals and to continue to provide guidance and other technical assistance for the preparation and update of States' action plans prior to the end of June 2015, in order for States to conduct their necessary studies and to voluntarily submit their action plans to ICAO;

16. *Resolves* that States, when designing new and implementing existing MBMs for international aviation should:

- a) engage in constructive bilateral and/or multilateral consultations and negotiations with other States to reach an agreement, and
- b) grant exemptions for application of MBMs on routes to and from developing States whose share of international civil aviation activities is below the threshold of 1% of total revenue ton kilometres of international civil aviation activities, until the global scheme is implemented;

17. *Requests* the Council to review the *de minimis*, including the *de minimis* threshold of MBMs mentioned in paragraph 16 b) above, taking into account the specific circumstances of States and potential impacts on the international aviation industry and markets, and with regard to the guiding principles listed in the Annex, to be presented for consideration by the 39th Session of the Assembly in 2016;

18. *Decides* to develop a global MBM scheme for international aviation, taking into account the work called for in paragraph 19;

19. *Requests* the Council, with the support of member States, to:

- a) finalize the work on the technical aspects, environmental and economic impacts and modalities of the possible options for a global MBM scheme, including on its feasibility and practicability, taking into account the need for development of international aviation, the proposal of the aviation industry and other international developments, as appropriate, and without prejudice to the negotiations under the UNFCCC;
- b) organize seminars, workshops on a global scheme for international aviation participated by officials and experts of member States as well as relevant organizations;
- c) identify the major issues and problems, including for member States, and make a recommendation on a global MBM scheme that appropriately addresses them and key design elements, including a means to take into account special circumstances and respective capabilities as provided for in paragraphs 20 to 24 below, and the mechanisms for the implementation of the scheme from 2020 as part of a basket of measures which also include technologies, operational improvements and sustainable alternative fuels to achieve ICAO's global aspirational goals; and
- d) report the results of the work in sub-paragraphs a), b) and c) above, for decision by the 39th Session of the Assembly;

20. *Resolves* that an MBM should take into account the special circumstances and respective capabilities of States, in particular developing States, while minimizing market distortion;

21. *Also resolves* that special circumstances and respective capabilities of developing States could be accommodated through *de minimis* exemptions from, or phased implementation for, the application of an MBM to particular routes or markets with low levels of international aviation activity, particularly those serving developing States;

22. *Also resolves* that, the administrative burden associated with the implementation of an MBM to States or aircraft operators with very low levels of international aviation activity should not exceed the benefits from their participation in the MBM, and that exemptions from the application of the MBM to such States or aircraft operators should be considered, while maintaining the environmental integrity of the MBM;

23. *Also resolves* that adjustments to MBM requirements for aircraft operators could be on the basis of fast growth, early action to improve fuel efficiency, and provisions for new entrants;

24. *Further resolves* that, to the extent that the implementation of an MBM generates revenues, it should be used in consistency with guiding principle n) in the Annex;

25. *Recognizes* that in the short term voluntary carbon offsetting schemes constitute a practical way to offset CO<sub>2</sub> emissions, and *invites* States to encourage their operators wishing to take early actions to use carbon offsetting, particularly through the use of credits generated from internationally recognized schemes such as the CDM;

26. *Requests* the Council to collect information on the volume of carbon offsets purchased in relation to air transport, including through States' action plans submitted to ICAO, and to continue to develop and disseminate best practices and tools, such as the ICAO Carbon Emissions Calculator, that will help harmonize the implementation of carbon offset programmes;

27. *Requests* the Council to maintain and enhance appropriate standard, methodologies and a mechanism to measure/estimate, monitor and verify global GHG emissions from international aviation, and States support the work of ICAO on measuring progress through the reporting of annual data on traffic, fuel consumption and CO<sub>2</sub> emissions;

28. *Requests* the Council to request States to continue to support the efforts of ICAO on enhancing the reliability of measuring/estimating global GHG emissions from international aviation;

29. *Requests* the Council to regularly report CO<sub>2</sub> emissions from international aviation to the UNFCCC, as part of its contribution to assessing progress made in the implementation actions in the sector based on information approved by its member States;

30. While recognizing that no effort should be spared to obtain means to support the reduction and stabilization of CO<sub>2</sub> emissions from all sources, *urges* that ICAO and its member States express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner;

31. *Requests* the Council to:

- a) continue to play a pivotal role in providing assistance to its member States through the dissemination of the latest information on best practices and the provision of guidance and other technical assistance to enhance capacity building and technology transfer, including through the ICAO Technical Cooperation Programme;
- b) consolidate and build on the partnership with other international organizations to meet the assistance needs of ICAO's member States, including through their action plans, which will bring about reductions in international aviation emissions;
- c) initiate work immediately and as a priority in order to develop a process and mechanisms to facilitate the provision of technical and financial assistance, as well as facilitate access to existing and new financial resources, technology transfer and capacity building, to developing countries and report on results achieved as well as further recommendations, preliminarily by the end of 2015 and at the 39th Session of the Assembly; and

- d) continue to initiate specific measures to assist developing States as well as to facilitate access to financial resources, technology transfer and capacity building;

32. *Requests* States to:

- a) promote scientific research aimed at continuing to address the uncertainties identified in the IPCC special report on Aviation and the Global Atmosphere and in the Fourth Assessment report;
- b) ensure that future international assessments of climate change undertaken by IPCC and other relevant United Nations bodies include updated information, if any, on aircraft-induced effects on the atmosphere;
- c) consider policies to encourage the introduction of more fuel efficient aircraft in the market;
- d) accelerate investments on research and development to bring to market even more efficient technology by 2020;
- e) accelerate the development and implementation of fuel efficient routings and procedures to reduce aviation emissions;
- f) accelerate efforts to achieve environmental benefits through the application of technologies that improve the efficiency of air navigation and work with ICAO to bring these benefits to all regions and States, taking into account the Aviation System Block Upgrades (ASBUs) strategy;
- g) reduce legal, security, economic and other institutional barriers to enable implementation of the new ATM operating concepts for the environmentally efficient use of airspace;
- h) set a coordinated approach in their national administrations in order to develop policy actions to accelerate the appropriate development, deployment and use of sustainable alternative fuels for aviation, in accordance with their national circumstances;
- i) consider measures to support research and development as well as processing technology and feedstock production in order to decrease costs and support scale-up of sustainable production pathways up to commercial scale, taking into account the sustainable development of States;
- j) recognize existing approaches to assess the sustainability of all alternative fuels in general, including those for use in aviation which should:
  - 1) achieve net GHG emissions reduction on a life cycle basis;
  - 2) respect the areas of high importance for biodiversity, conservation and benefits for people from ecosystems, in accordance with international and national regulations;
  - 3) contribute to local social and economic development, and competition with food and water should be avoided;
- k) adopt measures to ensure the sustainability of alternative fuels for aviation, building on existing approaches or combination of approaches, and monitor, at a national level, the sustainability of the production of alternative fuels for aviation;
- l) work together through ICAO and other relevant international bodies, to exchange information and best practices, including on the sustainability of alternative fuels for aviation;

33. *Requests* the Council to:

- a) continue to develop and keep up-to-date the guidance for member States on the application of policies and measures aimed at reducing or limiting the environmental impact of emissions from international aviation, and conduct further studies with respect to mitigating the impact of international aviation on climate change;
- b) encourage States to cooperate in the development of predictive analytical models for the assessment of aviation impacts;
- c) continue evaluating the costs and benefits of the various measures, including existing measures, with the goal of addressing aircraft engine emissions in the most cost-effective manner, taking into account the interests of all parties concerned, including potential impacts on developing world;
- d) provide the necessary guidance and direction to ICAO's Regional Offices to assist member States with studies, evaluations and development of procedures, in collaboration with other States in the region, to limit or reduce GHG emissions on a global basis and work together collaboratively to optimize the environmental benefits that can be achieved through their various programmes;
- e) develop a global CO<sub>2</sub> Standard for aircraft aiming to finalize analyses by late 2015 and adoption by the Council in 2016;
- f) further elaborate on relevant fuel efficiency metrics, including for international business aviation, and develop and update medium and long term technological and operational goals for aircraft fuel burn;
- g) maintain and update guidance on ATM improvements and other operational measures to reduce international aviation emissions;
- h) implement an emphasis on increasing fuel efficiency in all aspects of the ICAO's Global Air Navigation Plan, and encourage States and stakeholders to develop air traffic management that optimize environmental benefits and to promote and share best practices applied at airports in reducing the adverse effects of GHG emissions of civil aviation;
- i) continue to develop and update the necessary tools and guidance to assess the benefits associated with ATM improvements, and assess the environmental benefits associated with the implementation of the Aviation System Block Upgrades (ASBUs) strategy;
- j) encourage member States and invite industry, financial institutions and other international organizations to actively participate in exchange of information and best practices and in further work under ICAO on sustainable alternative fuels for aviation;
- k) continue to maintain the ICAO Global Framework for Aviation Alternative Fuels (GFAAF);
- l) collect information on progress of alternative fuels in aviation, including through States' action plans, to give a global view of the future use of alternative jet fuels and to account for changes in life cycle GHG emissions in order to assess progress toward achieving global aspirational goals;
- m) work with financial institutions to facilitate access to financing infrastructure development projects dedicated to sustainable aviation alternative fuels and incentives to overcome initial market hurdles;

- n) monitor and disseminate relevant information on the potential impacts of climate change on international aviation operations and related infrastructure, in cooperation with other relevant international organizations and the industry; and
- o) continue to cooperate with the Climate Neutral UN initiative, remain at the forefront of developing methods and tools for quantifying aviation's GHG emissions with respect to the initiative, and further develop and implement the strategy for reducing GHG emissions and enhancing in-house sustainability management practices of the Organization.

## Annex

The guiding principles for the design and implementation of market-based measures (MBMs) for international aviation:

- a) MBMs should support sustainable development of the international aviation sector;
  - b) MBMs should support the mitigation of GHG emissions from international aviation;
  - c) MBMs should contribute towards achieving global aspirational goals;
  - d) MBMs should be transparent and administratively simple;
  - e) MBMs should be cost-effective;
  - f) MBMs should not be duplicative and international aviation CO<sub>2</sub> emissions should be accounted for only once;
  - g) MBMs should minimize carbon leakage and market distortions;
  - h) MBMs should ensure the fair treatment of the international aviation sector in relation to other sectors;
  - i) MBMs should recognize past and future achievements and investments in aviation fuel efficiency and in other measures to reduce aviation emissions;
  - j) MBMs should not impose inappropriate economic burden on international aviation;
  - k) MBMs should facilitate appropriate access to all carbon markets;
  - l) MBMs should be assessed in relation to various measures on the basis of performance measured in terms of CO<sub>2</sub> emissions reductions or avoidance, where appropriate;
  - m) MBMs should include *de minimis* provisions;
  - n) where revenues are generated from MBMs, it is strongly recommended that they should be applied in the first instance to mitigating the environmental impact of aircraft engine emissions, including mitigation and adaptation, as well as assistance to and support for developing States;
  - o) where emissions reductions are achieved through MBMs, they should be identified in States' emissions reporting; and
  - p) MBMs should take into account the principle of common but differentiated responsibilities and respective capabilities, the special circumstances and respective capabilities, and the principle of non-discrimination and equal and fair opportunities.
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## **RESERVATIONS TO RESOLUTION A38-18**

The following reservations were recorded by the States indicated below<sup>5</sup> in respect of specific provisions of Resolution A38-18 and are available on ICAO's website for the 38th Session of the Assembly:

Preambular paragraph 10                    Australia

Paragraph 6                            Australia

Paragraph 7                            Argentina, Australia, Bahrain, Brazil, China, Cuba, India, Lithuania (on behalf of the 28 Member States of the European Union (EU)<sup>6</sup>) and 14 other Member States of the European Civil Aviation Conference (ECAC<sup>7</sup>), the Russian Federation, Saudi Arabia and Venezuela (Bolivarian Republic of)

Paragraph 16                            Lithuania (on behalf of the 28 Member States of the EU and 14 other Member States of ECAC) and Singapore

Paragraph 16 b)                        Afghanistan, Australia, Canada, Japan, New Zealand, Qatar, the United Arab Emirates and the United States

Paragraph 20                            Australia

Paragraph 21                            Australia

Annex

Guiding principle p)                    Australia, Canada, Japan, Lithuania (on behalf of the 28 Member States of the EU and 14 other Member States of ECAC), New Zealand, the Republic of Korea and the United States

— END —

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<sup>5</sup> During the Sixth Plenary Meeting on 4 October 2013, the Islamic Republic of Iran made a reservation to paragraph 16 a) and b) but withdrew it by an e-mail dated 4 October 2013 to the Secretary General.

<sup>6</sup> Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom

<sup>7</sup> Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Iceland, the Republic of Moldova, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland, and The former Yugoslav Republic of Macedonia

## Paper no. 2: International Maritime Organization

**Note by the International Maritime Organization to the forty-third session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 43)**  
**Paris, France, 1 to 4 December 2015**

### **Agenda item 10(c) Emissions from fuel used for international aviation and maritime transport**

#### **UPDATE ON IMO'S WORK TO ADDRESS EMISSIONS FROM FUEL USED FOR INTERNATIONAL SHIPPING**

##### **SUMMARY**

IMO's Marine Environment Protection Committee (MEPC) has for some time now been considering, as an integral part of its agenda, actions to address greenhouse gas (GHG) emission from ships engaged in international trade. It met for its 68th session (MEPC 68) from 11 to 15 May 2015, at IMO Headquarters in London, with the participation of 99 Member States, 1 United Nations body, 5 intergovernmental organizations and 52 non-governmental organizations.

MEPC 68 continued its work on further developing guidelines to support the uniform implementation of the regulations on energy-efficiency for ships that entered into force on 1 January 2013 under MARPOL Annex VI. Furthermore, progress was made, at MEPC 68 and an intersessional working group meeting held in September 2015, on the development of a data collection system for fuel consumption of ships.

IMO is also continuing its efforts with regard to technical co-operation and capacity-building to ensure effective implementation and enforcement of the aforementioned new regulations worldwide and, importantly, activities to support the implementation of resolution MEPC.229(65) on *Promotion of technical co-operation and transfer of technology relating to the improvement of energy efficiency of ships*.

#### **Introduction**

1 International shipping plays an essential role in the facilitation of world trade as the most cost-effective and energy-efficient mode of mass cargo transport, making a vital contribution to international trade and being a key pillar of the development of a sustainable global economy.

2 The International Maritime Organization (IMO) was established by Governments as a specialized agency under the United Nations to provide the machinery for intergovernmental cooperation in the field of regulation of ships engaged in international trade. IMO is responsible for the global regulation of all aspects of international shipping and has a key role in ensuring that lives at sea are not put at risk, including security of shipping, and that the environment is not polluted by ships' operations – as summed up in IMO's mission statement: **Safe, secure and efficient shipping on clean oceans**.

3 The mandatory energy efficiency requirements for international shipping have now been in force for almost three years. Data presented to MEPC 68 clearly identifies the improvements made, significant in many cases, in the energy efficiency of ships being designed and delivered today. This is a significant success story and once again demonstrates

the IMO's important role as the global standard setter for international shipping. However, the complexity of optimizing the energy efficiency of existing ships requires that any future action is taken so following the analysis of robust data.

4 This document provides an update of previous submissions by IMO to SBSTA, including document FCCC/SBSTA/2015/MISC.4.

### **Work on control of GHG emissions from international shipping**

5 Measures to improve the energy efficiency of international shipping were adopted by Parties to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL) at MEPC 62 in July 2011 and entered into force on 1 January 2013. The *Regulations for energy efficiency of ships* apply to internationally trading ships of 400 gross tonnage and above, and make mandatory the:

- .1 Energy Efficiency Design Index (EEDI) for new ships; and
- .2 Ship Energy Efficiency Management Plan (SEEMP) for all ships.

6 The EEDI is a non-prescriptive, performance-based mechanism that leaves the choice of technologies to use in a specific ship design to the industry. As long as the required energy-efficiency level is attained, ship designers and builders are free to use the most cost-efficient solutions for a ship to comply with the regulations.

7 All ships of 400 gross tonnage and above engaged in international trade are required to implement and maintain a SEEMP which establishes a mechanism for operators to improve the energy efficiency of ships. This should be achieved by monitoring the energy efficiency performance of a ship's transportation work and by considering new technologies and practices to improve energy efficiency at regular intervals.

8 MEPC 68 continued its work on further developing guidelines to support the uniform implementation of the regulations on energy efficiency for ships and took the following actions:

- .1 adopted amendments to the *2014 Guidelines on survey and certification of the EEDI*, updating the previous version to include, for example, the latest ISO standard regarding sea trial speed analysis;
- .2 adopted amendments to the *2013 Interim Guidelines for determining minimum propulsion power to maintain the manoeuvrability of ships in adverse conditions*, as amended, to revise the level 1 power lines calculation assessment; and
- .3 endorsed the progress report of the correspondence group established to review the status of technological developments relevant to implementing phase 2 of the EEDI regulatory framework that starts on 1 January 2020. Regulation 21.6 of MARPOL Annex VI requires IMO, at the beginning of phase 1, "review the status of technological developments and, if proven necessary, amend the time periods, the EEDI reference line parameters for relevant ship types and reduction rates set out in this regulation".

### **Third IMO GHG Study 2014**

9 MEPC 67 approved the Third IMO GHG Study 2014, providing updated estimates for GHG emissions from ships. According to current estimates presented in this study, international shipping emitted 796 million tonnes of CO<sub>2</sub> in 2012, which accounts for no more than about 2.2% of the total emission volume for that year. By contrast, in 2007, before the global economic downturn, international shipping was estimated to have emitted 885 million tonnes of CO<sub>2</sub> which represented 2.8% of the global emissions of CO<sub>2</sub> for that year. These percentages are all the more significant when considering that shipping is the principal carrier of world trade, carrying as much as 90% by volume and therefore providing a vital service to global economic development and prosperity.

10 Updated emission estimates are considered necessary, in general, to provide a better foundation for future work by IMO to address GHG emissions from international shipping especially as the Business as Usual scenarios, depending on future economic and energy developments, forecast a growth in CO<sub>2</sub> emissions for international maritime transport of between 50% to 250% in the period up to 2050. Sea transport is fuel-efficient and without these updated figures it would be difficult to provide a meaningful baseline to illustrate the steadily on-going improvement in fuel efficiency due to improved hull design, more effective diesel engines and propulsion systems and more effective utilization of individual ships resulting from the introduction of mandatory technical and operational measures.

11 The executive summary and the full report of the Third IMO GHG Study 2014 in English, as well as the executive summary translated into French and Spanish, have now been published and are available on the IMO website at: <http://www.imo.org/OurWork/Environment/PollutionPrevention/AirPollution/Pages/Greenhouse-Gas-Studies-2014.aspx>

### **Further technical and operational measures to enhance the energy efficiency of ships**

12 MEPC 68 considered work undertaken by its intersessional Correspondence Group on Further technical and operational measures for enhancing energy efficiency of ships. As instructed by MEPC 67 (October 2014), the correspondence group developed a proposed text for the full language of the data collection system for fuel consumption that can be readily used for voluntary or mandatory application of the system.

13 MEPC 68, noting that the full language had to be further developed, did not take a decision at that stage as to whether the data collection system should be voluntary or mandatory and agreed that, when this is decided, the appropriate structure and language will be used.

14 MEPC 68 agreed that the development of a data collection system for ships should follow a three-step approach: data collection, data analysis, followed by decision-making on what further measures, if any, are required.

15 MEPC 68 noted that one purpose of the data collection system was to analyze energy efficiency and that for this analysis to be effective some transport work data needs to be included. Therefore, work at MEPC 68 primarily focused on the development of the full language for a data collection system for fuel consumption and consideration was given to transport work and/or other proxies for inclusion in the system.

16 In this regard, MEPC 68 agreed that data collected by the IMO, particularly that related to transport work, needs to be confidential and not publicly available, and that there is a need to address resulting administrative burdens, impact on industry and the variables that influence energy efficiency.

17 MEPC 68 established a Working Group on Further technical and operational measures for enhancing energy efficiency of ships and instructed it to further develop the full language for the data collection system for fuel consumption, taking into consideration additional issues identified by the correspondence group such as:

- .1 transfer of ship's flag State or ownership;
- .2 data to be submitted to the flag State and by whom;
- .3 whether or not issues like survey and port State control should be included in the text itself or form part of the guidelines; and
- .4 need for clarity on which entity is responsible for reporting the data.

18 MEPC 68 approved the working group's report (MEPC 68/WP.10) in general and, inter alia, agreed on the text as set out in the annex to the report for its further development to be the full language for the data collection system for fuel consumption of ships that can be readily used for voluntary/mandatory application of the system.

19 As agreed by MEPC 68 and subsequently endorsed by the IMO Council in July, the aforementioned Working Group convened intersessionally from 9 to 11 September 2015 at IMO Headquarters, with the object to: further consider transport work and/or proxies for inclusion in the data collection system; further consider the issue of confidentiality; and consider the development of guidelines identified in document MEPC 68/WP.10

20 MEPC 69, to be held in April 2016, will be invited to approve the intersessional working group's report as set out in document MEPC 69/6 and to:

- .1 agree that data forwarded from Administrations to the Organization does not need to be anonymised and that this data, as with the data supplied for the EEDI database, should include the IMO number of a ship to enable the Organization to avoid duplication of data included in to the database;
- .2 agree that there is a need to establish how data could be presented to ensure anonymity to the extent that it satisfies the provisions in the draft text, and that further work is therefore required to determine how data can be presented to ensure the anonymity of individual ships;
- .3 endorse the group's recommendation that the parameter "distance travelled" should be collected and be defined as from "berth to berth" and that further fine tuning in this regard is required;
- .4 endorse the group's recommendation that the parameter "service hours" should be collected and be defined as "hours not at berth" and that further fine tuning is in this regard required;
- .5 endorse the group's recommendation that for ship types which carry cargo, "design DWT" should be used as a proxy of "cargo weight/volume";
- .6 agree that for shipping sectors where cargo is not carried further consideration is required to ascertain operational energy efficiency;
- .7 note that the group invited the delegation of Japan to submit its proposal for amendments to the SEEMP Guidelines (resolution MEPC.213(63)) to MEPC 69 for further consideration;
- .8 note that the group invited delegations to submit proposals for guidelines on transfer of owner/Administration to MEPC 69; and
- .9 agree to amend the draft text of annex 1 to reflect the agreements made.

#### **GHG emission reduction target for international shipping**

21 MEPC 68 considered a document by the Marshall Islands (MEPC 68/5/1) providing justification for and requesting the MEPC to undertake the work necessary to establish a GHG emission reduction target for international shipping consistent with keeping global warming below 1.5°C, and to agree the measures necessary to reach that target.

22 In summarizing the views expressed on the proposal and conclusions thereof, MEPC 68:

- .1 expressed gratitude to the Marshall Islands for the submission of the document MEPC 68/5/1 and the information therein, acknowledging and recognizing the importance of the issue raised;

- .2 recognized the measures already adopted by the IMO in relation to the reduction of emissions from ships, also recognizing that more could be done;
- .3 was of the opinion that current work should continue to focus on further reduction of emissions from ships, particularly through the finalization of a data collection system;
- .4 considered the issues raised by the Marshall Islands could be further addressed at a future session of the MEPC, acknowledging the need to move forward cautiously; and
- .5 looked forward to a successful meeting of UNFCCC COP 21 in Paris later this year.

### **Technical co-operation and transfer of technology**

23 Regulation 23 (Promotion of technical co-operation and transfer of technology relating to the improvement of energy efficiency of ships) of chapter 4 of MARPOL Annex VI requires Administrations, in co-operation with the IMO and other international bodies, to promote and provide, as appropriate, support directly or through IMO to Member States, especially developing States that request technical assistance. It also requires the Administration of a Party to MARPOL Annex VI to co-operate actively with other Parties, subject to its national laws, regulations and policies, to promote the development and transfer of technology and the exchange of information to States which request technical assistance, particularly developing States.

24 Linked to the implementation of energy efficiency measures, MEPC 65 (May 2013) adopted resolution MEPC.229(65) on *Promotion of technical co-operation and transfer of technology relating to the improvement of energy efficiency of ships*, which, among other things, requests the IMO, through its various programmes, to provide technical assistance to Member States to enable cooperation in the transfer of energy efficient technologies to developing countries in particular; and further assist in the sourcing of funding for capacity building and support to States, in particular developing States, which have requested technology transfer.

25 MEPC 66 (April 2014) discussed the implementation of resolution MEPC.229(65) and established, in accordance with the resolution, an Ad Hoc Expert Working Group on Facilitation of Transfer of Technology for Ships (TT-EG). The TT-EG, during its first meeting, agreed on the methodology for conducting its work, as well as on a work plan which was endorsed by the MEPC.

26 This work plan envisages: 1) assessing the potential implications and impacts of the implementation of the energy efficiency regulations in chapter 4 of MARPOL Annex VI, in particular on developing States, as a means to identify their technology transfer and financial needs; 2) identifying and creating an inventory of energy efficiency technologies for ships; 3) identifying barriers to transfer of technology, in particular to developing States, including associated costs, and possible sources of funding; and 4) making recommendations, including the development of a model agreement enabling the transfer of financial and technological resources and capacity building between Parties, for the implementation of the energy efficiency regulations.

27 MEPC 68 considered document MEPC 68/3/1 (Chairman of the TT-EG), providing a progress report on the work carried out by the TT-EG, and noted that full reports on the first three of the four tasks identified in the group's work plan were provided and that a complete report of all four tasks would be submitted to MEPC 69. Several delegations expressed their appreciation for the progress made to date by the group, noting in particular the usefulness of relevant regional workshops that had taken place, as a means to increase awareness of technology transfer in the context of energy efficiency of ships.

28 With a view to facilitating its report to MEPC 69, the TT-EG convened a meeting from 26 to 29 October 2015 at IMO Headquarters and finalized:

- .1 a Model Agreement for Enabling the Transfer of Financial and Technological Resources and Capacity-building Between Parties including an introductory text (annex 1, document TT-EG 4/4),

- which can be used to facilitate technical cooperation activities and relationship building between Parties as they see fit and may be adapted to meet the needs of individual Parties; and
- .2 a set of recommendations (annex 2, document TT-EG 4/4) to guide and assist Member States, industry and other entities within States in implementing regulations in chapter 4 of MARPOL Annex VI. The recommendations take into account work that is already on-going and have been drafted in a user-friendly language to help parties move from the same level of understanding of all the salient elements of the regulations, and the expectations of resolution MEPC.229(65). The recommended tools are meant to inspire innovative ideas on how to implement a particular recommended action and are not meant to be exhaustive. The recommendations acknowledge the need to create, maintain, and at all levels promote a conducive climate enabling the transfer and uptake of technologies related to energy efficiency of ships. They further acknowledge the need to enhance at all levels, and as appropriate, the technical capacity for effective implementation of MARPOL Annex VI.

### ***Technical cooperation activities***

29 To ensure effective implementation and enforcement of the new energy efficiency regulations worldwide, IMO has also been focusing its efforts on technical co-operation and capacity building, and has been undertaking a series of regional and national workshops on implementation of the measures to address emissions from fuel used by international shipping. Under the Integrated Technical Co-operation Programme (ITCP) of IMO, further capacity-building activities are currently planned, in order to sustain the level of technical cooperation interventions in various regions for the effective implementation and enforcement of energy efficiency measures for ships.

30 Furthermore, with financial support from the Global Environment Facility (GEF), UNDP and IMO are cooperating in a global effort to transform the shipping industry towards a lower carbon future, through a project entitled "*Transforming the global maritime transport industry towards a low carbon future through improved energy efficiency*" (GloMEEP Project). Having received the support and commitment of ten Lead Pilot Countries, this two year global project will assist developing countries in the implementation of the energy efficiency measures adopted by IMO.

31 The GEF-IMO-UNDP GloMEEP Project was officially launched during the Future-Ready Shipping 2015 Conference (<http://future-readyshipping.com>), a joint IMO-Singapore International Conference on Maritime Technology Transfer and Capacity Building, held in Singapore on 28 and 29 September 2015. About 200 maritime leaders and professionals attended the conference, which kick-started a global dialogue on removing barriers to energy-efficiency technologies and measures. Speakers at the conference gave presentations spanning the entire spectrum of technology development, technology transfer and capacity building as well as policy, economic and regulatory developments. The speakers shared views on the creation of enabling environments; the current state of green ship technology and what might be expected in the future; and how to continue to promote and sustain capacity building and technology cooperation.

32 Attending the Future-Ready Shipping 2015 Conference were representatives of the GloMEEP Lead Pilot Countries: Argentina, China, Georgia, India, Jamaica, Malaysia, Morocco, Panama, Philippines and South Africa. These countries will be supported in taking a fast-track approach to pursuing relevant legal, policy and institutional reforms, driving national and regional government action and industry innovation to support the effective implementation of IMO's energy efficiency requirements.

### **Summary**

33 International maritime transport is the most energy efficient mode of mass transport. A global approach to further improvements in energy efficiency and GHG emission reduction is considered necessary as sea transport is predicted to grow significantly in the coming years in line with expected future growth in world trade.

34 IMO continues to develop its adopted framework of technical and operational measures that now serves as a mandatory performance standard for increased energy efficiency in international shipping. The framework builds on IMO's enforcement and control provisions (flag State implementation and port State control), and provides a suite of comprehensive technical guidelines for their effective implementation.

35 IMO, as the global regulator of international shipping, will continue its endeavours to reduce environmental impacts from international maritime transport, a vital industry to world trade and sustainable development, and keep relevant bodies of the UNFCCC informed of its progress.

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