



## INTERNAL INDUSTRY BRIEFING

# GLADs 2016 #3: DENPASAR

The International Civil Aviation Organization (ICAO) is running a series of Global Aviation Dialogues (GLADs) as part of its outreach to member states on the process to develop a global market-based measure (GMBM) set to be agreed at the 2016 ICAO Assembly. The second round of GLADs is taking place across the ICAO regions in Cairo, Dakar, Denpasar, Utrecht and Mexico City throughout March and April 2016.

The Asia-Pacific leg of the GLADs tour was the best attended so far, with over 90 delegates from China, Fiji, Indonesia, India, Philippines, Vietnam, Singapore, Malaysia, Australia, the Republic of Korea, New Zealand and Papua New Guinea who were joined by colleagues from Norway, United States, France, United Kingdom, Canada and the European Union. Observers included ICSA, IETA and a strong industry delegation.

The Denpasar GLAD plenaries were dominated by interventions from a couple of major aviation states in the region who sought to ensure that their broad policy views were well known to delegates. It seemed at times that those states were intent on challenging the credibility of the process. The need for a CNG2020 goal was questioned, as well as a strong desire expressed to ensure that the concept of common but differentiated responsibilities in its more broad terms was well-reflected in the design of any scheme: in other words a more blunt differentiation between developed and developing nations than currently planned, more in line with traditional UNFCCC differentiation. This would apply to both the need to comply with the scheme and also to the MRV and EUC aspects.

None of these sensitive views were new and have been put forward many times already in the ICAO process.

A paper which outlines some of those points was distributed by China, supported by India, Russia and South Africa.

Interestingly, two of the major points raised at previous GLADs – on the use of World Bank GNI-per capita rankings and the use of the 100% sectoral approach – did not create any real discussion in Asia-Pacific. And the majority of states seemed positively disposed to the MBM concept, with naturally some questions on the details.

- » All documents are available on the ICAO website: [www.icao.int/Meetings/GLADs-2016/Pages/default.aspx](http://www.icao.int/Meetings/GLADs-2016/Pages/default.aspx)

### SMALL GROUP DISCUSSIONS

The group breakout discussions delivered nothing surprising, with the key questions being answered in broadly the same way as they have been at the previous GLADs.

On the 100% sectoral rate used in the proposal, six groups said it could

improve simplicity, but concerns were raised again in some quarters about the overall fairness of that approach.

In the discussion on implementation, nearly all groups identified the same primary roles for the different actors in the sector and the preferences for sources of offset credits remained similar to previous GLADs. There was overwhelming support for operators to be able to access the most cost effective credits (subject, of course, to their meeting defined quality criteria) and also for credits from developing and least developed economies.

There was a clear call once again for capacity building and training for both MRV and development of registries in countries.

A number of State representatives suggested that regional groups of countries could help each other with common systems. And there were again suggestions that IATA may have a role to play in the monitoring and tracking of emissions (as well as perhaps the registry process). Some states called for ICAO to develop off-the-shelf registry systems that could be used by states (or a linked web-based platform).



## FINAL PANEL SESSION

Australia commented that the GLADs delegates had been extremely engaged in these last few days and hoped that the inputs from the various States would be provided as input to the Council in order to come up with the best market-based measure possible for the sector. Indonesia reflected in detail that continued capacity building would be vital for the success of the scheme. It was stressed that the GLADs should not be the end of the conversation but that people should continue to be fully engaged in the process up until the Assembly.

ICSA noted that NGOs were evaluating the proposal based on their own “checklist”. Their main concerns were with environmental integrity and the ambition of the scheme. On the specific proposal, ICSA is concerned that the coverage might not be enough and will see for paragraphs 15 and 16 to be reviewed. They do not feel the scheme should expire, and that it should be ratcheted up over time.

The industry’s views were represented by Michael Gill who asked delegates to reflect on the wider goals of the scheme - to pursue our license to grow as an industry, in a sustainable way. He again underlined the need to avoid the potential patchwork of national and regional measures to address aviation’s climate impact and re-stated industry’s need for a clear MBM framework and

detailed implementation standards to be delivered as soon as possible to ensure that the scheme could be up and running from 2020.

The IETA panelist assured delegates that there would be enough supply of carbon offsets to supply aviation and this can be determined if there is enough early certainty about the scheme. ICAO was urged to confirm the criteria for offsets early on and for early action credits to be used as a way to incentivise the development of offset projects.

## DELEGATION REFLECTIONS

Comments from the floor which sought to challenge aspects of the ICAO proposal were very similar to what we are used to hearing at the UNFCCC.

Questions were raised about how the Paris Agreement’s bottom-up and voluntary approach ‘conflicts’ with the ICAO approach. Clarification was also sought on whether or not States could take action on international aviation emissions through their nationally-determined action under the UNFCCC. It was argued that States had the prerogative to choose to do that themselves or at ICAO

[note: the Paris Agreement actually does not say that – it mentions that Parties can undertake nationally-determined contributions with regard to *domestic* emissions].

Whatever the motivation of those interventions (as real input or posturing), they did serve to create confusion with the other delegates. However, it was made clear time and again by the ICAO Secretariat that this was not a negotiation forum. It also remains to be seen how much influence these statements have on other countries in the region, as many of the other exchanges show the other countries convinced of the need for the MBM, with natural questions remaining over the operationalisation details.

*As an interesting post-script: the day after the Asia-Pacific GLAD, the Chinese President made a joint announcement with his US counterpart, saying they were: “committed to working bilaterally and with other countries to achieve successful outcomes this year in related multilateral fora, including ... a global market-based measure for addressing greenhouse gas emissions from international aviation at the [ICAO] Assembly”.*

» See: <http://1.usa.gov/1MEk2eV>

*Comments made during the GLAD should perhaps be considered in the light of that announcement which is a very positive development as we continue our work.*

## WELKOM BIJ UTRECHT!

The next GLAD, for Europe and North Atlantic, takes place on Monday 4 and Tuesday 5 April... the team will report from there!