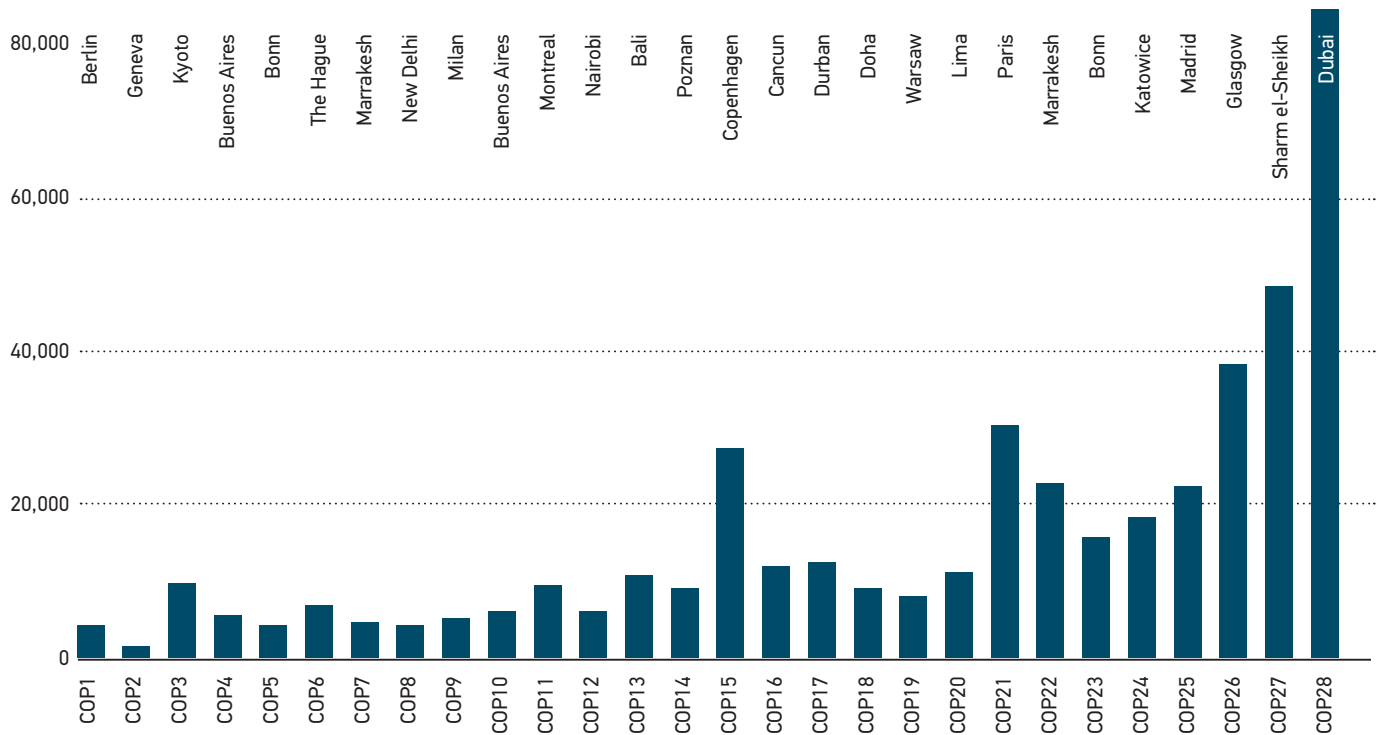


UNFCCC COP28, DUBAI

The 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC) took place in Dubai from 30 November to 13 December 2023. This was the largest COP in history, by far, with 85,000 delegates registered for the Blue Zone (the official negotiating space) and space for up to 70,000 participants a day in the Green Zone (a more public area open to citizens). The sheer volume of participants has become a challenge for COP organisation, and we expect future COP events to start even more severe restrictions on attendance by Parties (observers faced a lot of restrictions this year: the three aviation organisations with official observer status only getting nine passes for the Blue Zone between them).

COP participation over the years



COP28 itself was notable for a few reasons: the Presidency of the United Arab Emirates trying to balance their wish for a good ‘show’ (the biggest COP ever!) and successful outcome, with the need to recognise the source of their own wealth (and in particular that of their neighbours to the south); the President of the COP himself being the current CEO of the UAE’s national oil company, ADNOC; the operationalisation of the Loss and Damage Fund in the first few hours of COP28; the Global Stocktake (which was a mandated item under the Paris Agreement and took stock of the state of progress towards Paris Agreement goals); and the need to progress on Article 6 (see below). Most notably was the debate over the recognition of the push to “phase out” or “phase down” fossil fuels in line with the need to get to net zero.

This point proved to be decisive and, almost 24 hours after COP28 was scheduled to conclude, the ‘UAE Consensus’ was gavelled through with a first UN-backed agreement to “transition away” from fossil fuels. This is a significant shift and one which can be strengthened over the coming COPs, but as with all climate agreements, it is probably something that should have been done years ago.

- » UNFCCC press release: <https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era>
- » *The Guardian* wrap-up of COP28: www.theguardian.com/environment/2023/dec/13/cop28-landmark-deal-agreed-to-transition-away-from-fossil-fuels

The last days of the conference were so fraught over the issue of fossil fuels that a message went out to the delegates at COP offering guided meditation sessions with a group of French monks. COP28 closed just after 17:00 on 13 December, a day and a half after it was scheduled to end.

Global Stocktake (GST)

This was the source of the biggest headaches for the negotiators at COP. It is a comprehensive text and some early versions of the text included reference to aviation:

“Calls upon Parties to accelerate the development, deployment and dissemination of technologies, and the adoption of policies, to transition towards low-emission energy systems, including by rapidly scaling the deployment of clean power generation and energy efficiency measures, including accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies, while providing targeted support to the poorest and most vulnerable in line with national circumstances and recognizing the need for support towards a just transition;

- *Energy sector: phasedown/out fossil fuels, phasedown/out/ no new coal, tripling renewables, doubling energy efficiency, the role of transitional fuels, the importance of a just energy transition*
- *Phase-out of fossil fuel subsidies noting need for just transition and fairness*
- *Carbon management/removal approaches*
- *Transport, including timelines for zero-emission vehicles; **international shipping and aviation.**”*

We asked for the aviation text to be moved out of the operative text and for the outcome of work at ICAO and IMO to be “welcomed”, as the UNFCCC shouldn’t be instructing another UN body what to do, but in the end the references got removed anyway.

- » The final GST text: https://unfccc.int/sites/default/files/resource/cma2023_L17_adv.pdf

The main aviation messages at COP28 were to try and convey the outcomes of both the ICAO Assembly (aviation’s net zero 2050 long term goal) and the CAAF/3 meeting (a global framework to implement SAF and the goal of 5% average global carbon intensity improvement of the fuels we use) to governments, the finance community and energy industry who were all at COP28. This is a strong message from aviation: although we don’t have a specific role in the UNFCCC negotiations, we now have a set of requests to communities which meet at COP.

- » The ATAG media release is here: <https://atag.org/news/cop28-energy-transition-outcome-welcomed-by-aviation-sector/>

With the adoption of the final text of the GST, known as the “UAE Consensus”, the wider UN system is now in line with the aviation sector’s own pathways (*Waypoint 2050*, the ICAO *LTAG Report*, net zero roadmaps, etc), as shown at the ICAO Assembly last year and CAAF/3, which clearly identify that achieving net zero carbon emissions in 2050 will require aviation to transition away from fossil fuels.

SBSTA Bunkers

One point of drama at COP28 took place in the normally routine discussion on ‘emissions from fuel used for international aviation and maritime transport’, or more informally known as the ‘bunkers’ discussion which sits in the COP Subsidiary Body on Scientific and Technological Advice (SBSTA).

Every year, ICAO and IMO are invited to report on the work those two agencies have undertaken in this area. In most previous years, there has been a small amount of discussion from States, some praising the work, some making points about differentiation between developed and developing countries and the whole topic is wrapped up with a request for further reports from ICAO and IMO at the next session.

This time, there were complaints from a small number of countries (Saudi Arabia, China, Iraq mainly) about the quality of the information they were receiving in the reports from the two bodies. They were particularly unhappy that the ICAO report of CAAF/3 didn’t reflect their reservations at CAAF/3. There was an attempt to try and add in language about ‘divergence of views’ and a debate over whether the reports from ICAO and IMO should be ‘welcomed’ or merely ‘noted’ by the SBSTA. There was a bizarre discussion about whether to say that ICAO and IMO Secretariats ‘attended the informal discussions and answered questions given that they were literally sitting in the room and quite clearly answered questions!

In the end (and following 10.5 hours of informal discussions), the chair instigated “Rule 16”: as no consensus was reached, the discussion would be held over to the next session in mid-2024. In this case, no result was better than a bad result, but it could have been problematic for us and we will need to see how this topic is picked up at the next session.

» The ICAO report to SBSTA can be found here: <https://shorturl.at/CNOP8>

This type of hard negotiation was not limited to the bunkers discussions, however, as a number of other items were similarly unable to reach conclusion and were kicked up to the higher-level bodies without resolution. It is also perhaps interesting to note that Rule 16 is part of the draft rules of procedure as the UNFCCC has never been able to agree on the rules of procedure since they were first proposed... in 1995!



Article 6

Article 6 of the Paris Agreement establishes a framework for countries to cooperate voluntarily in meeting their national climate targets or NDCs by transferring emissions reductions and removals (collectively referred to as 'mitigation outcomes').

Article 6 contains three pathways for cooperation, including bilateral carbon trading (known as Article 6.2), a centralised carbon crediting mechanism (known as Article 6.4) and non-market approaches (known as Article 6.8). Article 6.2 covers the rules for bilateral and multilateral transfer of international mitigation outcomes between countries and sectors outside NDCs, while Article 6.4 creates a centralised system to replace the Clean Development Mechanism (CDM – which sits under the Kyoto Protocol) to deliver mitigation outcomes under the Paris Agreement (these will be Sustainable Development Mechanism (SDM) credits). Both Article 6.2 and Article 6.4 have implications for aircraft operators participating under the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

The COP/28 negotiations did not reach an outcome on additional guidance for 6.2 or 6.4. While additional guidance could be helpful for implementation of certain elements, the lack of additional guidance from COP/28 does not prevent the implementation or operationalisation of elements of Article 6.

Key issues debated by Parties under Article 6 include:

- The authorisation, revision, and revocation of internationally transferred mitigation outcomes (ITMOs)
- Definition on cooperative approaches
- Sequencing of requirements, confidentiality of review materials and common nomenclature
- Methodologies on generating Article 6.4 emissions reductions
- Guidance on activities involving removals

The biggest challenge confronting aircraft operators is that without additional guidance for Article 6, there may be delays in authorising CORSIA eligible emissions units on the carbon market for CORSIA compliance, which could impact unit supply and price. As a result, the sector will need to closely follow developments and engage with governments to ensure that they are taking steps to make CORSIA eligible units available.

In preparation for COP28, IATA took the lead on developing an industry statement, calling for COP28 to navigate the trade-offs and requirements countries face when deciding to authorise the emissions units for use under CORSIA. The authorisation of emissions units will not only supply CORSIA eligible emissions units on the carbon market, but the corresponding adjustments will effectively address the issue of double-claiming and ensure CORSIA's environmental integrity. The industry was very vocal in conversation with States at COP28, highlighting the urgency of getting Article 6 operationalised, allowing airlines to purchase the units as soon as possible (as operators will face the need to deal with the carbon markets from next year), as opposed to waiting until the end of CORSIA's first compliance cycle in 2028.

- » IATA-led pre-COP28 statement on the importance of Article 6 discussions: www.linkedin.com/feed/update/urn:li:activity:7136338211416469504/

Airlines for America is planning to develop a deeper dive look at the Article 6 discussions and how they relate to aviation, once the dust has settled from COP28.

- » The last text on Article 6.2 and Article 6.4 from COP28 can be found as Item 14a here: <https://unfccc.int/event/cma-5?item=14%20a>. It is unclear whether these texts will form a basis for future negotiations and indeed the entire path forward is uncertain given that some States seem keen to re-open parts of the dialogue which many had considered settled.
- » IETA statement on the failure to agree Article 6: www.ieta.org/ieta-regrets-article-6-failure-calls-for-end-to-politicisation-of-markets/

Loss and Damage Fund

One of the early successes of COP28 was the operationalisation of the Loss and Damage Fund which had been mandated at COP27 and had a year of negotiations to finalise some of the modalities of the Fund. It will be (for a few years at least) housed under the World Bank and there are a number of items which still have to be decided as the Fund gets up-and-running. Over \$700m was pledged from States to help seed the fund, but much more is needed according to campaigners and the developing countries which will be the recipients of the Fund.

There was no official talk of innovative sources of financing (such as levies on aviation, shipping or financial transactions) in the negotiations and very little talk in the corridors or side events.

France and Kenya did launch a taskforce of countries to study options for implementing innovative taxes and levies: including potentially a levy in international flights. The task force is charged with exploring the benefits and burdens of a range of levy and tax options, expecting to report back at COP30 in two years' time, before pushing implementation towards groups such as the G20 and OECD. The taskforce will consist of France, Kenya, Barbados, Antigua and Barbuda, Spain and the African Union, with the European Commission as observer. Few other details are known at this time, but European Climate Foundation's Laurence Tubiana (one of the architects of the Paris Agreement) may be leading the work. Comments also suggest more of a focus on 'rich' fliers (premium classes and business jets) than all classes of travel.

Aviation Delegation

Around 60 delegates from the aviation sector attended and in the course of the two weeks, around 55 side events were conducted with 18 taking place on one day alone - transport was the theme of 6 December.

ATAG also co-hosted a high-level roundtable with the Sustainable Markets Initiative as part of the Business and Philanthropy Climate Forum at COP28, focusing on SAF and new technology.

- » Business and Philanthropy Climate Forum: <https://bpcforum.org/>

ICAO hosted a side event with the IMO and IRENA exploring the work at these other UN specialised agencies.

- » The ICAO / IMO / IRENA side event is available here: <https://unfccc.int/event/icao-irena-imo-innovation-and-clean-energy-for-international-aviation-and-shipping>
- » European Union side event: the role of SAF in greening aviation: www.cop28eusideevents.eu/e/programme?session=1837469

GLOBAL SUSTAINABLE AVIATION FORUM / COP28

For the first time at any COP, the aviation industry ran a half-day side event as a partner of the COP Presidency. The Global Sustainable Aviation Forum at COP28 took place in the morning of Transport Day and the four-hour session brought together experts from all parts of the aviation value chain, governments, UN organisations, finance, energy, civil society and labour unions to discuss the energy transition and decarbonisation of aviation. A strong focus on SAF deployment was complemented by discussions on operational improvements, the use of hydrogen, airport carbon management, just transition, non-CO₂ effects, policy and financing.

- » All information about the Forum (including videos of the sessions) can be found on the ATAG website: <https://atag.org/events/global-sustainable-aviation-forum-cop28/>
- » The ATAG media release is here: <https://atag.org/news/cop28-event-highlights-the-energy-transition-for-aviation/>

COP29: The next COP will be hosted by Azerbaijan (likely in Baku) on 11-22 November 2024. This will be followed by COP30, which Brazil is attempting to host in the Amazonian city of Belem.