UNFCCC must include international aviation and shipping emissions in measures on climate change

Left unmitigated, greenhouse gas emissions from aviation and shipping will double or triple by 2050

Greenhouse gas emissions from international aviation and maritime fuels, known as 'bunkers', account for nearly 10% of the climate problem and are growing rapidly.

International shipping emits 870 million tonnes of CO_2 each year – more than the UK or Canada. Emissions have grown by more than 85% since 1990 the base year of the Kyoto Protocol.

CO_2 emissions from aviation exceed 730 million tonnes annually - up well over 45% since 1990. Additional climate impacts from other exhaust gases and cloud effects are around double those of CO_2. Overall, aviation is responsible for 4.9% of global warming today. International aviation emits more CO_2 than France or Australia.

In 1997, the Kyoto Protocol (Article 2.2) gave responsibility for these emissions to developed ('Annex I') countries working through the International Maritime (IMO) and Civil Aviation Organisations (ICAO). Both UN Agencies have failed to agree even one single binding measure to control greenhouse gas emissions in the ensuing 12 years.

Neither organisation is likely to bring anything to the UNFCCC at Copenhagen beyond promises and proposals for modest efficiency and operational measures – mostly voluntary or partial in scope.

Left unmitigated, emissions from aviation and shipping will double or triple by 2050, forming by then a very significant propor tion of a global carbon budget consistent with keeping warming below 2° C.

The climate deal to be agreed in Copenhagen must control emissions from all sources if it is to protect the climate. That means including international transport within the overall carbon budget. ICAO and IMO will argue to retain responsibility. Without timetables, targets and agreement on mitigation measures, this is a recipe for continued delay and inaction.

UNFCCC could take the necessary action in two ways:

- By including emissions in national totals of Annex I Parties, purely as an accounting measure. This would be straightforward for aviation, where bunker fuel emissions are a good indicator of activity.
- By setting targets for the two sectors, and mandating IMO and ICAO to develop and agree on global sectoral policies within a limited timeframe and subject to UNFCCC review.

Discussions in IMO and ICAO are currently deadlocked over whether policies should be global or differentiated, voluntary or mandatory.

NGOs believe international transport policies should be mandatory and global, or near global, for the following reasons:

- Global approaches are the most environmentally robust and avoid leakage.
- The sectors are inherently global in nature. IMO and ICAO have developed many global policies in other areas that are neutral with respect to the nationality of the operator.
- The principle of Common But Differentiated Responsibilities (CBDR) could still be respected if revenues raised by global policies (levied mostly on well off consumers) were spent on climate protection in developing countries.
- Policies could raise tens of billions of dollars, giving a real boost to efforts to finance a comprehensive climate mitigation deal.

Allocating bunker mitigation revenues to developing countries could break the deadlock

A good number of ways to include emissions from international aviation and shipping in the global climate framework have been proposed, but not agreed, that could raise substantial revenue for adaptation and low-carbon development. Operators of all nationalities are treated equally in these proposals, to avoid competitive distortions and in line with IMO and ICAO principles. Differentiation is applied in the use of revenues, thus respecting the principles of the UNFCCC.

SHIPPING

- Emissions Trading, proposed by Norway, Germany, France and others. Full auctioning of allowances could raise up to $25 billion annually.
- A levy on marine bunker fuel, as proposed by Denmark, could raise $8-12 billion annually.

AVIATION

- International Air Passenger Adaptation Levy, proposed by the Maldives on behalf of the Least Developed Countries , could raise around $10 billion annually.
- Emissions Trading, proposed by a global group of airlines. No figures specified, but full auctioning of allowances could raise up to $15 billion annually.

Sectoral policies applied globally and featuring 'compensation differentiation' offer a real possibility to break the bunkers deadlock because revenues would be spent in developing countries. However some conditions will surround these countries' participation:

- negative impacts should be avoided or compensated. Impacts are likely to be small: studies show the price of shipped goods would rise by well below 1% even if all shipping emissions attracted a carbon price of $30 per tonne. Nonetheless, minimum thresholds could be developed to exempt the most remote Parties.
- The IAPAL proposal is supported by many states reliant on tourism. They understand that the impact on tourism will be outweighed by the revenues generated. Even so, exemptions could serve to reassure the most vulnerable Parties.
- Alternatively, some revenues could be earmarked to compensate for any food price increases, or for economic diversification of tourism-dependent economies.

Reliable, transparent mechanisms are needed to channel revenues to developing countries.

- This means an international body should collect the revenue, and pay it directly to funds managed under the UNFCCC.
- Alternatively, national governments should earmark revenues for climate protection, something EU governments failed to do, however, when including aviation in the EU Emissions Trading Scheme.
- Developing-country determination of how funds are distributed.

Without assurances from developed states that mitigation revenues will be managed internationally, developing countries will not have a sufficient guarantee of access to the funds and are unlikely to participate in global schemes, thereby perpetuating the deadlock.

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