



Carbon  
Market  
Watch



14<sup>th</sup> September 2016

Subject: EU position ahead of 39<sup>th</sup> ICAO General Assembly

Dear Commissioners Bulc and Arias Cañete,

As the Council finalises its position for the 39<sup>th</sup> International Civil Aviation Organisation (ICAO) Assembly, European members of International Coalition for Sustainable Aviation (ICSA) write to urge you to ensure that environmental integrity of any Global Market Based Mechanism (GMBM) remains a top priority and negotiating red line.

A GMBM without adequate safeguards as to the environmental integrity of offsets or to prevent double counting will not effectively address aviation emissions, regardless of country participation and geographic coverage. We are deeply concerned that Council efforts seem too narrowly focussed on securing wide coverage – the number of opt-ins is not the sole measure of ICAO success.

Emissions coverage is of course an important benchmark of the MBMs effectiveness, but other issues must be considered in parallel. Europe, as the world's largest purchaser of offsets, has extensive experience with offset quality and registries. It has purchased offsets which subsequently turned out to have had little to no mitigation benefit; has introduced progressively stricter negative lists to exclude such offsets and ultimately concluded that offsets should play no role in fulfilling its 2030 climate objectives. Experience gained in the creation of the Union registry in 2012 should be built upon to demand more transparency in ICAO registries.

It is essential therefore that Europe does not undermine its climate ambition by agreeing to a GMBM which will allow operators to purchase offsets of questionable or unknown environmental integrity, or indeed which prohibits greater regional ambition such as Europe's ETS.

The current draft Assembly agreement provides no such guarantees. There is no mention of the need to avoid double-counting, nor environmental integrity, nor a reference to transparency of registries. Using its experience with carbon markets, Europe was successful in negotiating strong environmental, governance and no double-counting provisions in the Paris Agreement. It would represent a serious reversal if, less than a year later, the EU were to signal it was prepared to participate in a climate measure which failed to include such important safeguards.

We urge you to ensure that the Union mandate at ICAO puts environmental integrity first. Since the ongoing negotiations are unstable and may further alter during the Assembly itself, civil society calls on the Council and EU members to stipulate in advance that EU positions at the Assembly will be contingent on the inclusion of effective environmental safeguards. If agreement on environmental safeguards is postponed then civil society makes clear that the EU cannot commit to any GMBM before these issues are resolved. Europe must avoid a commitment that would mislead the public into believing that aviation's climate impact is being addressed.

Sincerely,

Jos Dings,

A handwritten signature in black ink, appearing to read 'Jos Dings', with a stylized flourish at the end.

Executive Director, Transport & Environment

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On behalf of: Transport & Environment, WWF EU, Carbon Market Watch, Aviation Environment Federation