

## Consultation on the policy options for market-based measures to reduce the climate change impact from international aviation

### Answers from Belgium

#### **F.1. ICAO Framework for Market-Based Measures and Global MBM scheme**

1) What should be the major considerations to assess the four different geographical scope options for the ICAO Framework listed above? [Max. 1000 characters]

The criteria to be used when assessing the geographical scope options are:

- the environmental impact (i.e. coverage of CO<sub>2</sub>);
- the administrative burden/cost - simplicity
- the political acceptance

It is better to have an agreement on a framework with a limited geographical scope than no agreement at all. When assessing the political feasible options, a balance should be found between high coverage of CO<sub>2</sub> and low administrative costs.

2) Which elements of the "Roadmap for a Global MBM" do you consider a priority, and what would be the optimal timeline for implementation? [Max. 1000 characters]

The 2020 deadline for the start of the implementation, as stated in President Kobehs draft Assembly Resolution of 6 august 2013, seems an ambitious, yet feasible deadline, which we support. By this we mean that the MBM would enter into force and be applied from 2020 on. A 'monitoring and reporting only phase' to start with is an option if required by the MBM. The 2020 deadline means that the ICAO 39<sup>th</sup> Assembly in 2016 will have to agree on a number of important issues. Decisions on the following issues are needed in 2016 in order to have sufficient time left for the further development of different aspects of the MBM, for the implementation preparations and for the ratification/approval process:

- a non-distortionary manner to take SC-RC into account, which will be a prerequisite of any agreement on a global MBM;
- the choice of the legal mechanism and the timetable is essential;
- means of allocating emissions limits/responsibilities, which is essential to the system and this choice will imply preparatory work to be done before the next Assembly in 2019;
- responsibilities and obligations of the actors involved in the MBM: aircraft operators, States, verifiers etc., as these are essential elements of any agreement and the decision imply preparatory work to be done before the next Assembly in 2019;
- key features of a monitoring, reporting and verification system. Further details can be developed after 2016, but essential elements such as the establishment of a worldwide accreditation system for verifiers and the decision of developing rules for MRV can not wait until 2019;

In the case of an offsetting scheme, the quality of offsets will be of high importance, but taking into account the possibility that the surrendering of offsets will start some time after 2020, priority can be given to the elements above.

3) What essential requirements should be taken into account for the development of a common set of monitoring, reporting, and verification standards for measuring greenhouse gas emissions from international aviation? [Max. 1000 characters]

- verification of reports by independent and accredited verifiers;
- operators should report to one single entity;
- simplicity! In general, and specifically for smaller operators: If smaller operators are included, simplified tools and procedures should be developed;
- clear rules on monitoring method for fuel consumption, density to be used when converting volume to mass and allowed uncertainty thresholds;
- worldwide tools with flight and CO<sub>2</sub> data (cft. EU ETS support Facility) would be very useful for checking reports → check if feasible

## **F.2. Simplifications for small aircraft operators**

Certain flights are exempt from the Community system. According to paragraph (j) of Annex I to the EU ETS Directive, certain flights operated by a commercial air transport operator are exempt from the provisions of the EU ETS (*de minimis* exemption). The conditions are the following:

- the operator is a commercial air transport operator; AND
- the operator either operated less than 243 flights per three consecutive period of four months (Jan-Apr, May-Aug, Sep-Dec) or emitted less than 10,000 tonnes of CO<sub>2</sub> annually.

<sup>13</sup>This exemption applies to commercial air transport operators. Non-commercial aircraft operators below the threshold are covered by the EU ETS. Small emitters can take advantage of simplified procedures to monitor their emissions. Recently, the threshold to make use of the simplified procedures has been increased to 25000 tonnes of emissions per year.<sup>15</sup>

1) What could further decrease the compliance cost (cost for monitoring, reporting, verification, and registry) significantly for small aircraft operators? [Please rank the options below. Rank 1 - greatest cost decrease, 4 - no cost decrease]

3. Management companies could be attributed to Member States for administration;
2. No additional verification would be required in case of using the Eurocontrol Support Facility;
4. All Member States would provide IT-tools for reporting;
1. Simplified requirements to open an aircraft operator holding account in the Union Registry for small emitters (only for receiving and surrendering allowances).

indien ruimte voor uitwijding: no verification in case of Support Facility use is an interesting means to lower the administrative burden for small emitters. The same small emitters should not submit a monitoring plan either.

The threshold of small emitters should be re-evaluated in the case this simplification is decided on. The intention is to exclude the real 'small emitters' from the burden. For operators with annual emissions of 25 000 ton CO<sub>2</sub> verification of the report seems advisable. The completeness of flights in the report needs to be guaranteed for them, as it regards a significant number of emissions.

2) Would you be in favour of exempting non-commercial aircraft operators altogether from the scope of EU ETS similar to the *de minimis* exemption of commercial operators? [Possible answers: "Yes"]

indien ruimte voor uitwijding: Small emitters should be subject to an alternative, simple measure to make them accountable for their CO<sub>2</sub> emissions, for instance billing them at the end of each year based on EU ETS Support facility data and an average CO<sub>2</sub> price.

3) Which consideration is the most important when choosing a *de minimis* threshold for small aircraft operators? [Possible answers: "overall environmental effectiveness of the

system", "administrative effort for operators", "other"]  
Please, explain your answer [max 1000 characters].

This should be a combination of environmental effectiveness and the costs involved for reducing a ton of CO<sub>2</sub>. The costs are the sum of the cost by the aircraft operator and the costs for the authorities. The total cost per ton of CO<sub>2</sub> by means of the EU ETS should be limited to preserve the efficiency of emissions trading.