

**CLIMATE CHANGE AND EUROPEAN UNION’S EMISSION TRADING SCHEME: THE CHALLENGE FOR INDIAN AIRLINE**

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**Introduction by Dr Sanat Kaul**

United Nations framework Convention on Climate Change took place in 1990 and is now about 21 years old. Under this the Kyoto protocol was signed in 1996 which established legally binding commitment for reduction of six greenhouse gases, namely Carbon dioxide, Methane, Nitrogen Oxide, Sulphur hexachloride, Hydroflurocarbon and Perflurocarbon produced by industrial nations as identified in the Annexe 1 to the protocol. Industrial countries agreed to reduce emissions by 5.2% compared to 2009.The Kyoto Protocol was , therefore ,country specific in nature. Neither USA nor India ratified the protocol.

The KYOTO Protocol provided for a flexible mechanism for a) Emission Trading, b) Clean Development Mechanism, c) Joint Implementation.

In practice this meant that, non-Annexe countries had not green house gas emission restrictions but have incentives to receive credits.

Majority of Emissions by Aircrafts do not take place at ground level but at 30000 feet above the sea level. International Aviation involves travelling of aircrafts between countries and therefore, calculating emissions country-wise is much more complicated than emissions on ground by industries, cars etc. Consequently, ICAO was mandated to look into the aviation sector which forms about 2% of the green house gases. However, since aviation is a fast growing sector the percentage of aviation based emissions will go up to 5% under the existing technology by 2050.

In order to mitigate emissions from aircrafts ICAO has been pro-active in looking into this problem. It formed

1) The Committee on Aviation Environmental Protection (CAEP),

2) The General Assembly of ICAO has passed a number of Resolutions on Climate Change and aviation,

3) The Council of ICAO has passed a number of SARPs (Standard and Recommended Practices) on the subject.

4) GIACC – ICAO has in its 36th General Assembly, 2007 formed a new Group on International Aviation and Climate Change. This group comprises of twelve to fifteen states and is composed of senior government officials with responsibility for aviation at a policy making level. GIACC members are neither members of the Council or CAEP members.

The achievements of ICAO in area of environment and climate change have been very high. Through CAEP decisions, ratified by the Council, it has forced aero engine makers to improve the quality of engines to reduce fuel consumption and emissions which has made a great impact in reducing aviation emissions. New targets are also fixed for them. Similarly, improvement in aerodynamics of aircrafts have reduced consumption of fuel as also following improved procedures. However, with the massive growth taking place in aviation, the improvement mentioned above is being nullified by increase in the number of aircrafts.

**Emission Trading Scheme (ETS) of European Union**

On 1st January, 2005, European Union developed and started a concept of Emission Trading Scheme within the European Community as part of the implementation of the KYOTO Protocol. In December, 2006, the EU published a proposal for inclusion of aviation in European Union Trading Scheme of stationary sources.

The ICAO Assembly in its 35th Session passed a resolution endorsing the implementation of International Open Emission Trading through voluntary emission trading. In the 36th session held during September /October 2007 on a similar resolution the EU group recorded their reservation to Resolution A36-22 Appendix L which called for steps to be taken on basis of mutual agreement between States. On 8th July, 2008, the European Parliament voted to expand ETS to cover aviation emission with EU and later expanded it to cover all flights arriving or departing from EU Airports w.e.f. 1st January, 2012.

**Legality of EU Directive of 2008/11 to International Flight**

The issue of EU covering international flights coming into or going out of EU to be covered under ETS is a highly contentious issue. The Air Transport Association of USA along with American Airlines, Continental Airlines and United Airlines have filed a case in the UK High Court stating that the EU Directive is beyond the scope of ICAO resolution and contradicts the concept of space sovereignty under Article 12 of the Chicago Convention on high seas and is extra territorial in nature. A large number of countries are opposed to the unilateral action by EU. Further, it is not clear what happens to the funds received by individual countries? These are somr issues which need to be answered.

We are all gathered here today to discuss the issue of Emission Trading Scheme of EU which will be implemented on 1st January, 2012 and will apply to all international flights coming into EU. We have two speakers of high reputation coming in from EU which are as follows: -

1) **Panagiotis Karamanos**

Manager, Environmental Department at Athens International Airport

Manager, Environmental Services Department at Athens International

Airport

"Eleftherios Venizelos"

Former, Visiting Assistant Professor at Duke Center for International Development

Education

Indiana University Bloomington

Duke University

Ethnikon kai Kapodistriakon Panepistimion

2) **Michael O’Connor**,

Senior Environmental Expert for the Institutional Capacity Building for the Civil Aviation Sector (ICCA) project

3) Last but not the least Dr. Nasim Zaidi, Secretary, Ministry of Civil Aviation who was also earlier Representing India in the council of ICAO and has also been the Director General, Civil Aviation of India to give us the Indian views along with the views of various countries. We cannot have a more experienced person today in India who has been deeply involved environment issues concerning India and the World in so far Aviation is concerned. I hope that today’s discussion will be meaning full to all those present.

Thank You

Sanat Kaul

Chairman,

International Foundation of Aviation, Aerospace and Development

(India Chapter) ­