

II. RESOLUTION ON THE IMPLEMENTATION OF THE AVIATION “CNG2020” STRATEGY

Introduction

WHEREAS IATA member airlines recognize the growing and urgent need for society to address the global challenge of climate change to which aviation currently contributes 2% of global man-made CO₂ emissions;

WHEREAS aviation plays a vital role in promoting sustainable development and should remain safe, affordable and accessible in order to ensure mobility on an equitable basis to all sectors of society;

WHEREAS aviation takes its environmental responsibilities seriously and has an unsurpassed record of improving its environmental performance over time;

RECOGNIZING ICAO’s role in addressing international aviation emissions and that decisions on managing aviation emissions will ultimately be made by sovereign States;

REITERATING that success in managing aviation CO₂ emissions depends on governments incentivizing technological research and development of better airframes and engines as well as sustainable competitive aviation fuels while also providing modern airport and airspace infrastructure;

EMPHASIZING that as early as 2007, the global aviation community adopted a four-pillar strategy to address CO₂ emissions from aviation which was subsequently endorsed by the ICAO General Assembly;

RECALLING the 2010 IATA AGM Resolution on Climate Change, setting out three ambitious targets for addressing carbon emissions:

- 1.5% average annual fuel efficiency improvement between 2010 and 2020
- Carbon neutral growth from 2020
- A reduction of 50% in net emissions by 2050 compared to 2005 levels

EMPHASIZING that ICAO Assembly Resolution A37-19 (2010) calls upon States and relevant organizations to work through ICAO to achieve a global annual average fuel efficiency improvement of 2 percent until 2020 and an aspirational global fuel efficiency improvement rate of 2 percent per annum from 2021 to 2050;

EMPHASIZING further that ICAO Resolution A37-19 calls on ICAO and its member States with relevant organizations to work together to strive to achieve a collective medium-term global aspirational goal of keeping the global net carbon emissions from international aviation from 2020 at the same level (CNG2020);

Resolution

The IATA 69th Annual General Meeting:

1. **CALLS UPON** governments to recognize formally the historical and continuing voluntary measures by industry and work constructively with industry to develop a comprehensive package of technological, infrastructure and operational measures, including sustainable competitive aviation fuels, complemented by market-based measures (MBMs) as necessary, to fill any gap in reaching the CNG 2020 goal;
2. **STRONGLY ENDORSES** the continuing efforts of its member airlines and States within ICAO to develop a comprehensive proposal towards a single, global MBM mechanism to address CO₂ emissions from aviation under ICAO, as opposed to a patchwork of unilateral national and/or regional policy measures; and
3. **URGES** its member airlines, by endorsing the proposed principles outlined in **Appendix 1** to this resolution, strongly to encourage governments to adopt at the 38th ICAO General Assembly, a commonly agreed, single global MBM mechanism to be applied to offsetting the industry's growth in emissions post-2020, which could play a complementary role with technology, operations and infrastructure measures.

**PRINCIPLES FOR DETERMINING RESPONSIBILITIES
FOR INDIVIDUAL AIRCRAFT OPERATORS UNDER CNG2020**

1. Market-based measures (MBMs) for aviation should only be considered as part of a broader package of measures to address aviation's CO₂ emissions that cannot otherwise be achieved through cost-effective, in-sector reduction measures.
2. MBMs should not be designed or used to raise general revenues or to suppress demand for air travel.
3. Any MBMs agreed by governments must be cost-efficient and preserve fair competition, given that the airline industry is very competitive and operates on razor-thin margins.
4. Any MBM for aviation must fulfill the key criteria of maximizing environmental integrity, while minimizing competitive distortion and administrative complexity.
5. When agreeing to an MBM for aviation, only governments can decide whether to take into account – and, if so, how -- the Special Circumstances and Respective Capabilities of States (SCRC). However, if they choose to do so, it should be done in such a way as to minimize market distortion by granting equal treatment to all operators on any given route.
6. MBMs to operationalize CNG2020 should be easy to implement and administer as well as cost efficient. Airlines believe that alignment with this principle would be better achieved with a single mandatory carbon offsetting scheme than with alternative schemes.
7. The following principles for determining individual operator responsibilities under CNG2020 would help ensure that the collective industry CNG2020 commitment to offset its growth post-2020 is equitably and fairly distributed among carriers:
 - The collective industry emissions baseline for CNG2020 should be defined as the average annual total emissions over the period 2018-2020;
 - Individual operator baselines should be defined as and fixed at each operator's average annual total emissions over the period 2018-2020;
 - A New entrant provision should be included that provides an adjustment for the first two years of operation;
 - Individual carrier responsibilities should be fairly determined using an equitable balance between an 'emissions share' element (reflecting the individual carrier's share of total industry emissions) and a post-2020 'growth' element (reflecting the individual carrier's growth above baseline emissions);
 - Specific adjustments for fast- and high-growth should be applied when determining individual carrier responsibilities so as to alleviate the burden on fast-growing carriers;
 - An early movers provision, based on a 15-year benchmarking timeframe (2005-2020) and combined with a five-year sunset clause (2020-2025) should be incorporated to recognize carbon reduction measures taken prior to 2020;
 - An additional adjustment should be made to ensure that any net reductions in emissions below an individual carrier's baseline are captured for use by the industry as a whole;
 - Data integrity should be ensured through an industry-accepted ICAO Standard for the reporting and independent verification of emissions data;
 - Emissions data reporting should be kept simple with flexibility for operators to select from a hierarchy of reporting methodologies;
 - A periodic CNG2020 performance review cycle should be mandated to assess the proper functioning of the mechanism and to revise individual elements and parameters as appropriate.