

PRESS RELEASE

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ETS aviation: Ensuring legal certainty on emission reductions beyond 2016

On 21 June, EU Ambassadors agreed on the Council's negotiating position to **extend existing provisions covering aviation activities** in the EU emissions trading system (ETS) regulation beyond 2016, and to prepare for the **implementation of the global market-based measure as of 2021**. The Council is now ready to start negotiations with the European Parliament.

The Commission proposal for a new regulation comes as a response to the agreement reached in October 2016 by the International Civil Aviation Organisation (ICAO) to introduce **a global market-based measure from 2021** in order to regulate international aviation emissions through an offsetting system, also referred as CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation). The EU supports this measure and aims to join the first phase, which is voluntary.

The agreement found within the Council supports the main elements of the Commission proposal:

- maintain current limitations within the scope of the EU ETS, particularly by **prolonging the derogation** for non-intra EEA flights;
- set out provisions for a **review in view of the implementation of the global market-based measure** within the EU, particularly in the ETS directive, once all ICAO decisions are taken;
- subject to this review, foresee the **application of the Linear Reduction Factor (LRF)** to aircraft operators **from 2021** onwards in the aviation sector.

In addition, the text of the Commission proposal has been amended, in particular to clarify the review process.

The proposal must be adopted by the end of this year in order to **avoid a legal gap with regard to compliance with the current ETS regulation in 2017** and to ensure certainty for aircraft operators and managing authorities. The dates for reporting and surrendering allowances from emissions in 2017 would be 1 April and 1 May 2018 respectively.

Next steps and background

In the European Parliament, the vote in the ENVI Committee on the draft report of the proposal is scheduled for 11 July and a plenary vote is not expected until September.

The Commission submitted the proposal on 3 February 2017 and presented it to the Environment Council on 28 February.

ETS and ICAO - background

The **emissions trading scheme (ETS)** was launched in 2005 to promote the reduction of greenhouse gas emissions at EU level. The aviation sector is part of the existing ETS regulation. Emissions from aviation also contribute to the EU goal to cut 20% of greenhouse gas emissions by 2020 compared to 1990 levels.

It is recalled that **in 2014**, the EU decided to **reduce the scope of the ETS scheme** to apply only to flights within the European Economic Area (EEA) in order to facilitate progress in the negotiations within the ICAO, and in the hope of achieving clarity as regards emissions from international flights connecting the EEA and third countries. The **derogation for non-intra EEA flights** was then made time-limited until the end of 2016.

The **ETS reform** is currently under negotiation for the 2021-2030 period. A **review of the reform** is planned for when ICAO legal obligations become clear for the **implementation of the global market-based measure**. Consistency will also be ensured with the EU's commitment under the Paris Agreement to reduce emissions by at least 40% compared to 1990 levels by 2030.

The **ICAO global market-based measure** aims to slow the growth of greenhouse gas emissions in the aviation sector and stabilise the numbers at 2020 levels. The application of the measure will be compulsory for major aviation countries in 2027, but an initial phase will be launched in 2021, allowing countries to start participating early on a voluntary basis.

- [Commission proposal](#)
- [Directive 2003/87/EC](#)

- [Regulation \(EU\) No 421/2014](#)
- [ICAO Resolution A39/3 - Global Market-based Measure scheme](#)
- [Reform of the EU emissions trading scheme](#)

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