

# Shipping & aviation emissions are the elephants in the room

1.5/2°C objective impossible unless we reduce emissions from these sectors

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Aviation emissions are responsible for 5% of global warming and shipping makes up almost 3% of global CO<sub>2</sub>. These sectors have a CO<sub>2</sub> impact equal to the UK and Germany and are continuing to grow rapidly – by up to 270% in 2050 by which time they could account for almost 40% of all emissions<sup>1</sup>. Such emission growth will undermine reductions efforts by all countries and other sectors, effectively making the 1.5/2°C objective impossible to achieve.

**Transport & Environment calls on all Parties to include a clear requirement in the COP21 Agreement for the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) to set realistic reduction targets consistent with 1.5/2°C objective by 2016 and to adopt measures to achieve them.**

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## 1. Why the Paris Agreement must include aviation and shipping

### 1.1. ICAO/IMO have failed to act

Article 2.2 of the Kyoto Protocol tasked Annex I countries, working through the ICAO and IMO, to limit or reduce emissions from international aviation and shipping. This has been a recipe for inaction. In the 18 years since Kyoto, ICAO has failed to implement one single measure to limit international aviation emissions while ruling out fuel taxation and undermining the EU's emissions trading scheme.

The IMO did agree a design efficiency standard for new ships (EEDI) built from 2013 but it will take a generation to affect the global fleet and will merely limit the growth of shipping's carbon emissions but not reduce them. Discussion on market based measures has been on hold since 2011 and as recently as last May the IMO deferred consideration of a global reduction target claiming other work was more urgent.

While ICAO and IMO talked, emissions from aviation and shipping increased 80% between 1990 and 2010, compared to a 40% increase for the rest of the global economy<sup>2</sup>. If this trend continues, it will undermine the efforts of countries and other economic sectors and make the 1.5/2°C objective impossible to achieve.

### 1.2. UNFCCC must drive ambition

ICAO/IMO climate policies need a reset. While these organizations remain, for now, the appropriate venues to introduce measures, their complete lack of ambition, stemming largely from the overweening influence of industry in both bodies, must be addressed. The UNFCCC must ensure these sectors have a clearly defined role in the global climate agreement based on ambitious emissions reduction targets that are consistent with a fair contribution to meeting the 1.5/2°C objective. These targets, and measures to achieve

<sup>1</sup> Emission Reduction Targets for Aviation and Shipping (European Parliament, 2015) <http://bit.ly/1N5xK4f>

<sup>2</sup> All adrift: aviation, shipping, and climate change policy (Bows—Larkin, 2014) <http://bit.ly/1TbO34F>

them, must be subject to regular and transparent review by the UNFCCC. This retains ICAO/IMO's role as global regulators of aviation and shipping, but makes it clear that they need to drastically increase their level of ambition. UNFCCC and the Paris Agreement must send a strong political message to ICAO/IMO for them to start taking serious measures.

### 1.3. Differentiation and non-discrimination can and must be reconciled

ICAO and IMO operate under principles of non-discrimination – that measures they adopt must not discriminate against ships/operators based on their country of origin/registration. This is often seen as in conflict with the climate principles of differentiation. The reality is that it is possible to adopt measures which accommodate both the principles of non-discrimination and differentiation. So the global market-based measure that ICAO is developing could be route-based, where an operator's obligation to offset is based on the intensity or the level of historic emissions of routes they operate on. For IMO, any market-based measure can ensure no net incidence on developing countries. There can also be financial support for developing countries to implement emission reduction measures or to adapt to climate change.

## 2. Common industry myths debunked

To see our list of industry myths debunked, please read [www.elephantsintheroom.eu](http://www.elephantsintheroom.eu)

**The shipping industry says** it is delivering carbon neutral growth.

**The reality is** that ship GHG emissions are up 70% since 1990 and according to the current best available science (Third IMO GHG Study 2014) are expected to grow a further 50-250% by 2050.

**Industry says that** a cap on global ship emissions is a cap on world trade.

**The reality is** that between 2007 and 2012 trade increased and emissions fell by 10%. Numerous studies have shown that further emission reductions are feasible<sup>3</sup>. The real threat to world shipping comes from inaction. The world's diminishing carbon budget means that a delay in reducing shipping emissions will require steeper emission reductions from this sector in later years, presenting a far bigger challenge to the industry which may then in fact impact world trade.

**Industry says that** aviation accounts for 2% of global emissions (ATAG, 2015).

**The reality is** that industry always plays down the climate impact from aviation. The best science indicates that it is responsible for 4.9% of man-induced global warming<sup>4</sup>.

**Industry says that** aviation is delivering increased efficiency gains.

**The reality is** that a 2015 report by ICCT found that aviation is 12 years off the efficiency target set by ICAO of 2% efficiency gains per annum up to 2020<sup>5</sup>. The sector is still not bound by an efficiency standard, and the one currently being developed by ICAO risks having minimal or no impact on CO2 emissions from new aircraft.

**Industry says that** aviation should not be a source of climate finance.

**The reality is** that international aviation and shipping pay no fuel tax, a fossil fuel subsidy which amounts to €60 billion per annum for aviation alone<sup>6</sup>. International aviation is largely the preserve of the world's wealthiest, while climate change will disproportionately affect the world's poorest. Climate finance is a key element in achieving an ambitious climate agreement – these sectors' fuel tax-free status must end.

**Further information:** Andrew Murphy +32(0) 485 00 1214 [andrew@transportenvironment.org](mailto:andrew@transportenvironment.org)

<sup>3</sup> New Climate Economy (2015) <http://bit.ly/1OgmlDR>

<sup>4</sup> Lee et al (2009) <http://bit.ly/1TgpkfF>

<sup>5</sup> Transport & Environment (2015) <http://bit.ly/1NcP7Ev>

<sup>6</sup> Euractiv (2015) <http://bit.ly/1lmtlas>