

Institute of Policy Studies Roundtable Discussion on Sector Based Approaches

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International Aviation & Maritime Transport Fuels



Kathy Perreau
Manager
Environmental
Sustainability

What are Bunker Fuels?

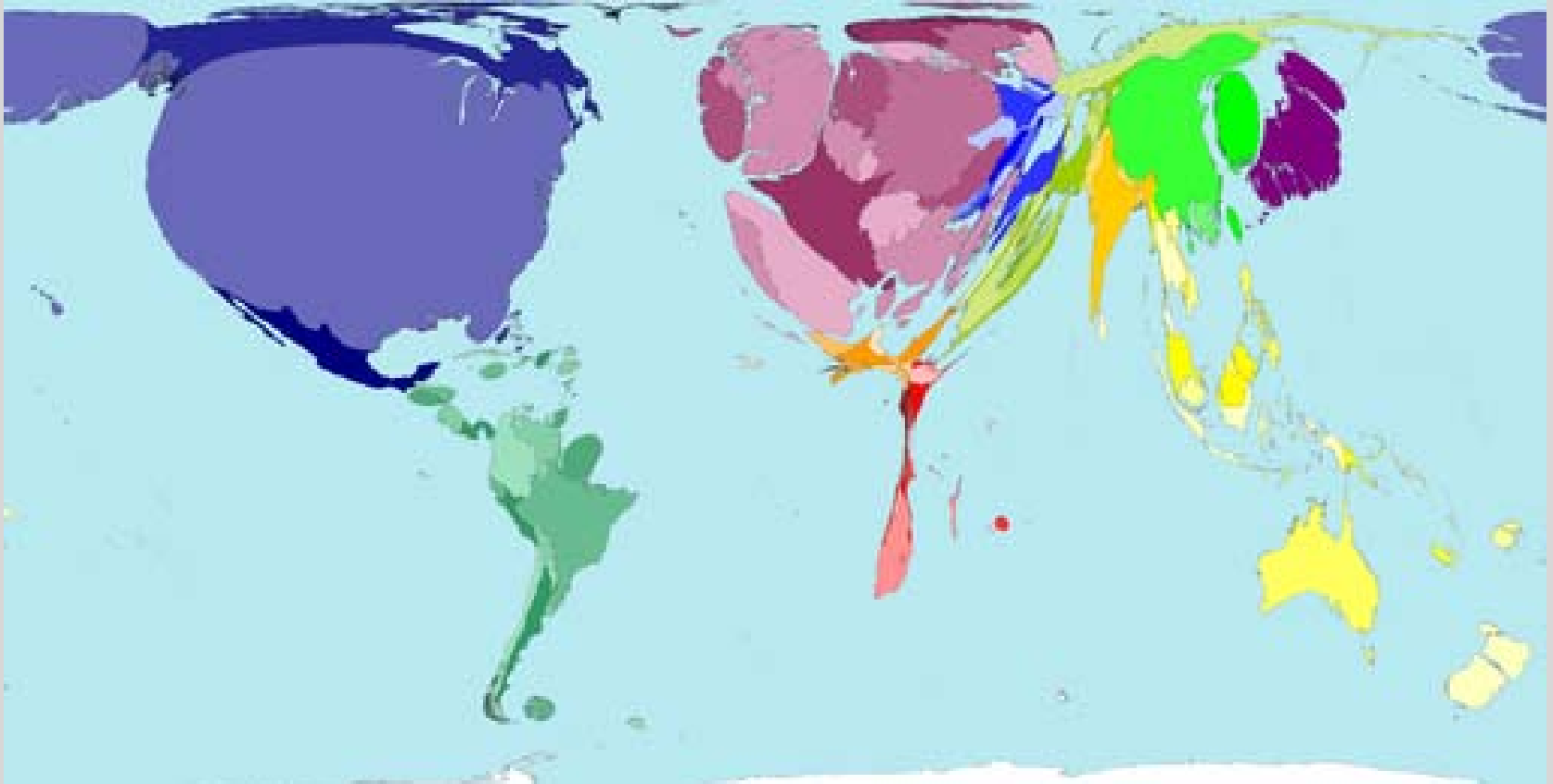
- In the context of climate change negotiations, bunker fuels are those fuels used for international aviation and maritime transportation
- Historically referred to only marine fuels
- Terms used include :
 - international bunkers
 - bunkers
 - bunker fuels

Emissions Profile for International Aviation & Maritime

- The proportion of global emissions attributed to international transportation is relatively small
 - ~ 5% for maritime
 - ~ 2% for aviation
- Emissions have been growing significantly
 - Aviation – 23.9% between 1990 and 2002
 - Maritime – 27.6% between 1990 and 2002
- Difficult to attribute emissions due to patterns of registration, ownership and operation for ships and aircraft

Aircraft Departures measured by the aircraft's territory of registration

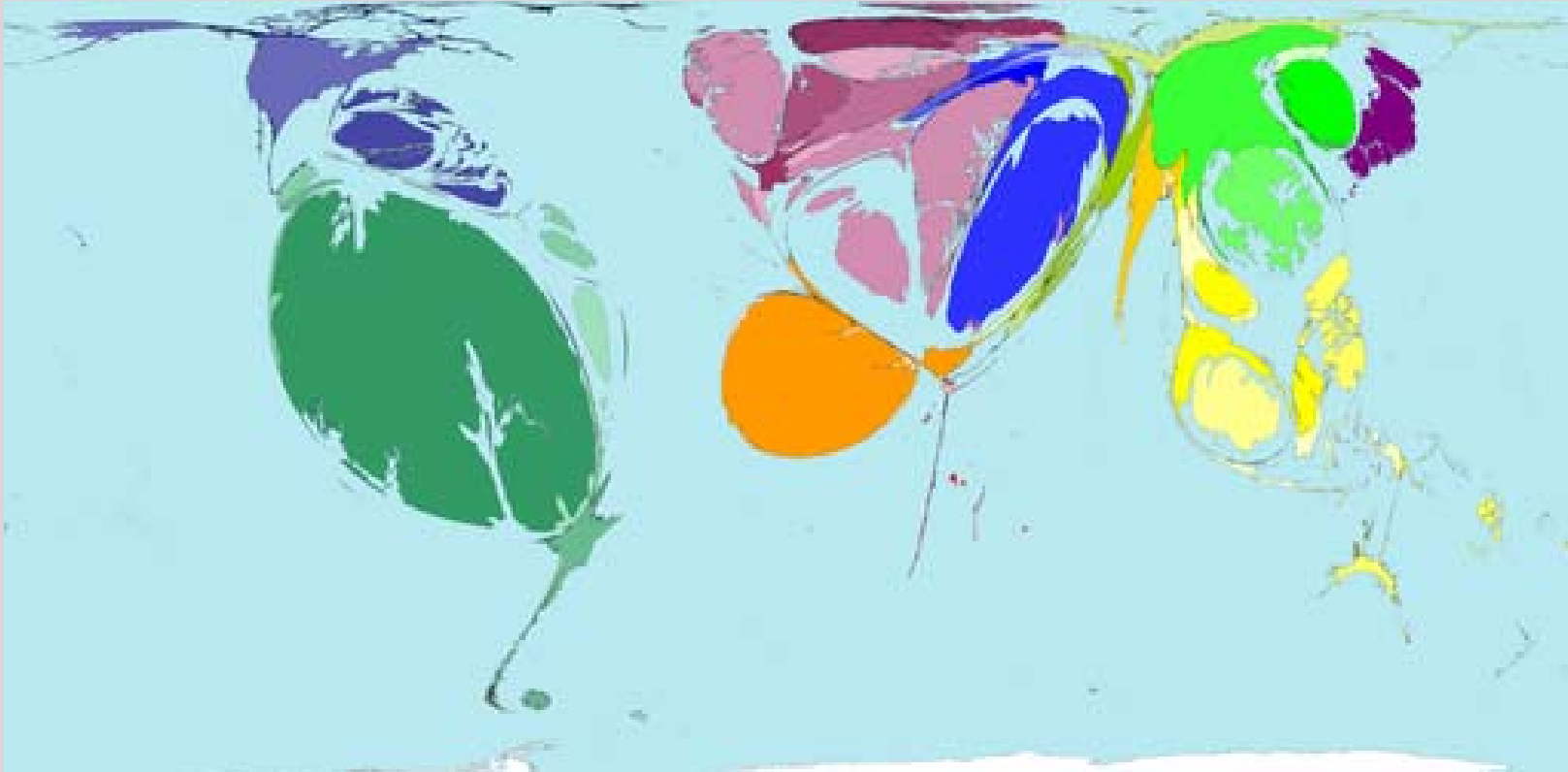
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Compare this with.....

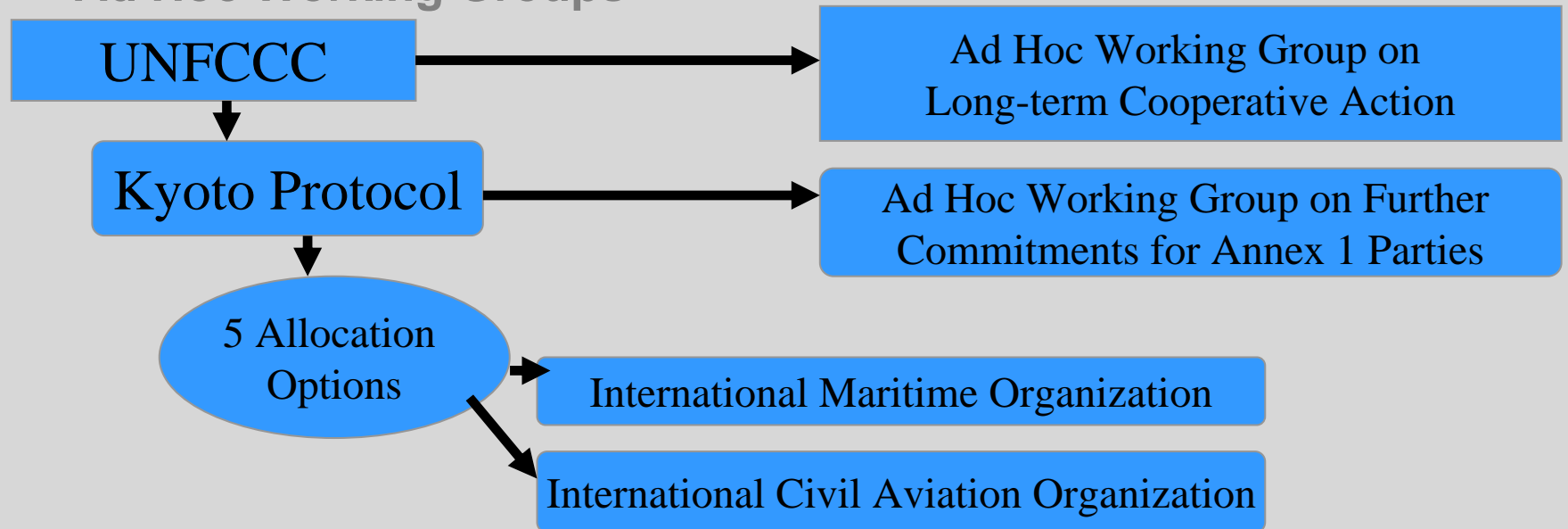
Proportion of world wide cargo shipping, measured by weight capacity, by country of registration

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Treatment of Bunker Fuel Emissions

- Bunker fuels excluded from Annex 1 countries' commitments
- ICAO and IMO tasked with considering five allocation options
- NOW, issue being addressed by UNFCCC and Kyoto Protocol Ad Hoc Working Groups



Treatment of Bunker Fuel Emissions (cont.)

- Five allocation options:
 - None
 - By country where fuel is sold
 - By nationality of airlines
 - By country of destination or departure of aircraft or shared between them
 - By country of departure or destination of passenger or cargo, or shared
- Technical workshop in Oslo (October 2007) concluded that
 - maritime and aviation more different than similar, so different options may be proposed for each
 - technical issues not a barrier for inclusion in future agreement, only political will

ICAO's Work Programme

- **Emphasis on voluntary measures, improvements in technology and air traffic management**
- **role acknowledged for mutually agreed market-based measures but has ruled against taxes and unilaterally imposed measures**
- **lack of progress by ICAO spurred EU to include emissions from international flights in its Emissions Trading Scheme**
- **ICAO responded to issues by restating its leadership role and establishing a new Group on International Aviation and Climate Change**

IMO's Work Programme

- Slow progress on the 5 options - focussing on improvements in technology to cut emissions
- A Danish proposal has some support:
 - global levy on maritime bunker fuels
 - to fund purchasing of emissions credits, adaptation projects, research and development
 - not for retro-fitting ships
 - binding and equally applicable to all flag States – a criteria opposed by many developing countries
- Due to lack of progress by IMO, the European Parliament has called for maritime emissions to be included in the EU ETS

NZ Position on Bunker Fuels

- NZ supports in principle the consideration of treatment of emissions from international bunker fuels in the AWG
- The current fora tasked with responsibility for resolving the issues may require assistance to address political issues
- NZ supports in principle emissions trading schemes
- NZ sees potential for sectoral commitments as a complementary approach to national commitments

Development of Detailed New Zealand Position

- The next 18 months will see intense international negotiations (particularly since there is no agreement yet on which allocation option should be implemented)
- Current government work programme, lead by Ministry of Transport, includes:
 - more robust baseline data for aviation and maritime emissions
 - analyses of allocation options (for including bunkers fuels) on the New Zealand economy
 - stakeholder engagement and consultation
 - understanding position taken by other Parties
 - review of attendance at relevant international meetings (UNFCCC, IMO, ICAO, APEC)

Thank you

- **Contact details:**

Kathy Perreau

Manager Environmental Sustainability

Ministry of Transport, New Zealand

k.perreau@transport.govt.nz

www.transport.govt.nz