



Event report, 14 November 2017

COP23 Side Event: Ships, Planes and Paris: Clearly navigating to 1.5°C

The responsibility to address the growing climate impact of aviation and shipping falls on the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO). Transparency can reduce investment risks, promote ambition and ensure greater environmental integrity for shipping and aviation in line with what is required in the Paris Agreement.

This side event discussed and reflected on the benefits of climate risk disclosure for each sector, the creation of clear decarbonisation pathways, and the need for transparent decision-making for effective coordination between the Paris Agreement, ICAO and IMO.

The event was kindly hosted at the South African pavilion during COP23 in Bonn.

Well attended by various stakeholders, this event contributed to debate around the need for transparency when designing and implementing climate policies and targets.

Below is a summary of the presentations and discussion:

The debate was moderated by **Jason Anderson from ClimateWorks Foundation**.

Mr Patric Pütz from Deutsche Post DHL Group explained how his company plans to reach zero emissions by 2050.

- DHL is active across the world and has a substantial impact on the environment and climate.
- *Go Green* programme: First carbon efficiency target in 2008. In 2014, we started to roll out an electric fleet. The 30% efficiency target that we had set for 2020, was reached already last year.
- Paris Agreement, Sustainable Development Goals influence decision making, major customers want green logistics, investors demand action and transparency, and regulatory requirements lean towards decarbonisation of transport.

- Four targets by 2025: Global, local, economic and people targets -> Increase CO2 efficiency by 50% over 2007 levels to support global ambition, improve local quality of life through clean pick-up services (air quality), 50% of sales incorporate green solutions, 80% of employees certified Green Specialists.
- Long-term mission: zero emissions by 2050. Electric vehicles and bike couriers across Europe
- If we don't reach the target, we will use offsetting. (*responding to a question from the audience*) Offsets are not a silver bullet but they are part of the solution that we need to look into.

Dr Carlo Raucci from University College London laid out the challenges of decarbonising shipping.

- Although shipping not included in the PA, it will have to act on its emissions.
- Scale of the challenge: current plans foresee massive emissions growth. To stay on the 2°C pathway, emissions need to start going down between 2025 and 2030.
- A strategically designed market based mechanism can help reduce emissions, but it's very important how generated revenues would be used. With no offsets allowed, and with a strict budget, MBM can deliver a high carbon price. An adequate price on carbon can unlock decarbonisation opportunities.
- Synthetic fuels important for decarbonising shipping.

Ms Kelsey Perlman from Carbon Market Watch warned that lack of transparency in ICAO decision making can undermine the Paris Agreement.

- International transport will take up almost 40% of the global carbon budget by 2050 with aviation swallowing 22% and shipping 17%!
- We have two ongoing climate talks, one open (UNFCCC) and the other one behind closed doors (ICAO).
- Without access to information on the aviation scheme (CORSIA), we don't know what will be the impact of ICAO on the PA.
- Industry is heavily represented at the ICAO talk, and civil society organisations are grouped under one representative (International Coalition for Sustainable Aviation), which limits geographical and political diversity of views.
- Current problems: What credits are allowed? Will the bookkeeping be right (no double-counting)?
- Open questions due to lack of transparency: Who's liable for a project that lacks environmental integrity (airlines, countries, project developers)? Will airlines be able to use same credits as countries have claimed towards their NDCs? What programs are deemed eligible (CDM, programs from voluntary markets, bilateral crediting mechanisms)?
- Currently all UN credits are eligible pending the stringency of ICAO's rules. Many UN credits have been shown to lack environmental integrity. According to the 2017 UNEP gap report if CDM is allowed into the scheme, CORSIA will have zero impact on closing the gap.

- The new aviation carbon market is only a start to address emissions from flying; the price will be extremely low and the scheme will only address a part of emissions. It cannot stop countries from putting in place the right standards to actually achieve the needed climate ambition.

Q&A Session

Questions and comments from the audience ranged from role of offsetting and quality of the credits, non-CO2 emissions that are not covered by CORSIA although they are even more harmful than CO2, inefficiency of synthetic fuels as opposed to going electric, and communication between ICAO and UNFCCC.

Resources:

Mr Patric Pütz, Deutsche Post DHL Group [Moving beyond efficiency](#)

Dr Carlo Raucci, University College London [How pricing your carbon risk can play a role to decarbonize shipping](#)

Ms Kelsey Perlman, Carbon Market Watch [Transparency of action outside the UNFCCC](#)

[Policy Brief](#): Visibility Unlimited: Transparency of the new aviation carbon market

[Press release](#): Obscure aviation climate deal could undermine the Paris Agreement

Contacts:

Kelsey Perlman, Policy Officer – Aviation

+32 2 335 36 64

kelsey.perlman@carbonmarketwatch.org

Kaisa Amaral, Press Officer

+32 2 335 36 66

kaisa.amaral@carbonmarketwatch.org