

THE WORLD BANK AND AVIATION

A capacity building initiative

TWIN GOALS OF THE WORLD BANK GROUP

- **End extreme poverty** by decreasing the percentage of people living on less than \$1.90 a day to no more than 3 percent; and
- **Promote shared prosperity** by fostering the income growth of the bottom 40 percent for every country

Climate action is a necessary part of efforts to achieve these goals

CLIMATE CHANGE AND AVIATION BY THE NUMBERS

2% the share of global emissions from air transport

5% growth in traffic per annum

5% share of air transport global warming impact

2% annual improvements and aircraft fuel efficiency

CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION (CORSA)

- Adopted by ICAO 39th General assembly in October 2016
- First time an entire industry self-regulates to mitigate its impact on climate change
- Like the Paris Agreement, it will require strong engagement from stakeholders to be implemented effectively
- Technical requirements still to be fleshed out

NEED FOR CAPACITY BUILDING IN DEVELOPING COUNTRIES

- Building the infrastructure needed to comply with requirements under the CORSIA is a new and ambitious task for states and developing countries in particular
- Some of them have expressed their need for assistance in complying with the scheme
- Some have pledged to join the CORSIA in its early phases provided their capacity and financial needs would be addressed

ICAO and WB have been in discussion to launch a capacity building partnership

BENEFITS IF WE GET IT RIGHT

- Potential synergies between CORSIA and Paris Infrastructures
- Blueprint for other sectors
- Increased demand from aviation will likely benefit host countries
- Bridge the gap between aviation and climate change experts

PRIORITIES FOR CAPACITY BUILDING

1 *BUILD INSTITUTIONAL CAPACITY ON CARBON MARKET INFRASTRUCTURE*

1.1) Assist States who request it to set up the necessary infrastructure to comply with the CORSIA's requirements

1.2) Channel financial assistance to states for the establishment of market infrastructure

2 *SHARE LESSONS LEARNED FROM WBG EXPERIENCE IN ASSET PURCHASE AND PROGRAM DEVELOPMENT*

2.1) Inform stakeholders on types of offsets, different markets, and new crediting mechanisms

2.2) Bring the World Bank's hands on experience in working with carbon markets mechanisms

ACTIVITIES

1

Knowledge sharing and advisory with ICAO

2

Outreach and background material for dissemination to States and other stakeholders

3

Organize consultations, workshops and seminars

4

Provide financial assistance for infrastructure development

OUTCOMES

Shared knowledge and experience on registries and MRV protocols

Groundwork done for the establishment of State registries and domestic MRV systems

State-specific grant-based mechanism funding for infrastructure development

Enhanced market awareness on emissions units and financial approaches

TIMELINE

2017

September: Dissemination of CORSIA Guidance by ICAO

December: First version of Standards and Recommended Practices (SARPs)

2018

March / April: Regional workshops on Capacity Building

June: Eligibility Criteria for early action known (**Tentative**)

September: States approve SARPs

2019

All airlines start monitoring their CO2 emissions

THANK YOU

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