



Press Release

New data shows airlines favour industrial gas projects to offset emissions

Bonn, 7 June 2013 – Last week, the International Air Transport Association (IATA) called on the International Civil Aviation Organisation (ICAO) Assembly to agree on a global carbon offsetting scheme to take effect in 2020. Recent data by the European Commission reveals for the first time the choice of offsets used by airlines during the first compliance period in the European Emissions Trading Scheme (EU ETS). The data shows that in 2012 airlines favoured using offset credits from HFC-23 and N2O industrial gas destruction projects, credits meanwhile banned in the EU ETS. NGOs demand a limited access and strict quality restrictions for any future global offsetting mechanism under ICAO.

In May 2013, the European Commission released for the first time data on carbon offsets used by 1188 airline operators covered by the EU's Emissions Trading Scheme (EU ETS) in 2012. From the 12.5 million offsets allowed to use for compliance, airlines used almost 11 million offsets, 5.6 million and 5.3 million coming from the Clean Development Mechanism (CDM) and Joint Implementation (JI) respectively.

The ten largest emitters amongst the aircraft operators in the EU, including Lufthansa, Ryanair and Easyjet, were responsible for 5.12 million offsets - almost half of all offsets used.

Although more than 6.000 CDM projects and more than 600 JI projects are currently approved under the UN's mechanisms, the offsets originate from only 45 CDM and 16 JI projects. One third of all CDM offset credits used by the largest ten operators, come from 9 offset projects that destroy the waste gas HFC-23. HFC-23 projects were the largest originators of CDM offset credits: 400.000 and 380.000 offset credits originating from Chinese HFC-23 projects were sold to Easyjet and British Airways respectively. Easyjet, Lufthansa and Air France also bought 420.000 credits from three N2O adipic acid projects in China and South Korea. Credits from HFC-23 and N2O (adipic acid) projects have been banned from the EU ETS because of their lack of environmental integrity effective May 2013, a decision which was well known to airlines as early as 2010.

“Even though offsets with environmental and social benefits are readily available at cheap prices, the new data shows that airlines chose offsets from industrial gas projects even though they were to be banned for their lack of environmental integrity simply because they were the cheapest” said Eva Filzmoser, Director of Carbon Market Watch. *“This shows that we cannot trust airlines to have regard for environmental integrity when choosing offsets. It is therefore essential that limited access and stringent quality restrictions for offsets will be required in any future ICAO scheme to filter out substandard offset credits that harm the climate”*.

The biggest emitters amongst airline operators in 2012 were Lufthansa and Ryanair. Lufthansa bought 650.000 offset credits from a project that claims to have reduced fugitive associated petroleum gas between 2007 and 2011 at the Priobskoe oil field in Russia, one of the largest oil fields in the world. This project which is registered under the Joint Implementation's so called "track 1", which is heavily and widely criticized for its lack of international oversight, sold the largest chunk of credits from one single project. Other projects that sold credits to Lufthansa include a JI project that destroys HFC-23 and a CDM project that destroys N2O from adipic acid production in China, both project types now banned from the EU ETS.

"It is hypocritical that Lufthansa encourages their clients to offset their emissions with sustainable projects while behind the backdoor it is using the cheapest offsets that clearly lack environmental integrity" commented Sabine Minninger, Senior Policy Advisor on climate and energy for Bread for the World. *"To live up to their claims to be sustainable, airlines must invest in credits with high environmental and social integrity themselves"*.

"Experience so far from airline behaviour in the EU ETS clearly demonstrates that offsets cannot be the complete solution in any market-based measure to reduce aviation emissions" said Bill Hemmings aviation manager at Transport and Environment. *"IATA needs to seriously rethink its position"*.

ENDS.

Join us for today's side event:

An Equitable Solution to Curb Aviation Emissions

7 June 2013, 16:45—18:15 in the Metro Room - [DOWNLOAD INVITATION](#)

Aviation emissions have more than doubled since 1990 and are caused by 3% of the world's richest population. This event bring together voices from the global south and north to discuss a future global deal that respects equity and avoids false solutions such as large scale offsetting.

Presented by Bread for the World with contributions from Nature Code - Carbon Market Watch.

More Information:

- Commission data [CERs and ERUs surrendered under EU ETS](#) (16 May 2013)
- [Policy Brief "Turbulences Ahead: Market Based Measures to Reduce Aviation Emissions" \(06.13\)](#)
- [Policy Brief "International Aviation: Addressing emissions while respecting equity issues" \(05.13\)](#)

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