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Towards True Climate Neutrality for Global Aviation: A Negative Emissions Fund for Airlines

Sascha Nick; Philippe Thalmann

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Article

Towards True Climate Neutrality for Global Aviation: A Negative Emissions Fund for Airlines

Sascha Nick * and Philippe Thalmann

Laboratory of Environmental and Urban Economics (LEURE), Ecole Polytechnique Fédérale de Lausanne (EPFL), CH-1015 Lausanne, Switzerland

* Correspondence: sascha.nick@epfl.ch

Abstract: What would it take for aviation to become climate-neutral by 2050? We develop and model a trajectory for aviation to reduce its CO₂ emissions by 90% by 2050, down to a level where all residual emissions can be removed from the atmosphere without crowding out other sectors that also need negative emissions. To make emitters pay for the carbon removal, we propose and model a negative emissions fund for airlines (NEFA). We show that it can pay for the removal of all CO₂ emitted by aviation from 2030 onwards, for a contribution to the fund of USD 200–250 per ton CO₂ emitted. In our baseline simulation, USD 3.3 trillion is invested by the fund over 40 years in high-quality carbon removal projects designed for biodiversity and societal co-benefits. While we do propose a number of governance principles and concrete solutions, our main goal is to start a societal dialogue to ensure aviation becomes both responsible and broadly beneficial.

Press Release No: 66

Date: 4 October 2021





Net-Zero Carbon Emissions by 2050



Translations:

Élimination des émissions nettes de carbone d'ici 2050 (pdf) Zero emissão líquida de carbono até 2050 (pdf) Cero emisiones

netas de CO2 en 2050 (pdf)

国际航协: 2050年实现净零碳排放 (pdf)

Boston - The International Air Transport Association (IATA) 77th Annual General Meeting approved a resolution for the global air transport industry to achieve net-zero carbon emissions by 2050. This commitment will align with the Paris Agreement goal for global warming not to exceed 1.5°C.

"The world's airlines have taken a momentous decision to ensure that flying is sustainable. The post-COVID-19 re-connect will be on a clear path towards net zero. That will ensure the freedom of future generations to sustainably explore, learn, trade, build markets, appreciate cultures and connect with people the world over. With the collective efforts of the entire value chain and supportive government policies, aviation will achieve net zero emissions by 2050," said Willie Walsh, IATA's Director General,



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Countries' support global 'Net-zero 2050' emissions target to achieve sustainable aviation



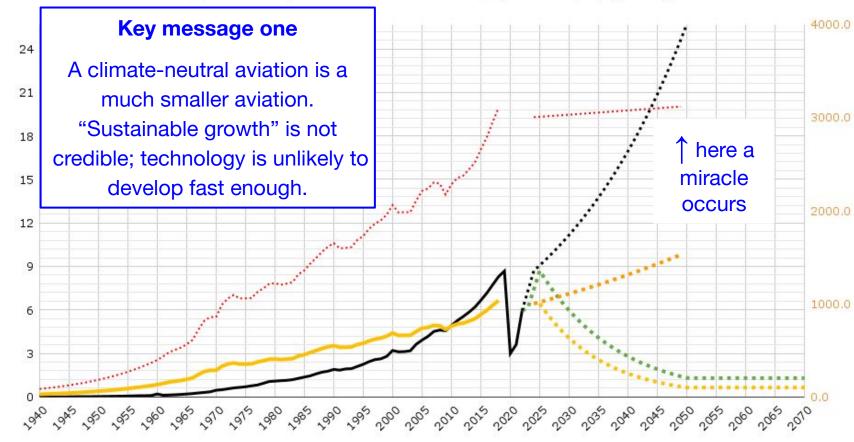
Ministers and other high-level officials concluded high-level environment talks at ICAO Headquarters in Montréal on 22 July 2022, supporting a collective global goal of net-zero carbon emissions by 2050

Montréal, 25 July 2022 - Ministers and officials engaged in high level environment talks brokered by ICAO have urged countries to cooperate further through the UN agency toward a collective global long term aspirational goal (LTAG) of net-zero carbon emissions by 2050, in support of the Paris Agreement's temperature target.

The conclusions came Friday evening after four days of deliberations among Ministers and other high-level officials representing 119 countries at ICAO Headquarters in Montréal, with over 700 participants from States and International Organizations attending the hybrid Meeting.

Recognizing that each State's special circumstances and respective capabilities will inform the ability of each to contribute within its own national timeframe, while showcasing a collaborative spirit through constructive dialogue and respect for diversity, the new conclusions will aid a just and green transition for the decarbonisation of international aviation

Past RPK [10¹² p-km] ** Future RPK (-7.3% p.a.) ** Future RPK (ICAO-mid) CO₂ emissions [Mt, right axis]
 Future CO₂ ICAO-mid, lower bound [Mt, right axis]
 Estimate of past + lower bound future CO₂eq ICAO-mid [Mt, right axis]



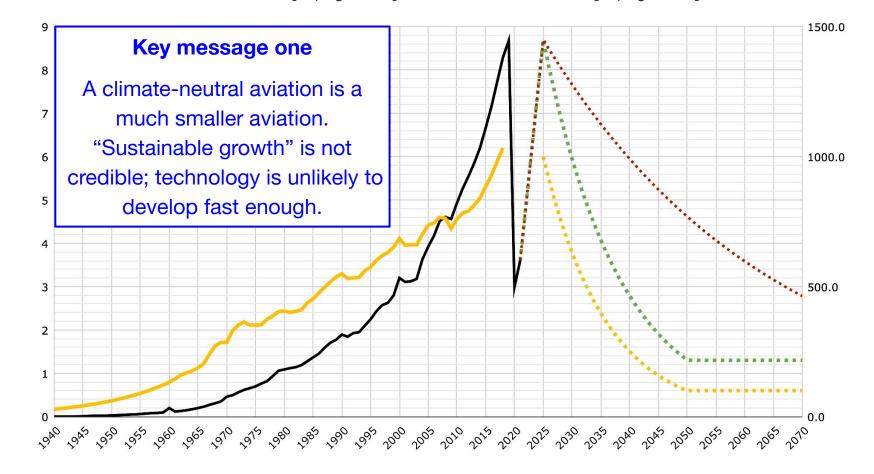


	Table S1: Simp
	Supplementary materia
L	Authors: Sascha Nick, P
	Updated 23.10.2022
	Opuated 25.10.2022
u .	
	Simulation par
	Emission reduction p.a.
	Initial emissions [Mt/p.:
	Final emissions [Mt/p.a
	NE growth 2027-36
	NE growth 2037+
	Max removals Mt p.a.]
	Removal cost start [\$/t]
	in yea
	Removal cost final [\$/t]
	from yea
_	Interest rate
	Simulation r
	CO ₂ price [\$/t]
ช	Σ NE payments [\$ bn]
5	Removed excess CO₂ by
2	Cash flow sur
5	Total discounted cash fl
	Paid by fun
	Paid into fun
	Fund inbalance
•	
u	
5	
4	
_	

lified model of NEFA of I for "Towards true Climate Neutrality for Global Aviation: A Negative Emissions Fund for Airlines" hilippe Thalmann CO2 Cumulative CO2 to be Removal Actual emissions emissions removed capacity removals emissions removed [Mt] [Mt] [Mt] [Mt] [Mt] ameters 2025 1000.0 1000.0 12.5% 125.0 0.0 0.0 8.80% 2026 912.0 1912.0 32.5% 296.4 1.0 -1.0 1000 2027 831.7 2743.7 52.5% 436.7 1.5 -1.5 100 2028 758.6 3502.3 72.5% 549.9 2.3 -2.3-3.450.0% 2029 691.8 4194.1 92.5% 639.9 3.4 25.0% 2030 630.9 4825.0 100.0% 630.9 5.1 -5.1 100.0% 7.6 -7.6 400 2031 575.4 5400.4 575.4 100.0% 400 2032 524.8 5925.2 524.8 11.4 -11.42025 2033 478.6 100.0% 478.6 17.1 -17.16403.8 -25.6 250 2034 436.5 6840.2 100.0% 436.5 25.6 2050 2035 398.1 7238.3 100.0% 398.1 38.4 -38.42.00% 2036 363.0 7601.3 100.0% 363.0 57.7 -57.7 2037 331.1 7932.4 100.0% 331.1 72.1 -72.1esults 229.87 301.9 100.0% 301.9 90.1 -90.12038 8234.4 3256.16 2039 275.4 8509.7 100.0% 275.4 112.6 -112.6 100.0% -140.82072 2040 251.1 8760.9 251.1 140.8 mmary 2041 229.0 8989.9 100.0% 229.0 176.0 -176.0 ow (\$ bn) 100.0% 208.9 -220.0 2042 208.9 9198.8 220.0 -1816.79 2043 190.5 9389.3 100.0% 190.5 275.0 -275.0 2044 173.7 100.0% 173.7 -343.71816.79 9563.0 343.7 0.00 2045 158.5 9721.5 100.0% 158.5 400.0 -400.02046 144.5 9866.0 100.0% 144.5 400.0 -400.0100.0% 2047 131.8 9997.8 131.8 400.0 -400.02048 120.2 10118.0 100.0% 120.2 400.0 -400.010227.6 100.0% 109.6 2049 109.6 400.0 -400.02050 100.0 10327.6 100.0% 100.0 400.0 -400.0100.0% 100.0 2051 100.0 10427.6 400.0 -400.02052 100.0 10527.6 100.0% 100.0 400.0 -400.02053 100.0 10627.6 100.0% 100.0 400.0 -400.0 2054 100.0 10727.6 100.0% 100.0 400.0 -400.0100.0% 100.0 2055 100.0 10827.6 400.0 -400.02056 100.0 10927.6 100.0% 100.0 400.0 -400.02057 100.0 11027.6 100.0% 100.0 400.0 -400.0

2058

2059

2060

100.0

100.0

100.0

11127.6

11227.6

11327.6

100.0%

100.0%

100.0%

100.0

100.0

100.0

400.0

400.0

400.0

-400.0

-400.0

-400.0

Cumulative

removals

[Mt]

0.0

1.0

2.5

4.8

8.1

13.2

20.8

32.2

49.3

74.9

113.3

171.0

243.1

333.2

445.8

586.6

762.6

982.5

1257.5

1601.2

2001.2

2401.2

2801.2

3201.2

3601.2

4001.2

4401.2

4801.2

5201.2

5601.2

6001.2

6401.2

6801.2

7201.2

7601.2

8001.2

Removal

cost

[\$/t]

400.0

394.0

388.0

382.0

376.0

370.0

364.0

358.0

352.0

346.0

340.0

334.0

328.0

322.0

316.0

310.0

304.0

298.0

292.0

286.0

280.0

274.0

268.0

262.0

256.0

250.0

250.0

250.0

250.0

250.0

250.0

250.0

250.0

250.0

250.0

250.0

Fund

active

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

1

Removal

cost paid by

fund [\$ bn]

0.00

-0.39

-0.58

-0.86

-1.27

-1.87

-2.76

-4.08

-6.01

-8.87

-13.07

-19.26

-23.64

-29.01

-35.59

-43.64

-53.50

-65.55

-80.29

-98.30

-112.00

-109.60

-107.20

-104.80

-102.40

-100.00

-100.00

-100.00

-100.00

-100.00

-100.00

-100.00

-100.00

-100.00

-100.00

-100.00

Discounted

cost [\$ bn]

0.00

-0.39

-0.56

-0.81

-1.17

-1.70

-2.45

-3.55

-5.13

-7.42

-10.72

-15.49

-18.64

-22.43

-26.97

-32.43

-38.97

-46.82

-56.22

-67.48

-75.37

-72.31

-69.34

-66.46

-63.66

-60.95

-59.76

-58.59

-57.44

-56.31

-55.21

-54.12

-53.06

-52.02

-51.00

-50.00

Payment to

fund for future

removal [\$ bn]

28.73

68.13

100.38

126.42

147.10

145.03

132.27

120.63

110.01

100.33

91.50

83.45

76.11

69.41

63.30

57.73

52.65

48.02

43.79

39.94

36,42

33.22

30.30

27.63

25.20

22.99

22.99

22.99

22.99

22.99

22.99

22.99

22.99

22.99

22.99

22.99

Discounted

payment to

fund [\$ bn]

28.73

66.80

96,48

119.13

135.90

131.36

117.45

105.01

93.90

83.95

75.06

67.12

60.01

53.66

47.97

42.90

38.35

34.29

30.66

27.41

24.51

21.92

19.60

17.52

15.67

14.01

13.74

13.47

13.20

12.94

12.69

12.44

12.20

11.96

11.72

11.49

Balance of

fund (\$ bn)

28.73

97.05

198.79

328.32

480.72

633.49

775.66

907.73

1.029.88

1,141.95

1,243.22

1,332.27

1,411.38

1,480.01

1.537.32

1,582.15

1,612.95

1,627.67

1,623.73

1,597.84

1.554.22

1.508.92

1,462.20

1,414.27

1,365.35

1,315.65

1,264.95

1,213,23

1,160.49

1.106.68

1.051.80

995.83

938.73

880.49

821.09

760.50

Net

[Mt]

1000.0

911.0

830.2

756.3

688.4

625.9

567.8

513.4

461.5

410.8

359.6

305.4

259.0

211.8

162.8

110.4

53.1

-11.1

-84.5

-170.0

-241.5

-255.5

-268.2

-279.8

-290.4

-300.0

-300.0

-300.0

-300.0

-300.0

-300.0

-300.0

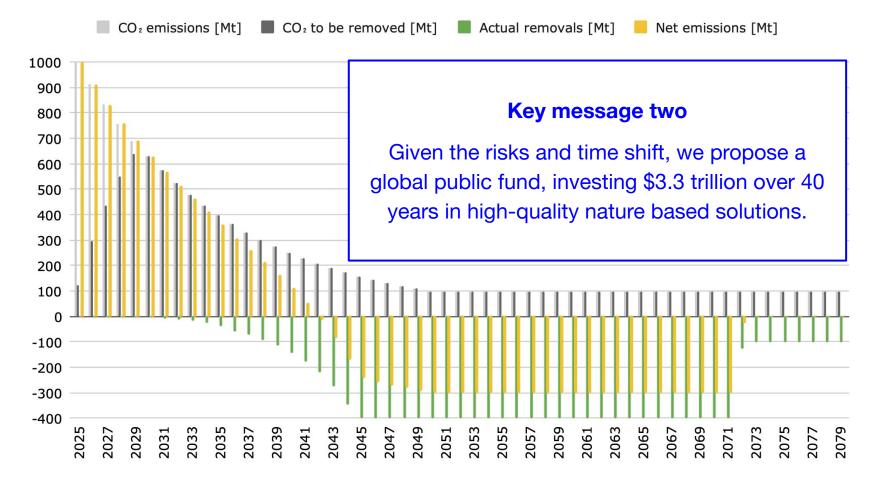
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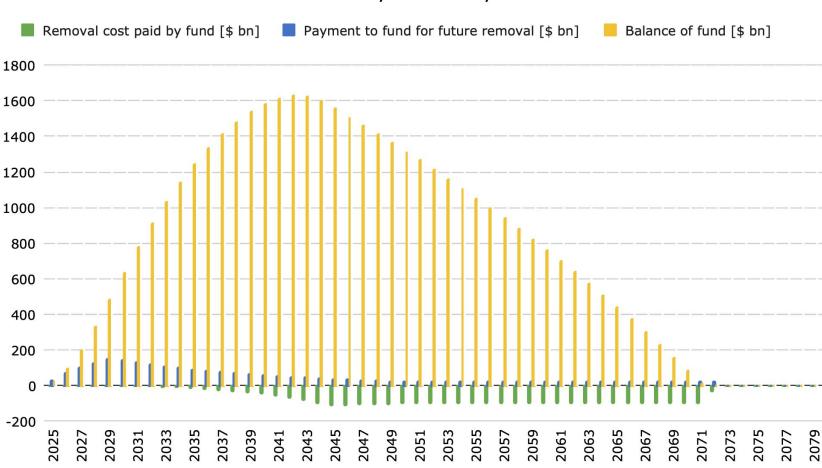
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CO₂ emissions and removals [Mt]



Fund inflows, outflows, balance



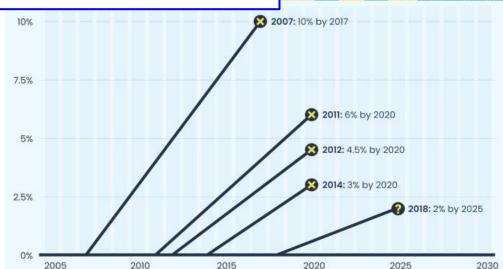
PFL	500-00 to 10 - 00		Range of Parameter		CO ₂ Price [USD/t]		Σ CO ₂ Removal Payments [USD bn]		Removed All Excess CO ₂ by Year	
W T	Simulation parameters	Baseline	Min.	Max.	Min. param.	Max. param.	Min. param.	Max. param.	Min. param.	Max. param.
	Emission reductions p.a.	8.8%	2.5%	10.0%	160	239	9651	2953	2136	2069
	Reductions, narrower range, p.a.		5.0%	7.3%	196	218	5177	3772	2091	2077
NICK .	Final emissions [Mt/p.a.]	100	50	150	231	227	2979	3717	2069	2076
a	NE growth 2027-36	50.0%	33%	60%	203	246	3326	3217	2078	2068
ascha l	NE growth 2037+	25.0%	10%	50%	204	243	3401	3228	2080	2069
Sa	Max removals [Mt p.a.]	400	200	800	186	249	4629	2897	2128	2057
	Removal cost in 2025 [USD/t]	400	300	600	222	245	3173	3422	2072	2072
	Removal cost from 2050 [USD/t]	250	200	300	190	270	2671	3841	2072	2072
	Interest rate p.a.	2%	1%	3%	269	196	3256	3256	2072	2072
URE	Interest rate, extreme range		0%	4%	314	168	3256	3256	2072	2072
					2:	30	32	56	20	72

Missed Targets

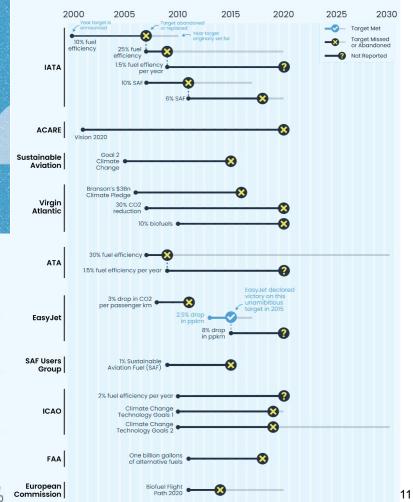
A brief history of aviation climate targets

Key message three

Based on its track record, aviation cannot be trusted to decarbonize voluntarily and must be regulated.



Two Decades of Missed and Abandoned Aviation Industry Sustainability Targets



Structure of the proposed Negative Emissions Fund for Airlines (NEFA)

Governance: ICAO or NEFA

Reporting + monitoring

- Report flights, aircraft, fuel, CO₂, contrails
- Monitor payment to NEFA
- UNFCCC: submit NDC as virtual country
- Restrict alternative fuels to low-impact

Annual capacity auction

2025

-7.3% p.a. until 2050

stable from 2050

Climate Club: EU + other

- Require airline participation
- Participate in the Climate C
- Submit credible 1.5°C NDC
- Ensure NEFA projects are g
- Engage citizens to ensure benefits of a smaller aviation + progressive frequent fiver taxation

Airline 2

Airline 1

Commitments:

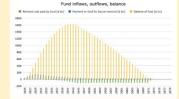
- Reduce RPK >2.5% p.a.
- Buy capacity at auction
- Pay CO₂ price to NEFA
- Report flights and CO₂

Benefits:

Access to NEFA airports

NEFA

 Collect and invest airline payments



- Build and monitor a portfolio of carbon removal projects
- Int'l fund governance

NEFA project 2

NEFA project 1 for carbon removal

- Only in NEFA countries w. credible 1.5°C NDCs
- Designed for co-benefits
 - Biodiversity, restoring ecosystems
 - Societal: investments, jobs, capacity building

Key message four

A well-designed governance ensures compliance, mobilizes significant resources for biodiversity and societal wellbeing, and gives a future to aviation.

Why join the Climate Club?

NEFA project funding + benefits Benefits of 1.5°C climate No public funding needed Societal benefits + acceptance Aviation beneficial for all

Structure of the proposed Negative Emissions Fund for Airlines (NEFA)

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Airline 2

Airline 1

Commitments:

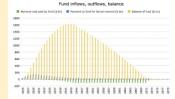
- Reduce RPK >2.5% p.a.
- Buy capacity at auction
- Pay CO₂ price to NEFA
- Report flights and CO₂

Benefits:

- Access to NEFA airports
- Climate neutrality
- Societal legitimacy

NEFA

 Collect and invest airline payments



- Build and monitor a portfolio of carbon removal projects
- Int'l fund governance

Payment to projects
Payment from airlines
Payment from auction

NEFA project 2

NEFA project 1 for carbon removal

- Only in NEFA countries w. credible 1.5°C NDCs
- Designed for co-benefitsBiodiversity, restoring
 - ecosystems
 - Societal: investments, jobs, capacity building

Climate Club: EU + other countries

- Require airline participation in NEFA as condition to access its airports for international flights
- Participate in the Climate Club as condition to receive carbon removal project funding
- Submit credible 1.5°C NDCs, including domestic aviation
- Ensure NEFA projects are governed for biodiversity and societal co-benefits
- Engage citizens to ensure benefits of a smaller aviation + progressive frequent flyer taxation

Why join the Climate Club?

- NEFA project funding + benefits
- Benefits of 1.5°C climate
- No public funding needed
- Societal benefits + acceptance
- Aviation beneficial for all

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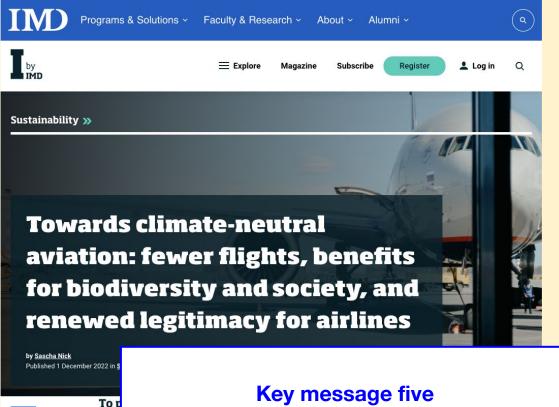
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Key message five

From the perspective of main stakeholders, big but not insurmountable changes are needed, many with positive side-effects.

Large companies

Most obviously, the total cost of flying would go down by two thirds, and videoconferencing would be used even more than today. Over time, globalized supply chains might be at a disadvantage and could be reconfigured to become more regional or local, with only a few components truly globally sourced - for example, specialized microprocessors. As this would happen over two decades, there is time to adjust, and in the process make supply chains more resilient, circular, and sustainable. Now is the time to rethink business models, eliminate planned obsolescence, and start curbing extraction, material, and energy use. However, given the time needed to reconfigure supply chains, planning should start immediately, starting with new products and services.

Academia

In terms of operations, reducing academic staff travel would just be the beginning. This would mean more local or regional conferences, with fewer participants, remotely connected to related events elsewhere when needed, but little flying. Executive or other learning programs could be planned in ways that would minimize travel - adjusting schedules, combining events, on-site teams remotely connected to other teams, and longer and more local gatherings incorporating multiple activities. More fundamentally, helping society to rapidly adjust to a post-fossil fuel, limited extraction world could become an essential focus of research and teaching, especially in business education.

Agricultural communities

Any transition towards sustainability will only work if it benefits communities and wins their support. Climate change, biodiversity loss, soil depletion, and very different precipitation patterns are already affecting almost every agricultural community in the world, and they must adapt to these threats in order to survive. A limitation in air transport capacity will also impact global food exports, reducing the markets available to many agricultural communities, which would be extremely challenging, especially for disadvantaged populations. On the other hand, continuing today's agricultural trajectory will lead to a collapse in ecosystem services, including food production, which would disproportionately affect such communities. There is no single solution, but our proposal mobilizes around \$100 billion each year for decades to invest in nature-based solutions, with most carbon removal projects managed by and for the benefit of local communities in participating countries. Restoring and protecting wetlands, mangroves, corals, forests, and other ecosystems would all qualify, as would soil health projects, which would also improve food production resilience.

Airlines

Surprisingly, aviation is perhaps the easiest sector to adapt, even though it is the one that will be transformed most by the transition to climate-neutral aviation. Predictable flight reductions would facilitate investments and asset management, hiring and training, flight route planning, ultimately ensuring service quality. Reporting guidelines developed for the current Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) could be adapted. The 25year transition period is longer than the timeframe airlines had for previous adaptations, even before COVID-19. The 1980s, the reference period for the number of flights, was a profitable and predictable period for airlines. Most importantly, in a world of constrained resources, becoming climate neutral would renew airlines' social license and ensure the future of the aviation sector.





le zéro net carbone en 2050 est encore long.





CATION SCIENCES ALIMENTATION SOLUTIONS

NOS TABLEAU) BORD

CLIMAT COP27 ANALYSE

Publié le 13 novembre 2022 07:00. Modifié le 15 novembre 2022 14:19.

Zéro carbone dans l'aviation: des promesses dans le vent?

par Sarah Sermondadaz



Deux chercheurs suisses ont calculé à quelles conditions le secteur du transport aérien peut respecter ses promesses de décarbonation. Pour l'instant, le compte n'y est pas.



Transport aérien

Voler sur des avions «verts» en 2050 coûtera plus cher

de l'EPFL ont mis au point un modèle Les compagnies d'aviation pour financer la décarbonation de l'aviation civile des vols et une hausse des tarifs.

sociation access in time to posture three pour les compagnées au inference (DEFA. Il explique pour quois les mesures activises out interesse de l'accessor de l'accessor l'ac

soutiennent que les vols euvent être verts dans trente ans. Illusion aussi?

tourbe et déclenche un phénomène d'oxydation, et provoque dix foi IATA, l'association qui regroupe burant durable» celui issu de l'huile les compagnies, de même que de palme, qui émet 100 gramme l'Organisation de l'aviation civile de CO, par mégajoule (MJ). Comme internationale (ICAO) ont certes 1kilogramme équivaut à 43 MJ, cela réduction drastique sur la feuille de route du GIEC, à los de CO, alors que le kérosène savoir la neutralité carbone en n'en émet que 3, le ne dis pas que 2050. Cependant, les moyens les biocarburants ne feront pas parpour y parvenir ne suffiront pas. tie de la solution, mais ils ne contri-L'hydrogène est un substitut en-bueront qu'à un petit pourcentage core à l'état embryonnaire, dont de la réduction des émissions, es-Sascha Nick est l'un des promo-les premiers prototypes sont at-

marais tropicaux, ce qui détruit la











«verts» en 2050 coûtera plus cher

Des chercheurs de l'EPFL ont mis au point un modèle pour financer la décarbonation de l'aviation civile d'ici trente ans. Il suppose une réduction drastique des vols et une hausse des tarifs.



Key message six

Holistically, the proposed approach reverses globalization and deregulation, and shifts resources from the top 1% to the rest of humanity, reducing biodiversity loss, the climate crisis, inequality, and improving resilience.

It also gives a future to aviation and shows the way forward for other "hard to decarbonize" sectors.



la décarbonation de l'aviation civile des vols et une

nternationale (ICAO) ont certes 1 kilogramme équivaut à 43 MJ, cela savoir la neutralité carbone en n'en émet que 3, le ne dis pas que L'hydrogène est un substitut en- bueront qu'à un petit pourcentage core à l'état embryonnaire, dont de la réduction des émissions, es

tendus pour 2035, et une éven- alimentaires tuelle commercialisation beau-D'autant que le CO, n'est par tuene commercianismo.

Unificación de pour compensario, in control de pour control de pour com il ks mesures actuelles sont in-isantes et détaille le mécanisme modèle créé à l'EPFL. appearance de source de sour

Deux chercheurs suisses ont calculé à quelles conditions le secteur du transport aérien peut respecter ses promesses de décarbonation. Pour l'instant, le compte n'y est pas.

ses

NOS TABLEAU)

BORD