

Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (Text with EEA relevance)

[^{F1}CHAPTER II

AVIATION

[^{F1}Article 3d

Method of allocation of allowances for aviation through auctioning

1 In the period referred to in Article 3c(1), 15 % of allowances shall be auctioned.

[^{F2} From 1 January 2013, 15 % of allowances shall be auctioned. The Commission shall undertake a study on the ability of the aviation sector to pass on the cost of CO₂ to its customers, in relation to the EU ETS and to the global market-based measure developed by the International Civil Aviation Organization ('ICAO'). The study shall assess the ability of the aviation sector to pass on the cost of required emission units, comparing this to industries and to the power sector, with the intention of making a proposal to increase the percentage of auctioning pursuant to the review referred to in Article 28b(2), taking into account the analysis of costs passed on and considering alignment with other sectors and the competitiveness between different modes of transport.]

[^{F3} The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning the detailed arrangements for the auctioning by Member States of aviation allowances in accordance with paragraphs 1 and 2 of this Article or with Article 3f(8). The number of allowances to be auctioned in each period by each Member State shall be proportionate to its share of the total attributed aviation emissions for all Member States for the reference year reported pursuant to Article 14(3) and verified pursuant to Article 15. For the period referred to in Article 3c(1), the reference year shall be 2010, and for each subsequent period referred to in Article 3c, the reference year shall be the calendar year ending 24 months before the start of the period to which the auction relates. The delegated acts shall ensure that the principles set out in the first subparagraph of Article 10(4) are respected.]

[^{F24} All revenues generated from the auctioning of allowances should be used to tackle climate change in the Union and third countries, inter alia, to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the Union and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the EU ETS. Auctioning revenues should also be used to fund common projects to reduce greenhouse gas emissions from the aviation sector, such as the Single European Sky ATM Research (SESAR) Joint Undertaking and the Clean Sky Joint Technology Initiatives and any initiatives enabling the widespread use of GNSS for satellite-based navigation and interoperable capabilities within all Member States, in particular projects that improve air navigation infrastructure, the provision of air navigation services and the use of airspace. The proceeds of auctioning may also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation. Special consideration shall be given by Member States that use those revenues for co-financing research and innovation to programmes or initiatives under the Ninth

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Research Framework Programme ('FP9'). Transparency on the use of revenues generated from the auctioning of allowances under this Directive is essential to meeting Union commitments.

Member States shall inform the Commission of actions taken pursuant to the first subparagraph of this paragraph.]

5 Information provided to the Commission pursuant to this Directive does not free Member States from the notification obligation laid down in Article 88(3) of the Treaty.]

Textual Amendments

- F1** Inserted by [Directive 2008/101/EC](#) of the European Parliament and of the Council of 19 November 2008 amending [Directive 2003/87/EC](#) so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community (Text with EEA relevance).
- F2** Substituted by [Regulation \(EU\) 2017/2392](#) of the European Parliament and of the Council of 13 December 2017 amending [Directive 2003/87/EC](#) to continue current limitations of scope for aviation activities and to prepare to implement a global market-based measure from 2021.
- F3** Substituted by [Directive \(EU\) 2018/410](#) of the European Parliament and of the Council of 14 March 2018 amending [Directive 2003/87/EC](#) to enhance cost-effective emission reductions and low-carbon investments, and [Decision \(EU\) 2015/1814](#) (Text with EEA relevance).