CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) Eligible Emission Units

On 13 March 2020, the ICAO Council approved the use of eligible emission units to be used against CORSIA offsetting obligations by airlines and operators. This paper will give information surrounding this subject.

What are eligible emission units?

Eligible emissions units are central to the success of the CORSIA offsetting program and are made available through registries as detailed below. The ICAO Technical Advisory Body (TAB), comprised of representatives from 19 States around the world, has evaluated these programs to establish that they fulfil ICAO CORSIA requirements and has recommended them for immediate availability to airlines and operators through offset registries that have also been evaluated and approved by the TAB. They are as follows:

- American Carbon Registry
- China GHG Voluntary Emission Reduction Program
- Clean Development Mechanism
- Climate Action Reserve
- The Gold Standard
- Verified Carbon Standard Program

Only emissions units that started their period of credit on 01/01/2016 through 31/12/2020¹ are eligible for use under CORSIA obligations.

These approved emissions units are only available for the period that covers the CORSIA Pilot Phase compliance cycle, which runs from 1 January 2021 until 31 December 2023. Further guidance will be issued by ICAO and the TAB for the subsequent phases once it become available.

How many offsets do I need?

The CORSIA program is currently going through its baseline reporting phase. The baseline will be the average annual international flight emissions reported to ICAO for 2019 and 2020. This baseline will help ICAO establish the growth factor of international CO2 emissions from the civil aviation industry that would need to be offset through the purchase of eligible emission units. This is what enables the industry to achieve its goal of carbon-neutral growth (CNG) from 2020.

Once the baseline period is completed, CORSIA will enter its first compliance or offsetting phase, which is also known as the Pilot Phase, mentioned above. During this three-year period, annual international emissions will be measured against the baseline to determine the sectoral growth factor (SGF). The SGF will then be applied to operators' growth relative to the baseline to determine the amount of emissions units to be purchased for that period. Operators will be advised individually by their respective Administering Authorities on their obligations for offsetting, ostensibly consistent with ICAO SARPs.

 $^{^{1}}$ The eligible emissions units represent an equivalent amount of CO_2 removed from the atmosphere during this period.

Exercising Caution

Be cautious about any emission unit scheme that claims to be "CORSIA Compliant" but is not on the eligible <u>emissions unit list</u>. Operators are strongly advised to do the necessary due diligence prior to purchasing offsets in relation to their CORSIA compliance obligations.

Other Resources

This Guidance Paper should be used in conjunction with PowerPoint presentation "Offsets 101", which gives operators wider understanding of offsets, available on the IBAC website. If you have any further questions, please contact Bruce Parry, Environment Director, IBAC, at bparry@ibac.org