



A40-WP/627
P/54
4/10/19

ASSEMBLY — 40TH SESSION

REPORT OF THE EXECUTIVE COMMITTEE ON AGENDA ITEM 17

(Presented by the Chairman of the Executive Committee)

The attached report on Agenda Item 17 has been approved by the Executive Committee. Resolution 17/1 is recommended for adoption by the Plenary.

Note.— After removal of this covering sheet, this paper should be inserted in the appropriate place in the report folder.

(14 pages)

Agenda Item 17: Environmental Protection – Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)

17.1 At its fifth, sixth, eleventh, twelfth and thirteenth meetings, the Executive Committee considered the subject of environmental protection on the basis of progress reports by the Council on the Organization's work on the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) (WPs 56 and 59) and considered the Council's proposals to update Assembly Resolution A39-3, *Consolidated Statement of continuing ICAO policies and practices related to environmental protection – Global Market-based Measure (MBM) Scheme* (WP/59). In addition, there were 25 papers submitted by States and Observers: WPs 79 Revision No. 1, 102, 139, 159, 177, 193, 227, 228 Revision No. 1, 229, 265, 266, 267, 289, 290, 291, 306, 338, 339, 407, 409, 411, 472, 482, 527 Revision No. 1 and 529 Revision No. 1.

17.2 In WP/56, the Council reported on progress made by ICAO since the 39th Session of the Assembly on issues related to CORSA. In response to the request by the Assembly, the Council adopted Standards and Recommended Practices (SARPs) for CORSA as the First Edition of Annex 16 — *Environmental Protection, Volume IV — Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)* in June 2018, which became applicable as of 1 January 2019. It also informed that the First Edition of the *Environmental Technical Manual* (Doc 9501), Volume IV was issued in August 2018. Regarding the CORSA Implementation Elements, the paper reported on progress made regarding the ICAO CORSA CO₂ Estimation and Reporting Tool (CERT), CORSA eligible fuels, CORSA eligible emissions units and CORSA central registry (CCR) as well as on next steps.

17.3 Regarding CORSA outreach and capacity-building activities, WP/56 reported on the organization of ICAO regional seminars and workshops during the triennium to help build capacity in States for the development of their Monitoring, Reporting and Verification (MRV) systems. The paper also highlights the activities under ACT-CORSA (Assistance, Capacity Building and Training for CORSA) Programme, in particular the CORSA Buddy Partnerships which have involved 15 donor States and 98 recipient States. Other related activities of work highlighted in the paper was the ICAO Training Course on CORSA Verification that provides training for potential verification bodies on how to verify CO₂ Emissions Reports.

17.4 WP/56 also provided background information regarding the Council discussion and decision on operative paragraph 18 of the revised Assembly Resolution A39-3, on the basis of wording used in preambular paragraphs 7, 8 and 9, as presented in the Appendix to WP/59 (see below).

17.5 In WP/59, the Council submitted a proposal for the revision of Resolution A39-3 in light of the developments since the 39th Session of the Assembly on CORSA as described in WP/56.

17.6 In WP/79 Revision No. 1, the Member States of the Central American Corporation for Air Navigation Services (COCESNA) summarized the findings of an analysis undertaken regarding the importance of the widest possible participation of States in CORSA from its outset.

17.7 In WP/102, presented by France on behalf of the European Union (EU) and its Member States and the other Member States of the European Civil Aviation Conference (ECAC), expressed their strong support for the ICAO basket of measures including CORSA, and acknowledged the achievements already made. All ECAC Member States have volunteered to participate from the pilot phase, and are fully engaged and supportive in CORSA implementation. It also expressed the crucial importance for all States and regions to effectively implement CORSA and participate in CORSA from the pilot phase.

17.8 In WP/177, the Member States of the African Civil Aviation Commission (AFCAC) expressed the necessity for States to join CORSIA voluntarily from the pilot phase to experience the implementation challenges and benefits, and be prepared for the mandatory phases. The paper also highlighted the need to increase capacity building programmes, building upon the successful experience of the ICAO-EU assistance project, and further facilitate States' access to financial resources, technical expertise and technology transfer through effective collaboration and partnerships.

17.9 In WP/229, Singapore, Australia, Canada, Fiji, Indonesia, Japan, Marshall Islands, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Trinidad and Tobago, and the United States highlighted that the successful implementation of CORSIA requires the voluntary participation of a significant and large enough group of States, and that the strong partnership between ICAO, States and industry in CORSIA MRV implementation demonstrates the committed and united front the aviation community is taking to ensure a consistent approach to CORSIA implementation. It also included suggestions for further improvement, including: enhanced capacity building through ACT-CORSIA; access to accredited verification bodies through enhanced training; and timely guidance on CORSIA eligible emissions units and CORSIA eligible fuels.

17.10 In WP/289, Brazil and Guatemala with support of the Latin American Civil Aviation Commission (LACAC) Member States highlighted the importance of all elements of the basket of measures to achieve the sustainable development of civil aviation. It was also stressed the relevance of appropriate implementation of the CORSIA MRV, and expressed the support for the ICAO ACT-CORSIA programme and its continuation. The paper also underlined the importance for the periodic review of CORSIA foreseen for 2022, and requested that CAEP carry out the studies necessary to support this review.

17.11 In WP/306, China and the Russian Federation explained their view that ICAO has not given balanced consideration to the concerns and positions of various Parties in the course of facilitating CORSIA implementation. The paper argues that only by ensuring procedural justice in decision-making and moral fairness in the design elements of the mechanism, can countries, particularly developing countries, become more confident in ICAO's effort in international aviation and climate change and show more willingness to engage in international cooperation in CORSIA implementation. The paper also proposed to allow States to implement the CORSIA in a nationally determined approach complemented with a mechanism of international dialogue and consultation between the ICAO Council and the State(s) concerned, and proposed to request the Council, with relevant information from States, to undertake the periodic review of CORSIA, on the basis of guiding principles listed in the Annex to Resolution A39-2.

17.12 In WP/411, Guatemala, sponsored by LACAC Member States, highlighted the urgent need to regulate the implementation of CORSIA MRV, while several Latin American States have issued relevant regulations and others are working on it on the basis of approved Annex 16, Volume IV. It also emphasized the importance of ICAO ACT-CORSIA programme, including the benefits of inter-State alliances such as CORSIA Buddy Partnerships.

17.13 In WP/228 Revision No. 1, India proposed the adoption of a "Member State driven" principle of establishing aviation emissions and to attribute responsibility of emissions reduction to Member States instead of airline operators as the basis of CORSIA. In particular, it highlighted the need for fair and equitable baseline year criterion and suggested an alternative to such criterion. It emphasized the potential implications of the 100 per cent sectoral approach on operators with a small share in global emission growth. It also expressed the view that restrictions as regards the type or vintage of eligible offsets may reduce availability and increase the cost of compliance. The paper also noted the lack of legal

guidance to enforce the SARPs, and the need to ensure that requirements are in synchronization with the UNFCCC rules.

17.14 In WP/227, Canada highlighted the importance of capacity building and training, and reiterated its continued support to ICAO ACT-CORSIA programme. It emphasized the time taken to establish the required infrastructure and procedures for accrediting verification bodies. The paper expressed that CORSIA periodic reviews will help ensure the continued relevance and improvement of CORSIA over time, and highlighted the importance of having approved programmes and, potentially, project types, confirmed ahead of the start of offsetting requirements from 2021.

17.15 In WP/265, Guyana discussed its efforts on environment and highlighted its commitment to participate in the pilot phase of CORSIA. The paper also expressed Guyana's full support for ICAO's efforts under the ACT-CORSIA Buddy Partnerships.

17.16 In WP/266, Kenya described its contributions to CORSIA-related activities, including its participation in the Small Scale Implementation Project to test the MRV provisions of the CORSIA SARPs, decision to voluntarily participate in CORSIA from the pilot phase, efforts to ensure the implementation of SARPs, and support to the ICAO ACT-CORSIA programme as a donor State.

17.17 In WP/267, Mexico expressed its support on the significant progress made for the timely implementation of CORSIA, including the ICAO ACT-CORSIA programme and CORSIA buddy partnerships among States, underscoring the critical importance of a coordinated approach under ICAO in facilitating global cooperation to provide assistance and capacity building for CORSIA implementation.

17.18 In WP/290, Brazil highlighted the need to develop a criterion for calculating the new entrants' baseline; and for a decision by the Council on eligible units and recognition of special circumstances of the UNFCCC mechanisms. Brazil was of the view that the CDM and the mechanism to be established under Article 6, paragraph 4 of the Paris Agreement, are key for the successful implementation of CORSIA as they can provide units at scale, while ensuring environmental integrity.

17.19 In WP/291, Brazil highlighted its concerns about the means of achieving ICAO's long-term climate goals, which will require increasing proportions of sustainable aviation fuels, ensuring a smooth and predictable path to the phase-out of CORSIA by 2035. To address these concerns, Brazil proposed that the Council study and propose a mechanism to promote a smooth transition from CORSIA to sustainable aviation fuels.

17.20 In WP/529 Revision No. 1, Russian Federation presented an analysis of the negative environmental and economic impacts of the introduction of the CORSIA, particularly for developing and emerging economies, which calls into question the advisability of CORSIA further implementation. Also, the Russian Federation, in the alternative draft of Assembly resolution included in WP/529, proposed that the ICAO Council should consider developing a global economic incentive system in the form of the Clean Development Mechanism for International Civil Aviation (ACDM). In addition, the Russian Federation invited the Assembly to consider as a reasonable alternative to CORSIA implementation the possibility of initiating the creation under the auspices of the UN mobile aviation forces to fight forest fires and other natural disasters that could fully meet the Sustainable Development Goals of the United Nations as a real contribution to reducing global CO₂ emission.

17.21 In WP/193, the Airports Council International (ACI), the Civil Air Navigation Services Organisation (CANSO), the International Air Transport Association (IATA), the International Business Aviation Council (IBAC) and the International Coordinating Council of Aerospace Industries

Associations (ICCAIA), coordinated by the Air Transport Action Group (ATAG), expressed the industry's strong support for CORSIA. The paper also noted that the implementation of CORSIA avoids the need for duplicative carbon pricing measures to be applied to international aviation emissions on a regional, national or subnational basis, and underlined the fact that CORSIA was adopted with a broad recognition that it should be the only market-based measure applied to international flights on the basis that emissions should not be accounted for more than once. The paper also discussed the concerns of the industry that the implementation and effectiveness of CORSIA could be undermined by the policies of individual States and groups of States applying or considering the application of a carbon pricing instrument or ticket tax to address emissions from international aviation, in addition to CORSIA.

17.22 In WP/139, IATA highlighted the utmost importance for all ICAO Member States to comply in all respects with Annex 16, Volume IV and to ensure that their own domestic regulations are fully aligned with the CORSIA SARPs. It also expressed the support of IATA on the work by the Council on CORSIA eligible emissions units.

17.23 The Committee acknowledged ten working papers submitted for information purposes. They were not presented to the meeting but are summarized below:

17.24 In WP/159, the Arab Civil Aviation Organization (ACAO) highlighted its support for the implementation of CORSIA, and expressed its view that CORSIA is the only global standard for the calculation of CO₂ emissions from international flights, noting that a "mix" of regulatory measures would increase the administrative burdens on the appropriate authorities and air operators.

17.25 In WP/472, Australia and New Zealand, co-sponsored by Fiji, Indonesia and Samoa, informed of their actions to collectively assist Pacific States through CORSIA buddy partnerships.

17.26 In WP/338, Caribbean Aviation Safety and Security Oversight System (CASSOS) provided a summary of the CORSIA implementation in its Member States.

17.27 In WP/339, CASSOS highlighted that ICAO ACT-CORSIA programme has been well received, with four CASSOS States having received on-site training.

17.28 In WP/407, IATA shared information on IATA FRED+, which is a system to facilitate the reporting of emissions data between aeroplane operators and States, and between aeroplane operators and verification bodies.

17.29 In WP/409, South Africa reported on its activities in support of the CORSIA implementation, including its contribution to CORSIA buddy partnerships.

17.30 In WP/482, Japan introduced how it has implemented CORSIA MRV in line with the timeline recommended by the Environmental Technical Manual, Volume IV.

17.31 In WP/527 Revision No. 1, Argentina described the steps taken to implement the CORSIA MRV, and ongoing discussions within the Government to consider the possibility of voluntarily joining CORSIA.

17.32 In WP/547, Saudi Arabia presented its view of the potential contribution of lower carbon aviation fuels (LCAF) to GHG emissions reductions under CORSIA.

17.33 In WP/548, Indonesia requested sharing knowledge and experiences on the implementation of various measures to address emissions from international aviation, such as CORSIA.

17.34 The Committee noted the successful development of CORSIA-related Standards and Recommended Practices (SARPs) and guidance by ICAO, as well as the progress in developing various CORSIA Implementation Elements. It also recognized that while CORSIA implementation is on track, there is a need to further develop and update the CORSIA-related SARPs, guidance and remaining CORSIA Implementation Elements such as CORSIA eligible fuels and CORSIA eligible emissions units.

17.35 The Committee noted the views and perspectives of some States that expressed serious concerns with and opposition to keeping the global net CO₂ emission from the international aviation from 2020 at the same level as the baseline for the CORSIA.

17.36 On the subject of CORSIA eligible emissions units, the Committee noted the views and perspectives presented by some States on the need for the timely decision by the Council, and the need to recognize the special circumstances of UNFCCC mechanisms, flexibility and broad access for operators to eligible units while ensuring the environmental integrity of CORSIA. In this regard, the Committee recalled WP/56, which reported on the ongoing work of the Technical Advisory Body (TAB) in assessing emissions units programmes against the approved criteria, and that its first recommendations are expected to be forwarded for the consideration by the Council in March 2020. The Committee also noted the views and perspectives presented by some other States that it should be States rather than ICAO Council that decide on the eligibility of emission units and sustainable aviation fuels for use by the CORSIA.

17.37 Regarding the issue of verification under CORSIA, the Committee took note of the views of States and acknowledged the importance of ICAO, Member States and their National Accreditation Bodies working together to increase the availability of accredited verification bodies, for access by aeroplane operators. In this regard, the Committee recognized that the ICAO Secretariat provided the CORSIA verification training courses to facilitate accreditation of verification bodies, and was also working with the International Accreditation Forum (IAF) to facilitate accreditation activities by National Accreditation Bodies.

17.38 The Committee took note of the views of States on the participation of more States in the work of CAEP in a geographically balanced manner. In this regard, the Committee recalled that the Council, in 2018, reviewed and revised the CAEP Directives, including the removal of the maximum number of CAEP members or observers to be nominated as experts from States.

17.39 The Committee noted that as regards the specific request to define the criteria for new entrants' baseline emissions under CORSIA, the Council had already requested CAEP to include this specific area of work in its work programme for the next triennium.

17.40 The Committee noted that many States welcomed the successful implementation of the ICAO ACT-CORSIA programme. It also expressed its appreciation for the contributions of Member States to establish CORSIA buddy partnerships to assist CORSIA implementation by States. The Committee also emphasized the importance of a coordinated approach to ICAO training, and expressed its support for the continuation of the programme in the future.

17.41 The Committee noted that 81 States had announced their voluntary participation in CORSIA from its outset. That number increased from 65 States since the CORSIA was agreed at the last Assembly in October 2016. The Committee agreed that this increasing number was a very positive sign, and recognized the importance and benefits of capacity-building and assistance activities to enable more States to join. Member States that are ready to announce their voluntary participation in CORSIA were encouraged to do so as soon as possible.

17.42 On the issue of the periodic review of CORSIA, the Committee noted the views of States, including on the potential approaches and analyses, the consideration of transition from CORSIA into the use of sustainable aviation fuels, and that the review should be on the basis of guiding principles listed in Annex to Resolution A39-2. In this regard, the Committee highlighted that paragraphs 9 g) and 18 of Assembly Resolution A39-3 provided clear guidance and requests to the Council to undertake the periodic review of CORSIA every three years from 2022, and for recommendations to be made for consideration by the Assembly. It also noted that CAEP had already included a task to develop methodologies and procedures for the CORSIA periodic review in its work programme over the next triennium, which was approved by the Council.

17.43 In considering the revised Assembly Resolution A39-3 on CORSIA, a clear majority of States expressed their support for the draft Assembly Resolution text proposed in the Appendix to WP/59 without any further change, while other States insisted that the draft Resolution should be modified and submitted their specific suggestions for amendments. Following oral statements made by some Member States, written input to the meeting was submitted by three Member States and posted on the ICAO website. (https://www.icao.int/Meetings/a40/Documents/consolidated_statement_continuing_ICAO_policies_practices_wp_059_en.pdf)

17.44 Three States highlighted their view that the CORSIA should be implemented in accordance with principles of the Paris Agreement in a nationally determined approach based on Member States' contribution rather than aircraft operators' offsetting obligations, and that each State is allowed to adopt its own baselines and standards to certify emissions units and SAF. The three States proposed that the ICAO Council should develop a mechanism of international dialogue and consultation with States concerned to enhance the harmonization among States' national plans to implement the CORSIA. The three States do not agree in principle to the draft Resolution submitted by the Council in WP/59 because their proposed changes to the Resolution (https://www.icao.int/Meetings/a40/Documents/consolidated_statement_continuing_ICAO_policies_practices_wp_059_en.pdf) were not incorporated, as a clear majority of States expressed their support not to change the Resolution text as proposed in the Appendix to WP/59.

17.45 Despite the objections of a few States, the Committee agreed, by majority, to recommend that the Assembly adopt the following Resolution:

Resolution 17/1: Consolidated statement of continuing ICAO policies and practices related to environmental protection - Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

Whereas Assembly Resolution A38-18 decided to develop a global market-based measure (GMBM) scheme for international aviation, for decision by the 39th Session of the Assembly;

Recalling that Assembly Resolution A38-18 requested the Council, with the support of Member States, to identify the major issues and problems, including for Member States, and make a recommendation on a GMBM scheme that appropriately addresses them and key design elements, including a means to take into account special circumstances and respective capabilities, and the mechanisms for the implementation of the scheme from 2020 as part of a basket of measures which also

include technologies, operational improvements and sustainable aviation fuels to achieve ICAO's global aspirational goals;

Whereas Assembly Resolution A39-3 decided to implement a GMBM scheme in the form of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) as part of a basket of measures which also include aircraft technologies, operational improvements and sustainable aviation fuels to achieve ICAO's global aspirational goals;

Recognizing that ICAO is the appropriate forum to address emissions from international aviation, and the significant amount of work undertaken by the Council, its Advisory Group on CORSIA (AGC), its Technical Advisory Body (TAB) and its Committee on Aviation Environmental Protection (CAEP) to support the implementation of CORSIA;

Welcoming the adoption of the first edition of Annex 16 – *Environmental Protection*, Volume IV – *CORSIA*, the provisions of which include Monitoring, Reporting and Verification (MRV) procedures for CORSIA;

Also welcoming the publication of the first edition of *Environmental Technical Manual* (ETM, Doc 9501), Volume IV – *Procedures for demonstrating compliance with the CORSIA*;

Welcoming the progress made for the development of ICAO CORSIA Implementation Elements, which are reflected in 14 ICAO documents directly referenced in Annex 16, Volume IV, containing materials that are approved by the Council, and are essential for the implementation of CORSIA;

Also welcoming the establishment by the Council of the Technical Advisory Body (TAB), with the mandate to make recommendations to the Council on the CORSIA eligible emissions units;

Recognizing the importance of a coordinated approach for capacity building activities by ICAO and its Member States, in cooperation with the aviation industry, to support the implementation of CORSIA, in particular through the ICAO Assistance, Capacity-building and Training for CORSIA (ACT-CORSIA) programme that includes the organization of seminars, development of outreach materials, and establishment of CORSIA partnerships among States;

Welcoming the increasing number of announcements by Member States of their intention to voluntarily participate in CORSIA in the pilot phase from 2021;

Recognizing that strong capacity-building activities can facilitate the decision of Member States to voluntarily participate in CORSIA;

Noting the support of the aviation industry for CORSIA as a single global carbon offsetting scheme, as opposed to a patchwork of State and regional MBMs, as a cost effective measure to complement a broader package of measures including technology, operations and infrastructure measures;

Recognizing that MBMs should not be duplicative and international aviation CO₂ emissions should be accounted for only once;

Emphasizing that the decision by the 39th Session of the Assembly to implement the CORSIA reflects the strong support of Member States for a global solution for the international aviation industry, as opposed to a possible patchwork of State and regional MBMs;

Reaffirming the concern with the use of international civil aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, and that MBMs should ensure the fair treatment of the international aviation sector in relation to other sectors;

Recalling the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement and *acknowledging* its principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances;

Also acknowledging the principles of non-discrimination and equal and fair opportunities to develop international aviation set forth in the Chicago Convention;

Recognizing that the work related to CORSIA and its implementation will contribute to the achievement of the goals set out in the Paris Agreement adopted under the UNFCCC;

Whereas the UNFCCC and the Paris Agreement provide for mechanisms, such as the Clean Development Mechanism (CDM) and a new market mechanism under the Paris Agreement, to contribute to the mitigation of GHG emissions to support sustainable development, which benefit developing States in particular;

Welcoming the cooperation between the UNFCCC and ICAO on the development of CDM methodologies for aviation;

Recognizing that this Resolution does not set a precedent for or prejudice the outcome of negotiations under the UNFCCC, the Paris Agreement, or other international agreements, nor represent the position of the Parties to the UNFCCC, the Paris Agreement, or other international agreements;

The Assembly:

1. *Resolves* that this Resolution, together with Resolution A40-X: *Consolidated statement of continuing ICAO policies and practices related to environmental protection - General provisions, noise and local air quality* and Resolution A40-Y: *Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change*, supersede Resolutions A39-1, A39-2 and A39-3 and constitute the consolidated statement of continuing ICAO policies and practices related to environmental protection;
2. *Acknowledges* the progress achieved on all elements of the basket of measures available to address CO₂ emissions from international aviation, including aircraft technologies, operational improvements, sustainable aviation fuels and CORSIA, and *affirms* the preference for the use of aircraft technologies, operational improvements and sustainable aviation fuels that provide the environmental benefits within the aviation sector;
3. *Also acknowledges* that, despite this progress, the environmental benefits from aircraft technologies, operational improvements and sustainable aviation fuels may not deliver sufficient CO₂ emissions reductions to address the growth of international air traffic, in time to achieve the global

aspirational goal of keeping the global net CO₂ emissions from international aviation from 2020 at the same level;

4. *Emphasizes* the role of CORSIA to complement a broader package of measures to achieve the global aspirational goal, without imposing inappropriate economic burden on international aviation;

5. *Recalls* its decision at the 39th Session to implement a GMBM scheme in the form of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) to address any annual increase in total CO₂ emissions from international civil aviation (i.e. civil aviation flights that depart in one country and arrive in a different country) above the 2020 levels, taking into account special circumstances and respective capabilities;

6. *Requests* the Council to continue to ensure all efforts to make further progress on aircraft technologies, operational improvements and sustainable aviation fuels be taken by Member States and reflected in their action plans to address CO₂ emissions from international aviation, and to monitor and report the progress on implementation of action plans, and that a methodology should be developed to ensure that an aeroplane operator's offsetting requirements under the scheme in a given year can be reduced through the use of CORSIA eligible fuels (i.e., CORSIA sustainable aviation fuels and CORSIA lower carbon aviation fuels), so that all elements of the basket of measures are reflected;

7. *Request* the Council to continuously monitor the implementation of all elements of the basket of measures, and consider the necessary policies and actions to ensure that progress is achieved in all of the elements in a balanced way with an increasing percentage of emissions reductions accruing from non-MBM measures over time;

8. *Acknowledges* special circumstances and respective capabilities of States, in particular developing States, in terms of vulnerability to the impacts of climate change, economic development levels, and contributions to international aviation emissions, among other things, while minimizing market distortion;

9. *Recalls* its decision at the 39th Session on the use of a phased implementation for the CORSIA to accommodate the special circumstances and respective capabilities of States, in particular developing States, while minimizing market distortion, as follows:

- a) Pilot phase applies from 2021 through 2023 to States that have volunteered to participate in the scheme. States participating in this phase may determine the basis of their aeroplane operator's offsetting requirements from paragraph 11 e) i) below;
- b) First phase applies from 2024 through 2026 to States that voluntarily participate in the pilot phase, as well as any other States that volunteer to participate in this phase, with the calculation of offsetting requirements in paragraph 11 a) below;
- c) All States are strongly encouraged to voluntarily participate in the pilot phase and the first phase, noting that developed States, which have already volunteered, are taking the lead, and that several other States have also volunteered;
- d) The Secretariat will make public on the ICAO website updated information on the States that volunteered to participate in the pilot phase and first phase;

- e) Second phase applies from 2027 through 2035 to all States that have an individual share of international aviation activities in RTKs in year 2018 above 0.5 per cent of total RTKs or whose cumulative share in the list of States from the highest to the lowest amount of RTKs reaches 90 per cent of total RTKs, except Least Developed Countries (LDCs), Small Island Developing States (SIDS) and Landlocked Developing Countries (LLDCs) unless they volunteer to participate in this phase;
 - f) States that are exempted or have not yet participated are strongly encouraged to voluntarily participate in the scheme as early as possible, in particular those States that are members of a regional economic integration organization. States who decide to voluntarily participate in the scheme, or decide to discontinue the voluntary participation from the scheme, may only do so from 1 January in any given year and they shall notify ICAO of their decision by no later than 30 June of the preceding year;
 - g) Starting in 2022, the Council will conduct a review of the implementation of the CORSIA every three years, including its impact on the growth of international aviation, which serves as an important basis for the Council to consider whether it is necessary to make adjustments to the next phase or compliance cycle and, as appropriate, to recommend such adjustments to the Assembly for its decision;
10. *Recalls* its decision at the 39th Session that the CORSIA shall apply to all aeroplane operators on the same routes between States with a view to minimizing market distortion, as follows:
- a) all international flights on the routes between States, both of which are included in the CORSIA by paragraph 9 above, are covered by the offsetting requirements of the CORSIA;
 - b) all international flights on the routes between a State that is included in the CORSIA and another State that is not included in the CORSIA by paragraph 9 above are exempted from the offsetting requirements of the CORSIA, while retaining simplified reporting requirements; and
 - c) all international flights on the routes between States, both of which are not included in the CORSIA by paragraph 9 above, are exempted from the offsetting requirements of the CORSIA, while retaining simplified reporting requirements;
11. *Recalls* its decision at the 39th Session that the amount of CO₂ emissions required to be offset by an aeroplane operator in a given year from 2021 is calculated every year as follows:
- a) an aeroplane operator's offset requirement = [% Sectoral × (an aeroplane operator's emissions covered by CORSIA in a given year × the sector's growth factor in the given year)] + [% Individual × (an aeroplane operator's emissions covered by CORSIA in a given year × that aeroplane operator's growth factor in the given year);
 - b) where the sector's growth factor = (total emissions covered by CORSIA in the given year – average of total emissions covered by CORSIA between 2019 and 2020) / total emissions covered by CORSIA in the given year;
 - c) where the aeroplane operator's growth factor = (the aeroplane operator's emissions covered by CORSIA in the given year – average of the aeroplane operator's emissions covered by CORSIA

between 2019 and 2020) / the aeroplane operator's emissions covered by CORSIA in the given year;

- d) where the % Sectoral = (100% – % Individual) and;
- e) where the % Sectoral and % Individual will be applied as follows:
 - i) from 2021 through 2023, 100% sectoral and 0% individual, though each participating State may choose during this pilot phase whether to apply this to:
 - a) an aeroplane operator's emissions covered by CORSIA in a given year, as stated above, or
 - b) an aeroplane operator's emissions covered by CORSIA in 2020;
 - ii) from 2024 through 2026, 100 % sectoral and 0% individual;
 - iii) from 2027 through 2029, 100 % sectoral and 0% individual;
 - iv) from 2030 through 2032, at least 20% individual, with the Council recommending to the Assembly in 2028 whether and to what extent to adjust the individual percentage;
 - v) from 2033 through 2035, at least 70% individual, with the Council recommending to the Assembly in 2028 whether and to what extent to adjust the individual percentage;
- f) the aeroplane operator's emissions and the total emissions covered by CORSIA in the given year do not include emissions exempted from the scheme in that year;
- g) the scope of emissions in paragraphs 11 b) and 11 c) above will be recalculated at the start of each year to take into account routes to and from all States that will be added due to their voluntary participation or the start of a new phase or compliance cycle;

12. *Recalls* its decision at the 39th Session that a new entrant¹ is exempted from the application of the CORSIA for three years or until the year in which its annual emissions exceed 0.1 per cent of total emissions in 2020, whichever occurs earlier. From the subsequent year, the new entrant is included in the scheme and treated in the same way as the other aeroplane operators;

13. *Recalls* its decision at the 39th Session that, notwithstanding with the provisions above, the CORSIA does not apply to low levels of international aviation activity with a view to avoiding administrative burden: aeroplane operators emitting less than 10,000 metric tonnes of CO₂ emissions from international aviation per year; aeroplane with less than 5,700 kg of Maximum Take Off Mass (MTOM); or humanitarian, medical and firefighting operations;

¹ A new entrant is defined as any aeroplane operator that commences an aviation activity falling within the scope of Annex 16, Volume IV on or after its entry into force and whose activity is not in whole or in part a continuation of an aviation activity previously performed by another aeroplane operator.

14. *Recalls* its decision at the 39th Session that the emissions that are not covered by the scheme, as the results of phased implementation and exemptions, are not assigned as offsetting requirements of any aeroplane operators included in the scheme;

15. *Recalls* its decision at the 39th Session on a three year compliance cycle, starting with the first cycle from 2021 to 2023, for aeroplane operators to reconcile their offsetting requirements under the scheme, while they report the required data to the authority designated by the aeroplane operator's State of registry every year;

16. *Recalls* its decision at the 39th Session on the need to provide for safeguards in the CORSIA to ensure the sustainable development of the international aviation sector and against inappropriate economic burden on international aviation, and *requests* the Council to decide the basis and criteria for triggering such action and identify possible means to address these issues;

17. *Recalls* its decision at the 39th Session that a periodic review of the CORSIA is undertaken by the Council, with the technical contribution of CAEP, for consideration by the Assembly, every three years from 2022 for the purpose referred to in paragraph 9 g) above and to contribute to the sustainable development of the international aviation sector and the effectiveness of the scheme. This will involve, inter alia:

- a) assessment of: progress towards achieving the ICAO's global aspirational goal; the scheme's market and cost impact on States and aeroplane operators and on international aviation; and the functioning of the scheme's design elements;
- b) consideration of the scheme's improvements that would support the purpose of the Paris Agreement, in particular its long-term temperature goals; and update the scheme's design elements to improve implementation, increase effectiveness, and minimize market distortion, taking into account the consequential impact of changing the scheme's design elements, e.g., to MRV requirements; and
- c) a special review by the end of 2032 on termination of the scheme, its extension or any other improvements of the scheme beyond 2035, including consideration of the contribution made by aircraft technologies, operational improvements and sustainable aviation fuels towards achieving the ICAO's environmental objectives;

18. *Determines* that the CORSIA is the only global market-based measure applying to CO₂ emissions from international aviation so as to avoid a possible patchwork of duplicative State or regional MBMs, thus ensuring that international aviation CO₂ emissions should be accounted for only once;

19. *Requests* the following actions be taken for implementation of the CORSIA:

- a) the Council, with the technical contribution of CAEP, to update the Annex 16, Volume IV and Environmental Technical Manual, Volume IV, as appropriate;
- b) the Council, with the technical contribution of CAEP, to continue to develop and update the ICAO CORSIA documents referenced in Annex 16, Volume IV related to: ICAO CORSIA CO₂ Estimation and Reporting Tool; CORSIA eligible fuels; CORSIA emissions units criteria (EUC); and CORSIA Central Registry, as appropriate;

- c) the Council to develop and update the ICAO CORSIA document referenced in Annex 16, Volume IV related to the eligible emissions units for use by the CORSIA, considering the recommendations of the TAB;
- d) the Council to establish, by early 2020, and maintain the CORSIA Central Registry under the auspices of ICAO to enable the reporting of relevant information from Member States to ICAO;
- e) the Council to continue to oversee the implementation of the CORSIA, with support provided by the AGC and CAEP, as appropriate; and
- f) Member States to take the necessary action to ensure that national policies and regulatory frameworks are established for the compliance and enforcement of the CORSIA, in accordance with the timeline set forth by Annex 16, Volume IV;

20. *Recalls* its decision at the 39th Session that emissions units generated from mechanisms established under the UNFCCC and the Paris Agreement are eligible for use in CORSIA, provided that they align with decisions by the Council, with the technical contribution of TAB and CAEP, including on avoiding double counting and on eligible vintage and timeframe;

21. *Decides* that ICAO and Member States take all necessary actions in providing the capacity building and assistance and building partnerships for implementation of the CORSIA, in accordance with the timeline set forth in Annex 16, Volume IV, including through the ICAO Assistance, Capacity-building and Training for CORSIA (ACT-CORSIA) programme that includes the organization of seminars, development of outreach materials, and establishment of CORSIA partnerships among States, while emphasizing the importance of a coordinated approach under the umbrella of ICAO for undertaking capacity building and assistance activities;

22. *Recalls* its decision at the 39th Session that the CORSIA will use emissions units that meet the Emissions Unit Criteria (EUC) in paragraph 19 above;

23. *Requests* the Council to promote the use of emissions units generated that benefit developing States, and *encourages* States to develop domestic aviation-related projects; and

24. *Requests* the Council to explore further development of aviation-related methodologies for use in offsetting programmes, including mechanisms or other programmes under the UNFCCC, and *encourages* States to use such methodologies in taking actions to reduce aviation CO₂ emissions, which could further enable the use of credits generated from the implementation of such programmes by the CORSIA, without double-counting of emissions reduction.

— END —