

TECHNICAL ADVISORY BODY (TAB)
RECOMMENDATIONS ON CORSIA ELIGIBLE EMISSIONS UNITS

The following is an excerpt from the TAB Report of January 2021

4. TAB RECOMMENDATIONS ON MATERIAL CHANGES SUBMITTED FOR MCA/2

4.1. American Carbon Registry (ACR)

TAB recommendations based on material changes assessed

4.1.1 In light of ACR’s material changes submitted for and assessed under TAB’s MCA/2, TAB recommends the following programme-specific amendments to ACR’s *Scope of Eligibility*, which should be clearly described in the ICAO document titled “CORSIA Eligible Emissions Units”:

Eligible Unit Dates: Issued to activities that started their first crediting period from 1 January 2016¹⁸ and in respect of emissions reductions that occur through 31 December 2023.

4.1.2 The eligibility of the emissions units should remain subject to the general eligibility parameters set out in section 4.1 of TAB’s report from its first assessment¹⁹ and updated as recommended in paragraph 4.1.1 of this report, and programme-specific parameters set out for the programme in the 4th edition of the ICAO document titled “CORSIA Eligible Emissions Units” (18 November 2020).

4.1.3 Unit eligibility dates for this programme, as for all programmes that are subject to TAB’s re-assessment of CORSIA eligible emissions units programmes for use after the pilot phase (planned for 2022), will be reviewed in the course of this re-assessment, in particular where unit eligibility dates cover emissions reductions occurring beyond 31 December 2020 and taking into account relevant developments in the UNFCCC and Article 6 of the Paris Agreement.

Background on programme status

4.1.4 TAB’s first assessment found that ACR’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019 were fully consistent with all EUC, for emissions units generated under the programme prior to 1 January 2021. TAB recommended ACR as

¹⁸ According to the crediting period start date specified at the time of registration.

¹⁹ Available here: https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB_JANUARY_2020_REPORT_EXCERPT_SECTION_4.EN.pdf

immediately eligible to supply CORSIA eligible emissions units, which the Council approved at its 219th session and updated in line with clarifications recommended by TAB during its 221st session.

4.1.5 TAB also recommended, and the Council accepted and requested ACR to "...update, or finalize updates to, programme procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates referred to in section 4.1 of TAB's report from its first assessment. TAB identified that this action did not need to be taken prior to describing ACR in the ICAO document titled "CORSIA Eligible Emissions Units".

Summary of material changes

4.1.6 In August 2020, ACR submitted programme procedures for TAB's assessment related to the guidelines for host country attestation, in response to the Council's *further actions requested of the programme*. TAB assessed these updates as material changes to ACR's earlier-stage procedures and programme elements related to host country attestations, which were assessed in 2019.

General findings

4.1.7 TAB found that ACR's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019, supplemented by material changes submitted for TAB's assessment in August 2020, were fully consistent with all EUC for emissions units generated under the programme through 31 December 2020, and also for emissions units generated in the near future.

4.1.8 TAB found that ACR's updated procedures demonstrated technical consistency with the contents of the criterion Are only counted once towards a mitigation obligation, including the guidelines related to host country attestations. TAB's first assessment identified some incomplete programme procedures related to this criterion, which the Council requested ACR to finalize for TAB's assessment "in respect of future recommendations on the extension of current eligibility dates". The incomplete nature of these procedures in 2019 also informed TAB's initial recommendation to limit eligible emissions units to those generated prior to 2021, in order to prevent double-claiming in the absence of comprehensive programme procedures. ACR has since completed these programme procedures, which demonstrate technical consistency with all contents of the criterion and guidelines and now inform TAB's recommendation to extend ACR's *eligible unit date* (paragraph 4.1.1). TAB noted the importance of fortifying this step with continued monitoring of ACR's implementation of these specific programme elements and their early performance, including during TAB's re-assessment of CORSIA eligible emissions units programmes for use after the pilot phase (*planned* for 2022) and taking into account relevant developments in the UNFCCC and Article 6 of the Paris Agreement.

Programme-specific eligibility parameters

4.1.9 *Scope*: ACR submitted for TAB's first assessment all activity types and scales, unit types, methodologies, and procedural categories supported by ACR, supplemented by material changes to programme procedures assessed under TAB's MCA/2 (August 2020). TAB does not, at this time,

recommend any further exclusions from or limitations to the scope of the programme's eligibility beyond those set out in paragraph 4.1.1 of this report.

4.1.10 *Further actions requested of the programme:* TAB recommends that the Council request ACR to undertake the actions in paragraphs a) through c) below. These actions do not need to be taken prior to updating ACR's description in the ICAO document titled "CORSIA Eligible Emissions Units":

- a) to clarify in an update to its guidance or standard at the earliest opportunity that "other means" for evidencing adjustments, as referred to in Version 7.0 of the ACR Standard²⁰, may precede or complement, but are not a substitute for, evidencing adjustments in country reports to the UNFCCC in the manner ACR requires host countries to detail in their Letters of Assurance and Authorization;
- b) to clarify in an update to its guidance or standard at the earliest opportunity that a 5% CORSIA Buffer Pool contribution, as referred to in Version 7.0 of the ACR Standard²¹, is applicable to projects located in Host Countries with an Organization for Economic Co-operation (OECD) Prevailing Country Risk Classification score of "0"; and
- c) to continue to advance its evaluation of responses to confirmed instances of double-claiming, as referred to in Version 7.0 of the ACR Standard²², such as, *inter alia*, whether to cease qualifying offset credits from the respective country for CORSIA, or possible revisions to the country's risk classification in such instances.

4.2. Global Carbon Council (GCC)

TAB recommendations based on material changes assessed

4.2.1. In March 2020, the Council accepted TAB's recommendation that the GCC should be *conditionally eligible*, pending GCC's implementation of further actions requested by the Council. In light of GCC's material changes submitted for and assessed under TAB's MCA/2, TAB recommends that GCC should be approved as *immediately eligible* to supply CORSIA eligible emissions units.

4.2.2. The eligibility of the emissions units should be subject to the general eligibility parameters set out in Section 4.1 of TAB's Report from its first assessment²³ and the programme-specific parameters

²⁰ Appendix B, Section C3: Paragraph 3, Option i; and Paragraph 5 of ACR Standard Version 7.0, available here: https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard/acr-standard-v7-0_final_dec2020.pdf

²¹ ACR Standard Version 7.0 Appendix B, Section C3: Paragraph 3, Option iv of ACR Standard Version 7.0

²² ACR Standard Version 7.0 Appendix B, Section C3: Paragraph 3, Paragraph 6 of ACR Standard Version 7.0

²³ See footnote 9 of this report – Link to first TAB Report (January 2020)

set out for the programme in paragraph 4.2.10 of this report, which should be clearly described in the ICAO document titled “CORSIA Eligible Emissions Units”.

Background on programme status

4.2.3. TAB’s first assessment found that the GCC procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019 were largely consistent with the EUC, for emissions units generated under the programme through 31 December 2020. This finding, and recommended *conditional eligibility* status, was informed by analysis that assumes the GCC will deliver on the conditions referred to in *further actions requested of the programme*. Specifically, TAB recommended, and the Council accepted and requested GCC to undertake the following actions, which the GCC was invited to submit for TAB to assess and make recommendations to Council as necessary to finalize the conditional eligibility of units issued under these programme elements:

“...to finalize and make publicly available for use the programme revisions shared in writing (in some cases in draft format) and/or discussed with TAB, including pertaining to the EUC and guidelines Sustainable Development Criteria, Safeguards System, Carbon offset programmes must generate units that represent emissions reductions, avoidance, or removals that are additional, and Are only counted once towards a mitigation obligation.”

Summary of material changes

4.2.4. In August 2020, GCC submitted for TAB’s assessment the finalized documents responding to the Council’s requested *further actions*, as well as updates pertaining to EUC that were not specifically referred to in these actions but were nonetheless identified by TAB as potentially requiring further development by the programme—in particular, related to these criteria: Carbon offset credits must be quantified, monitored, reported, and verified; Carbon offset credits must be based on a realistic and credible baseline; and the Legal Nature and Transfer of Units. TAB also sought to confirm the full functioning of the programme-designated registry, approval of validation and verification body(ies), and that methodologies developed by/for the programme are approved and publicly available for use. TAB assessed these updates as material changes to the procedures and programme elements that were assessed in 2019.

General findings

4.2.5. TAB found that the GCC procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019, supplemented by material changes submitted for TAB’s assessment in August 2020, were consistent with the EUC, for emissions units generated under the programme prior to 1 January 2021.

4.2.6. TAB found that the GCC demonstrated technical consistency with these criteria: Carbon offset credits must be quantified, monitored, reported, and verified; Carbon offset credits must be based on a realistic and credible baseline; the Legal Nature and Transfer of Units; Sustainable Development Criteria, Safeguards System, and Are only counted once towards a mitigation obligation, among others, and barring the common inconsistencies noted in this report section.

4.2.7. TAB found that the GCC demonstrated technical consistency with some, but not all, contents of the criterion Carbon offset programmes must generate units that represent emissions reductions,

avoidance, or removals that are additional. The GCC does not have procedures in place that clearly ensure that emissions reductions credited by the programme “...*exceed any greenhouse gas reduction or removals required by law, regulation, or legally binding mandate*”, as GCC procedures refer to crediting of emissions reductions that exceed *enforced* mandates (i.e., indicating a regulatory surplus approach). TAB acknowledged that this finding was typical for programmes that were modelled after the CDM, at least in their initial stages. This finding is further discussed in Section 4.3.3 of the TAB Report from its first assessment. In relation to the GCC’s procedures for populating its “Regional Positive List”, as reflected in methodology-specific procedures allowing the automatic additionality of project types under circumstances specified by GCC, TAB found that these procedures did not fully demonstrate technical consistency with this criterion’s requirements pertaining to the qualification of activities for automatic additionality. TAB noted similar concerns pertaining the Clean Development Mechanism’s (CDM) Methodological Tool 32 utilized by GCC as a “Global Positive List”. TAB acknowledged that this procedure, including where used by other immediately eligible emissions units programmes, merited re-assessment in line with TAB’s re-assessment of CORSIA eligible emissions units programmes for use after the pilot phase (planned for 2022).

4.2.8. TAB found that the GCC demonstrated technical consistency with the criterion Sustainable Development Criteria, while TAB noted that GCC only requires projects to contribute to one UN Sustainable Development Goal (SDG) in addition to SDG 13 (“Climate action”) in order to obtain the GCC’s “Bronze” SDG+ level certification, which GCC identifies as the minimum certification level required for activities seeking the CORSIA label.

4.2.9. TAB found that the GCC demonstrated technical consistency with some, but not all, contents of the criterion Are only counted once towards a mitigation obligation. This common finding informed the general eligibility parameters and is further discussed in the TAB Report from its first assessment (in Sections 4.1 and 4.3, respectively). TAB noted that the GCC has made progress toward putting in place measures to ensure that emissions reductions resulting from its activities are consistent with the EUC contents and guidelines pertaining to the avoidance of double-claiming, in the context of the Paris Agreement and decisions taken under the UNFCCC, and has expressed a clear willingness to address any remaining gaps.

Programme-specific eligibility parameters

4.2.10. *Scope*: The GCC submitted for TAB’s assessment most, but not all, activity types and scales, unit types, methodologies, and procedural categories supported by the programme. The Programme’s eligibility scope described in the ICAO document titled “CORSIA Eligible Emissions Units” should reflect the exclusions requested by the programme in its application form, in Appendix B of its application submission, or otherwise conveyed to TAB. The programme’s eligibility scope described in the ICAO document titled “CORSIA Eligible Emissions Units” should reflect the exclusions in paragraph a) and b) below. TAB does not, at this time, recommend any further exclusions from or limitations to the programme’s scope of eligibility, beyond those set out in the general eligibility parameters in Section 4.1 of TAB’s Report from its first assessment²⁴ and in these programme-specific eligibility parameters, which include:

- a) those exclusions requested by the programme in its application form, in Appendix B of its application submission, or otherwise conveyed to the TAB; and

²⁴ See footnote 9 of this report – Link to first TAB Report (January 2020)

- b) the exclusion of all emissions units issued to activities that are deemed automatically additional on the basis of the GCC's "Regional Positive List", including any and all activities that (1) use methodology-specific procedures to demonstrate automatic additionality which are based on region-specific qualifications defined by GCC and (2) do not, or do not also, demonstrate additionality based on project-specific tests.

4.2.11. *Further actions requested of the programme:* TAB recommends that the Council request that GCC undertakes the actions in paragraphs a) through c) below. These actions do not need to be taken prior to updating ACR's description in the ICAO document titled "CORSIA Eligible Emissions Units":

- a) to enable, in an update to programme website elements containing any and all relevant procedural documents at the earliest opportunity, transparent and efficient public accessibility of the information presented to and discussed with TAB throughout its first and subsequent assessments; and to identify measures to maintain and update this information in a manner that enhances comprehension of the programme, including, *inter alia*, its procedures, certification-related processes, and activities supported by the programme;
- b) to transparently and comprehensively identify in a single location, in an update to relevant document(s) containing *core* programme procedures and standards, at the earliest opportunity, all specific requirements that the programme's activities and resulting emissions units must meet in order for the emissions units to be identified as CORSIA eligible, including, *inter alia*, requirements for projects to achieve a "Bronze" SDG+ label and TAB's encouragement for projects seeking the CORSIA label to pursue and obtain higher-level certifications (e.g., Silver, Gold, Platinum, Diamond SDG+ labels); and the specific exclusions from the programme's *Scope of Eligibility* contained in paragraph 4.2.10; and
- c) to update, or finalize updates to, programme procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates referred to in Section 4.1 of the TAB Report from its first assessment²⁵. These actions do not need to be taken prior to describing the GCC in the ICAO document titled "CORSIA Eligible Emissions Units".

4.3. Other Findings From TAB's Assessment of Potential Material Changes

4.3.1. Climate Action Reserve (The Reserve)

4.3.1.1. TAB's first assessment found that the Reserve's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019 were consistent with the EUC, for emissions units generated under the programme prior to 1 January 2021. TAB recommended the

²⁵ See footnote 9 of this report – Link to first TAB Report (January 2020)

Reserve as *immediately eligible* to supply CORSIA Eligible Emissions Units, which the Council approved at its 219th session and updated in line with clarifications recommended by TAB during its 221st session.

4.3.1.2. TAB also recommended, and the Council accepted and requested, that the Reserve “...clearly state, in an update to its program manual at the earliest opportunity, that only units that have been or will be issued to Reserve activities that report their Sustainable Development contributions or co-benefits according to criteria identified in the Reserve’s Program Manual can be identified as CORSIA Eligible Emissions Units in the Reserve registry system.” TAB identified that this action did not need to be taken prior to describing the Reserve in the ICAO document titled “CORSIA Eligible Emissions Units”.

4.3.1.3. In May 2020, the Reserve submitted for TAB’s assessment programme procedures related to the EUC for Sustainable Development Criteria in response to the Council’s “*Further actions requested of the programme*”. TAB reviewed these procedures and confirmed that they align with and do not exceed or contradict the specific action(s) requested by the Council, and so did not require deeper assessment at this time.

4.3.2. **The Gold Standard**

4.3.2.1. TAB’s first assessment found that the Gold Standard’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019 were consistent with the EUC, for emissions units generated under the programme prior to 1 January 2021. TAB recommended the Gold Standard as *immediately eligible* to supply CORSIA Eligible Emissions Units, which the Council approved at its 219th session and updated in line with clarifications recommended by TAB during its 221st session.

4.3.2.2. TAB also recommended, and the Council accepted and requested, that the Gold Standard “update, or finalize updates to, programme procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates referred to in Section 4.1 of the TAB Report from its first assessment²⁶”. This action does not need to be taken prior to describing the Gold Standard in the ICAO document titled “CORSIA Eligible Emissions Units”.

4.3.2.3. In August 2020, the Gold Standard submitted for TAB’s assessment programme procedures related to the guidelines for host country attestation, in response to the Council’s “*Further actions requested of the programme*”. TAB assessed these updates as material changes to the Gold Standard’s earlier-stage procedures and programme elements related to host country attestations, which were assessed in 2019. TAB found that the Gold Standard demonstrated technical consistency with some, but still not all, contents of the criterion Are only counted once towards a mitigation obligation. TAB noted the Gold Standard’s substantial progress on the development of these procedures and its continued willingness to put in place the measures to ensure that emissions reductions resulting from its activities are consistent with the EUC contents and guidelines pertaining to the avoidance of double-claiming, in the context of the Paris Agreement and decisions taken under the UNFCCC.

4.3.2.4. The Gold Standard also submitted for TAB’s assessment information and updated procedures pertaining to (a) changes in the organization structure of programme administration, specifically its certification functions, and (b) changes to the eligibility requirements of Small Scale projects and Voluntary Project Activities applying Suppressed Demand Scenarios to establish baselines. TAB reviewed these updates and procedures and confirmed that, while they differ from what TAB assessed in 2019, TAB

²⁶ See footnote 9 of this report – Link to first TAB Report (January 2020)

does not see a need to revise its overarching recommendations to Council regarding the Gold Standard's *Scope of Eligibility* solely on the basis of the changes reported.

4.4. “Are Only Counted Once...” Criterion Interpretation and Reference Documents

4.4.1. The TAB's recommendations in paragraph 4.1.1 were informed by TAB's assessment of programme procedures (paragraphs 4.1.7 and 4.1.8), as well as the discussions outlined in sections 4.4.4 to 4.4.7. TAB's aim in providing this information is to support the Council's understanding of the analysis, deliberations, uncertainties, and backstops that TAB took into account in this recommendation.

TAB assessment findings

4.4.2. TAB's first assessment (June – December 2019) found that no emissions unit programmes assessed had all of the necessary procedures in place to demonstrate consistency with the criterion “Are only counted once towards a mitigation obligation” and its guidelines. Thus, TAB recommended six programmes for immediate eligibility to supply emissions units for CORSIA's pilot phase (2021-2023), but also to limit their eligibility to emissions reductions created prior to 2021. This *end date* for unit eligibility was a stopgap measure to prevent double-counting in spite of the incompleteness of procedures for avoiding this risk—both at the programme-level in relation to the EUC, and at the global level in respect of the Paris Agreement's Article 6. It also allowed TAB to conclude its assessment and make recommendations rather than waiting for programmes to finalize the needed procedures. TAB nevertheless assessed the procedures each programme had in place at the time, noting that some of these were well-advanced. After Council accepted TAB recommendations, “*Further actions...*” were requested of eligible programmes, including to “*update, or finalize updates to, programme procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates referred to in Section 4.1.*”²⁷

4.4.3. Three programmes participating in the TAB's second assessment of material changes (MCA/2) submitted updated procedures for avoiding double-counting. TAB found that in the time since its first assessment, the programmes had taken meaningful strides toward finalizing these procedures—including one programme that demonstrated consistency with all elements of the criterion and its guidelines (paragraph 4.1.7).

TAB discussions regarding eligibility date extensions

4.4.4. Following this assessment, TAB discussed whether to recommend extending the *Eligibility Timeframe* (i.e., under which CORSIA cycles / phases units are eligible for use) and/or *Unit Eligibility Date* (i.e., the vintages, or years when emissions reductions occur, that are eligible for use) for this programme. TAB recalled that at its sixth meeting, members decided to consider timeframes involving eligibility for use beyond the pilot phase when re-assessing all eligible programmes throughout 2022. Given this, experts agreed to focus on the question of whether to recommend extending the programme's *Unit Eligibility Date*.

4.4.5. Key topics that underpinned TAB's discussions about extending the programme's *Unit Eligibility Date* included (1) whether such recommendations should be made on a programme-by-programme basis *or instead* after all programmes are re-assessed under a single process (i.e., late 2022); and (2) uncertainties related to the novelties of these procedures, and negotiations under the UNFCCC and

²⁷ See footnote 9 of this report – Link to first TAB Report (January 2020)

Paris Agreement that have not yet concluded and are relevant to some procedures in question. On the first topic, a TAB member raised concerns related to the alignment of a programme-by-programme approach to assessing and making recommendations in light of plans for the 2022 reassessment. TAB members noted that a programme-by-programme approach is reinforced in existing procedures and documents; is consistent with the technical nature of TAB's work; and clearly derives from TAB's findings. They considered that such an extension could unfairly elevate these procedures relative to others that are still in development, though members also noted that this was not uncommon for these programmes or for carbon markets generally. Regarding (2), TAB emphasized that these uncertainties (in particular related to the programme's compensation measures and risk indexing) merited regular attention, not only initially but throughout the programme's *Eligibility Timeframe*, including during the 2022 re-assessment. Other considerations pertaining to the UNFCCC and Paris Agreement are referred to in "*Considerations given in TAB assessments*" below.

Considerations given in TAB assessments

4.4.6. Regarding the **specific commitments, actions, and information** that the criterion and its guidelines call for in programme procedures, TAB analyzes whether programmes clearly define the following (*ordered by approximate stage of completion in programme procedures, from commonly "demonstrated" to "under consideration / development" over the course of MCA/2 and in prior assessments*):

- who implements them (responsibilities of, e.g., the programme, project developer, offset supplier, and/or host country)
- where they are implemented and evidenced (e.g., programme registry and website; host country attestations and national emissions reports; publicly accessible tracking system / database)
- when they are implemented (sequencing and timing for obtaining, reviewing, publishing host country attestations and any updates; for labeling eligible units; for evidencing approaches in national reporting; for identifying and compensating for instances of double-claiming)
- how they are implemented (clarity on country approaches that the programme will credit; specific information expected in host country attestations and evidenced in national emissions reports; steps required for identifying and compensating for instances of double-claiming, and the sufficiency of compensation mechanisms; programme processes for monitoring performance and implementation of procedures, including for reporting results to ICAO upon request).

4.4.7. TAB's assessment of these procedures and recommendation in paragraph 4.1.7 and 4.1.8 also reflects some **general considerations**:

- Thoroughness: Whether procedures translate all elements of the criterion and its guidelines into commitments and actions that are specific, clearly assigned, and traceable.
- Specificity: Whether *specific* requirements, procedures, and assignments of responsibilities in the criterion and guidelines are reflected in corresponding programme procedures.
- Course correction: Whether procedures and discussions with programme administrators reflect contingency planning, such that the programme's administrative procedures include monitoring the implementation of these procedures and expeditiously correcting any underperformance.

- Future-proofing: Where programme procedures refer to guidance, rules, tools, and mechanisms under the UNFCCC and the Paris Agreement, taking sufficient account of the following:
 - *timing* for, e.g., the implementation, availability, periodicity of those elements;
 - *foreseeable scenarios* for the contents of those elements that are referred to in programme procedures but are not yet finalized or are subject to near-term review, where considerations include, for example, the approximate likelihood that the programme procedures would be compatible with any foreseeable scenarios.
