

## **Clarifications of TAB's Criteria Interpretations Contained in TAB Reports**

**Version: May 2021**

This document consolidates TAB's further interpretations of the CORSIA Emissions Units Eligibility Criteria<sup>1</sup> and associated *Guidelines for Criteria Interpretation*<sup>2</sup>, including specific approaches taken to apply criteria and guidelines during the TAB's assessments, which form the basis of TAB's recommendations to the ICAO Council on eligible emissions units. Where TAB finds it necessary to clarify its interpretations, these clarifications are conveyed in TAB Reports to the ICAO Council and compiled in this document for transparency and ease of access.

The purpose of this document is to complement the information contained in the 1) *ICAO document “CORSIA Emissions Unit Eligibility Criteria”*, and 2) the *Guidelines for Criteria Interpretation*, with a view to helping potential applicants and the public understand how TAB discussed, agreed, interpreted, and applied specific criteria and/or guidelines in its assessments.

Each criterion and any relevant guideline(s) are listed in the order they appear in *Application Form*, *Appendix A - Supplementary Information* and cited according to the paragraph number in that document. The clarifications by TAB are then ordered and dated according to when they were conveyed to the ICAO Council and cited according their location in the relevant TAB Report.

### **Criterion: Identification and Tracking (paragraph 2.4, including 2.4.6)**<sup>2</sup>

#### ***Section 4.3.3 in TAB Report - October 2020***

4.3.3.6 Under the Governance criterion's guideline for Programme administrator and staff conflicts of interest, TAB identified that some programmes are staffed by government officials and employees who are subject to domestic laws and regulations governing conflicts of interest—but these laws or regulations are not explicitly attributed or specific to the programme itself (*i.e.* “Programme... procedures”). In such cases, TAB confirmed and assessed programmes according to the expectation that, if a programme is and will continue to be exclusively staffed by individuals who are subject to public service laws prohibiting conflicts of interests, the laws are assessed as if they are “programme procedures”. The same approach was taken to the guidelines for Registry administrator conflicts of interest where a programme registry is administered solely by public servants.

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<sup>1</sup> Further information of the CORSIA Emissions Unit Eligibility Criteria can be found in the ICAO document “CORSIA Emissions Unit Eligibility Criteria”, available [here](#).

<sup>2</sup> Guidelines for Criteria Interpretation is available in the Application Form, Appendix A - Supplementary Information on the [TAB Website](#).

#### ***Section 4.3.4 in TAB Report - October 2020***

4.3.4.1 Under this criterion, several requirements pertain to programme registry linkages and data exchange standards. Here, TAB identified that few programme registry systems are technically linked to any other registry (ies) or equivalent tracking systems that are relevant to the programme or its CORSIA eligibility. Some requirements under this criterion are only applicable to programmes that have such registry linkages. Where no relevant registry linkages are present, and unless a programme is found to have demonstrated consistency with the related requirements in any case, TAB confirmed and assessed programmes with understanding that the following requirements are not applicable to the programme:

- For the programme to stipulate (and disclose) to which, if any, other registries it is linked;
- For the programme to stipulate (and disclose) whether and which international data exchange standards the registry conforms with.

#### **Criterion: Governance (paragraph 2.7, including 2.7.2, 2.7.3)<sup>2</sup>**

#### ***Section 4.3.3 in TAB Report - October 2020***

4.3.3.1 Under the Governance criterion's guideline for Programme longevity requiring a programme to be "continuously governed and operational for at least the last two years", TAB identified the need for a clear minimum indicator that a programme is "operational". In light of the experience from its first assessment cycle, TAB confirmed and assessed programmes according to these expectations:

4.3.3.2 The programme must provide evidence that methodologies are in place and available for use (i.e. finalized rather than draft form), as the minimum indicator of "operational".

4.3.3.3 Such methodologies are not expected to have been in place and available for use for at least the last two years.

4.3.3.4 A programme is expected to have been continuously governed for at least the last two years.

4.3.3.5 TAB also gave further consideration to the same guideline for Programme longevity, in respect of the expectation for programmes to have "...a plan for... possible responses to the dissolution of the programme in its current form". TAB noted the importance of assessing programmes administered by for-profit or non-governmental organizations to confirm that such plans are indeed in place and reflect consideration of how the programme will discharge its responsibilities, obligations, and relevant programme and private assets under such a scenario. TAB acknowledged, however, that government agency-administered programmes—particularly those administered by sovereign national

governments—are likely to have sufficient resources and public obligations to judiciously manage eventualities of this kind. Thus, TAB confirmed that the guideline’s sub-requirement for programmes to have “a plan for... possible responses to the dissolution of the programme in its current form” is not applicable to government agency-administered programmes, particularly those administered by sovereign national governments.

4.3.3.6 Under the Governance criterion’s guideline for Programme administrator and staff conflicts of interest, TAB identified that some programmes are staffed by government officials and employees who are subject to domestic laws and regulations governing conflicts of interest—but these laws or regulations are not explicitly attributed or specific to the programme itself (i.e. “Programme... procedures”). In such cases, TAB confirmed and assessed programmes according to the expectation that, if a programme is and will continue to be exclusively staffed by individuals who are subject to public service laws prohibiting conflicts of interests, the laws are assessed as if they are “programme procedures”. The same approach was taken to the guidelines for Registry administrator conflicts of interest where a programme registry is administered solely by public servants.

#### **Criterion: Sustainable Development Criteria** (*paragraph 2.10*)<sup>2</sup>

##### ***Section 4.3.4 in TAB Report - January 2020***

4.3.4.1 In regard to the public disclosure of Sustainable Development criteria used, TAB’s interpretation of the EUC criterion, which it applied, is that the programme should clearly point to, or list, the criteria they use (e.g. alignment with SDGs), in line with the interpretation already applied by PTG. This includes that such use should not only be applied on a voluntary basis by activities that wish to supply emissions units to CORSIA, though this does not have to be required by the programme on a programme-wide basis.

4.3.4.2 Some of the programmes recommended as eligible do not define the Sustainable Development criteria at the programme level, but rather encourage such reporting or rely on the host country priorities on sustainable development (CDM). In most of these cases, further actions were recommended to update programme procedures, as reflected in the recommendations in Section 4.2.

#### **Criterion: Avoidance of Double Counting, Issuance and Claiming** (*paragraph 2.11*)<sup>2</sup>

##### ***Section 4.3.7 in TAB Report - October 2020***

4.3.6.1 TAB interpreted and applied this criterion to assess whether a Programme “provide[s] information on how” it addresses double-counting, -issuance, -claiming, with a focus on the transparency of these procedures. TAB assessed the substantive contents of these

procedures under the more elaborated contents and guidelines of the criterion Are only counted once towards a mitigation obligation.

**Criterion: Carbon offset programmes must generate units that represent emissions reductions, avoidance, or removals that are additional (*paragraphs 3.1, including 3.1.2*)<sup>2</sup>**

***Section 4.3.3 in TAB Report - January 2020***

- 4.3.3.1 The EUC require that “Carbon offset programmes must generate units that represent emissions reductions, avoidance, or removals that are additional”, including that they “exceed any greenhouse gas reduction or removals required by law, regulation, or legally binding mandate.” This is sometimes referred to as regulatory additionality.
- 4.3.3.2 In its assessment, TAB found that some programmes have procedures in place that demonstrate this criterion. TAB further noted that some other programmes only partially demonstrate consistency with the criterion’s reference to this concept; for example, by waiving the requirement in circumstances where environmental laws and regulations are not widely observed and/or enforced.
- 4.3.3.3 TAB discussed that the latter approach is common to programmes modelled after the Clean Development Mechanism, which provides accounting for and crediting of “regulatory surplus”. This is particularly applied in geographic contexts where enforcement levels are low for a variety of reasons.
- 4.3.3.4 TAB agreed that, given that the EUC were only finalized in 2019, programmes and their stakeholders would benefit from more time to familiarize themselves with the criterion and its implications. Thus, TAB agreed that such programmes should nevertheless be deemed eligible during the pilot phase, in order to allow time for these further considerations, as applicable.

***Section 4.3.6 in TAB Report - October 2020***

- 4.3.7.1 In applying this criterion, TAB noted that programmes that support jurisdiction-scale emissions reductions activities typically do not utilize traditional, project-based “tests” to assess the additionality of given activities. In such cases, TAB assessed their consistency with this criterion based on the use of these project-level additionality tests only in cases where the programme itself described and substantiated its procedures as equivalent to a performance benchmark approach. In most cases, requirements pertaining to these tests were assessed as “not applicable” to the programme. Instead, TAB assessed such programmes according to the alternative guideline for assessing programmes’ “Non-traditional or new analyses/tests”.

**Criterion: Carbon offset credits must be quantified, monitored, reported, and verified**  
(paragraph 3.3)<sup>2</sup>

***Section 4.3.5 in TAB Report - October 2020***

4.3.7.1 TAB identified that the criteria “Validation and Verification procedures” (paragraph 2.6<sup>2</sup>) and “Carbon offset credits must be quantified, monitored, reported, and verified” (paragraph 3.3<sup>2</sup>), in combination, only contain comprehensive requirements for *verification* to be undertaken by accredited, independent third parties, and for the accreditation, qualification, and oversight of those verifiers. The same requirements do not in all cases extend to entities performing *validation* services. Nevertheless, TAB assessed programmes’ consistency with the criterion Carbon offset credits must be quantified, monitored, reported, and verified as requiring that a programme has procedures in place requiring that *validation* is undertaken by an entity that is a) accredited, b) independent, and c) a third party. TAB agreed this interpretation based on various references that establish the equivalence of validation and verification bodies (i.e. the Validation and Verification procedures criterion) and their functions (i.e. the *Guideline for Auditor conflicts of interest*, which refers to “accredited third-party(ies) performing the validation and/or verification procedures”).

**Criterion: Permanence** (paragraph 3.5, including 3.5.4)<sup>2</sup>

***Section 4.3.2 in TAB Report - January 2020***

4.3.2.1 TAB’s Sub-group 4, which focused on the criteria Permanence and A system must have measures in place to assess and mitigate incidences of material leakage, assessed relevant programmes as those supporting activities that incur a risk of reversals. This included activities: a) in the forestry and land use sectors; and b) those generally categorized as “carbon capture and storage”. The Permanence criterion states that “*Carbon offset credits must represent emissions reductions, avoidance, or carbon sequestration that are permanent. If there is risk of reductions or removals being reversed, then either (a) such credits are not eligible or (b) mitigation measures are in place to monitor, mitigate, and compensate any material incidence of non-permanence.*”

4.3.2.2 Sub-group 4 experts referred to CAEPs’ guidelines for interpretation, the PTG outcome, and their own expertise, to interpret “mitigation measures” as provisions in place and administered by the programme to require the activities they support to monitor for and mitigate the risk of emissions reductions that are reversed, and to “compensate” for emissions units associated with any such reversals (through, e.g., buffer or insurance mechanisms). For all relevant programmes, the sub-group experts assessed the consistency of their measures with the criterion, taking into account discussions with the programmes and the sub-group’s technical analysis of the information provided.

- 4.3.2.3 With the exception of one programme’s procedures, which TAB identified as being incompatible with the use of the units under CORSIA and recommended they be excluded, other programmes’ procedures were assessed as demonstrating consistency with the criterion.
- 4.3.2.4 TAB identified that the criterion and guidelines only define permanence by *function*, which was considered reasonable given the challenges of agreeing to a specific period of time that could be appropriately applied to all programmes, given their unique attributes. Here, they noted that the programmes assessed take multi-pronged approaches to mitigating reversal risks, many of which are captured in the *guidelines*, and should be assessed as a package.
- 4.3.2.5 While noting that the programmes assessed do have all procedures in place that are called for in the criteria and guidelines, in a few cases the timeframe for which activities are required to monitor and compensate for reversals was seen as too limited (e.g., five or ten years). After considering several options to address this issue, TAB recommended that these programmes should revise their procedures to provide for monitoring and compensation for a period of time that at the very least exceeds the period of time between when the programmes were assessed (2019) and the end of CORSIA’s implementation period (2037).
- 4.3.2.6 A few experts expressed the view that permanence CO<sub>2</sub> generally stays in the atmosphere for more than 100 years, most of it much longer, and noted that only one programme assessed requires measures that provide for permanence over such a timeframe. They identified that timelines utilized by some of the programmes assessed fall short of this and are in some cases too short to provide equivalence to the CO<sub>2</sub> emissions that are offset and to avert the risk of reversal of removals, and are of the view that such programmes should not be considered eligible at this stage.

**Criterion: A system must have measures in place to assess and mitigate incidences of material leakage (paragraph 3.6, including 3.6.2)<sup>2</sup>**

***Section 4.3.8 in TAB Report – October 2020***

- 4.3.8.1 This criterion’s guideline for *Scope and Leakage Prevention* requires that “activities that pose a risk of leakage when implemented at the project-level should be implemented at a national level, or on an interim basis on a subnational level, in order to mitigate the risk of leakage.” TAB noted that this guideline is specifically applicable to REDD+ activities and for TAB’s use in assessing programmes that support REDD+ activities as defined in the UNFCCC’s Warsaw Framework and related decisions. TAB acknowledged that several programmes it has assessed support REDD+ activities at a variety of implementation scales (i.e. project-level, sub-national, national, and combinations thereof). TAB applied this guideline to programmes that support REDD+ and/or AFOLU activities. It was regarded as “not applicable” to all other programmes. Programmes that only support REDD+ to be implemented “at a national level, or on an interim basis on a subnational level” were assessed as demonstrating consistency with the contents of this guideline. TAB gave the

following considerations to Programmes supporting stand-alone project-level REDD+ and/or AFOLU activities.

4.3.8.2 **Consideration 1 — Activity type:** TAB noted that several of the programmes assessed support REDD+ activities, as well as other interventions involving agriculture, forestry, and land use *that exclude REDD+*. As a first step, TAB identified categories of activities that are *not* categorized as REDD+ under commonly accepted definitions<sup>3</sup>. Sections 4.2.4 – 4.2.7 of this report identify these categories of activities by their respective methodologies (or methodology categories) as “allowable exceptions” that can be implemented at any scale. These exceptions avoid inadvertently applying this guideline’s “scale requirement” to AFOLU activities (excluding REDD+) to which it is clearly not applicable.

4.3.8.3 **Consideration 2 — Geographic context:** TAB noted that some programmes support AFOLU activities to be implemented in countries where REDD+ decisions are applicable (i.e. “REDD+ countries”<sup>4</sup>). As a second step, TAB assessed whether the activities supported by the programme, or under a programme’s methodology or protocol in question, could be implemented in *any* country with forest cover that is pursuing elements of REDD+ outlined by the UNFCCC Warsaw Framework and/or REDD+ international standards. Where the answer was “yes” for a given project-level methodology, Sections 4.2.4 – 4.2.7 of this report recommend that the resulting emissions units should be eligible where issued to projects that either a) are integrated (i.e. “nested”) into the programme’s CORSIA-eligible jurisdiction-scale REDD+ activities, or b) fall below the project size threshold described below.

4.3.8.4 **Consideration 3 — Project size and materiality:** TAB identified REDD+ and AFOLU projects that are expected to generate fewer than 7,000 emissions units/annum, individually or grouped, as allowable exceptions to all other exclusions set out in Sections 4.2.4 – 4.2.7 of this report. This recommendation takes into account the criterion’s emphasis on *material* leakage risk, and the comparably low risk that projects implemented at this *de minimis* scale would undermine incentives for countries to expand the scale of their REDD+ implementation strategies over time.

4.3.8.5 **Other considerations:** Where TAB assessed this guideline as not applying to a programme or some specific project scenarios described in this section, TAB nevertheless assessed their consistency with all other relevant criteria, including to confirm that procedures are in place to assess, monitor, mitigate, and account for material project-level leakage, and alignment with the *Permanence* criterion and guidelines.

4.3.8.6 TAB sought to apply this guideline at a level that would allow for the broadest eligibility scope while ensuring that the units are consistent with the contents of the EUC. TAB ultimately assessed and identified the exceptions described above at the level of

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<sup>3</sup> “REDD+” commonly refers to Reducing Emissions from Deforestation and Forest Degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.

<sup>4</sup> See footnote 21

methodological categories (i.e. activity types) or at the methodological level if a programme's and TAB's categorizations did not align.

4.3.8.7 In its geographic considerations (above), TAB also noted that some programmes support AFOLU and REDD+ projects in countries that are pursuing *some but not all* elements of REDD+ and that may or may not expand on these activities over time. TAB discussed whether project-level AFOLU activities could be exempt from this guideline if the host country itself does not classify the activity type as “REDD+” in its strategy. On this issue, TAB erred on the side of caution in terms of the feasibility and acceptability of the assessment. TAB confirmed that it prefers to avoid assessing whether each of these activities are included in each particular *REDD+ country’s strategy*<sup>5</sup> (and thus subject to this guideline’s scale requirement), including in light of limited time and information available to TAB, as well as to avoid discouraging countries from broadening their REDD+ national strategies over time. In this light, TAB confirmed that the approach described in this section does not assess the design and sufficiency of any given country’s REDD+ strategy or implementation.

**Criterion: Are only counted once towards a mitigation obligation (paragraph 3.7, including 3.7.3, 3.7.8 – 3.7.13)**<sup>2</sup>

#### ***Section 4.3.5 in TAB Report - January 2020***

4.3.5.1 As part of its assessment, TAB found that most programmes have not yet put in place procedures, provisions or measures to obtain and make publicly available attestations from national governments’ designated agency contact which recognize and confirm that the units can be used under CORSIA, and in relation to accounting for the mitigation from the activities that supply these units.

4.3.5.2 TAB noted that most programmes were not originally designed to support activities in national contexts that would necessitate such an attestation or any form of acknowledgement by a national government, or to have in place procedures that are consistent with the criterion Are only counted once towards a mitigation obligation. Experts discussed that such attestations, which national governments may choose to provide to the programme and/or the activities it supports, have become significantly more relevant, given the risk of double-claiming in the contexts referred to in the criterion.

4.3.5.3 During the assessment process, most programmes expressed their willingness to put in place measures (if they were not already “in place”), as described and interpreted under the criterion, for making publicly available any national government decisions related to accounting for the underlying mitigation associated with units used in ICAO, including the

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<sup>5</sup> For one programme that supports AFOLU activities in only one REDD+ country, TAB made an exception to this approach due to the programme’s relevance to the TAB Procedure for the “Assessment of government-vetted programmes.” ([https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202020/TAB%20Procedures\\_April%202020\\_Final.pdf](https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202020/TAB%20Procedures_April%202020_Final.pdf))

content of host country attestations; for updating information pertaining to host country attestations; for monitoring for double-claiming by relevant government agencies; and for reporting to ICAO's relevant bodies any performance information related to double claiming.

4.3.5.4 TAB's assessment reflected the extent to which each programme has already, or has expressed its willingness to, put in place procedures to provide for its consistency with the criterion, recognizing that some programmes' efforts to do so were well-advanced, and in some cases administered directly by the relevant national government agency.

#### ***Section 4.4 in TAB Report - January 2021***

##### ***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.*"<sup>6</sup>
- 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

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<sup>6</sup> See footnote 9 of this report – Link to first TAB Report (January 2020)

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 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.