

The 2022 CORSA periodic review

By ICAO Secretariat

Introduction

At the 39th Session of the ICAO Assembly in 2016, ICAO Member States reached a historic agreement when they decided to adopt a global market-based measure scheme for international aviation, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA).

One of the key points that facilitated the agreement of CORSA was the inclusion of a periodic review mechanism that, every three years from 2022, would serve as an important basis to determine the need to make adjustments to CORSA in future phases of the scheme.

In March 2021, the ICAO Council agreed on the Terms of Reference that would guide its work throughout the 2022 CORSA periodic review, in order to address the ICAO Assembly's request. Prior to that, the Council had to apply CORSA's safeguards provision in response to the impact of the COVID-19 pandemic on the scheme.

Application of CORSA's safeguards provision in response to the impact of COVID-19

In June 2020, after careful consideration of various technical inputs provided by CAEP on the impact of the COVID-19 pandemic on CORSA, the Council agreed to apply the CORSA safeguards provision, enshrined in CORSA in response to circumstances that may prevent CORSA implementation from contributing its fair share to the sustainable development of the international aviation sector. With this in mind, the Council decided that 2020 emissions should not be used during CORSA's pilot phase (2021-2023) to define the scheme's baseline.

It is important to note that this important decision, affecting CORSA implementation during the pilot phase, was not part of the 2022 CORSA periodic review *per se*. However, it anticipated the prominence that the assessment of the impact of the COVID-19 pandemic on CORSA implementation would have during the review.

Operationalizing the 2022 CORSA periodic review

As a starting point, the Council requested a series of inputs that would help define the way forward to conduct the 2022 CORSA periodic review. These inputs, to be delivered by the ICAO Secretariat, included a proposal for a review structure, process and methodology, including a work programme to determine the contributions to the process from the Council's Committee on Aviation Environmental Protection (CAEP).

In March 2021, the ICAO Council agreed on the process and methodology for the 2022 CORSA periodic review, and on the framework for the consideration of various inputs; this was reflected in the related Terms of Reference that would guide the Council's work throughout the process.

Governance

As requested by the ICAO Assembly, the responsibility of undertaking the 2022 CORSA periodic review lies on the ICAO Council. In the initial steps of the process, the Council counted with the support of its Advisory Group on CORSA (AGC), established in 2017 with the purpose of discussing any CORSA-related items prior to their consideration by the Council. Shortly after the start of the process, the AGC was discontinued as a result of the

establishment of the Council's Climate and Environment Committee (CEC), whose role was expanded from that of its predecessor to cover all environmental matters.

Needless to say, the Council and the CEC have not conducted the review in isolation; ICAO Member States have played a fundamental role *during* the review through the provision of inputs regarding their experiences with CORSIA implementation. Moreover, ICAO Member States will also play a key role *after* the review when, in the context of the 41st Session of the ICAO Assembly (27 September – 7 October 2022), they will be presented with the Council's conclusions and recommendations stemming from the review.

Two Council subsidiary bodies have featured prominently through the provision of technical inputs to the Council and the CEC: CAEP and the Technical Advisory Body (TAB).

ICAO Secretariat also took part in the review process, through its support to the Council, CEC, CAEP and TAB, as appropriate.

States' inputs

In order to collect inputs from States on their experiences regarding CORSIA implementation, the Council requested the Secretariat to conduct a consultation process. To that effect, a detailed questionnaire was prepared and, upon approval by the Council, submitted through a State letter, which is one of the official means of correspondence between ICAO and its Member States. The State letter, issued on 7 May 2021, provided a three-month period for States to reply, so that sufficient time was given to States to provide their inputs.

As many as 106 States provided responses to the State letter, allowing for the compilation of a wealth of information that was considered by the Council in November 2021. The Council acknowledged that the high response rate to the State letter was a sign of States' positive interest and engagement in the 2022 CORSIA periodic review.

As per the structure of the questionnaire, States provided their inputs on four overarching topics, namely: views on CORSIA capacity building activities; experience in CORSIA implementation; views on the application of the provision for safeguards in CORSIA implementation; and expectations on the outcome of the 2022 CORSIA periodic review.

After consideration of the received inputs by CEC, and subsequently by the Council, the latter concluded that those inputs related to States' experience in CORSIA implementation should be incorporated in CAEP's work in support of the 2022 CORSIA periodic review. Moreover, received inputs on CORSIA capacity building activities are extremely helpful for the ICAO Secretariat to identify ways and related required resources to enhance these activities. Regarding States' inputs on views on the application of the CORSIA safeguards provision, and expectations on the outcome of the 2022 CORSIA periodic review, these have been taken on board by the Council as part of its work towards completion of the review, and will serve as inputs in the definition of modalities of CORSIA safeguards.

CAEP and TAB' inputs

When, in March 2021, the Council approved the Terms of Reference that would guide its work throughout the 2022 CORSIA periodic review, it also agreed on a series of requests for specific technical inputs to be provided by CAEP and TAB for consideration in subsequent Council sessions. These requests and related timing are detailed in the corresponding Summary of Decisions, available in the ICAO website¹.

The main focus of TAB's technical inputs was an analysis of the supply of CORSIA Eligible Emissions Units, including with respect to their sectoral and geographic distribution. More information on the result of TAB's analysis can be found in Chapter 8 of this report. TAB also provided initial observations and suggestions for improvements of its work. TAB's inputs were considered by the Council in November 2021.

1 C-DEC 222/12, available at https://www.icao.int/about-icao/Council/Pages/council_sessions_222.aspx

CAEP's technical inputs throughout the process can be grouped as follows:

- Regular updates on the analysis on the impact of COVID-19 on CORSIA;
- Analysis of costs of CORSIA implementation for the various relevant stakeholders (namely States and aeroplane operators);
- Consideration of possible market distortions stemming from CORSIA implementation; and
- Initial suggestions on the improvement of CORSIA.

Since June 2021, CAEP's inputs to the Council, including key takeaway messages, have been made available in the ICAO CORSIA website, with the latest information having been provided to the Council in March 2022². More information on CAEP's assessment of the impact of COVID-19 on CORSIA can be found in Chapter 8 of this report.

In March 2022, the Council acknowledged that CAEP had provided technical inputs and analyses on all the requests of the Council in support of the 2022 CORSIA periodic review within the established timeline and with due consideration of the data available at the time.

The way forward

At the time of writing this article, the Council continues its work on the 2022 CORSIA periodic review. Based on all inputs received, the Council will produce a report that will be presented to 41st Session of the ICAO Assembly (27 September – 7 October 2022); the report will set

out the Council's conclusions and recommendations for consideration by the Assembly.

Among the decisions expected to be made by the ICAO Assembly, the definition of the CORSIA baseline beyond CORSIA's pilot phase (2021-2023) remains an outstanding one. The outbreak of the COVID-19 pandemic, the application of the CORSIA safeguards provision and related amendment of the CORSIA baseline for the pilot phase, and the expected recovery of the international aviation sector in the near future, are inter-related factors that will be considered in the Council's conclusions on this matter.

Based on the agreement reached at the ICAO Assembly, the Council will consider adjustments, if any, to the Standards and Recommended Practices (SARPs) for CORSIA implementation, as contained in Volume IV of Annex 16 (*Environmental Protection*) to the Convention on International Civil Aviation. Similarly, possible necessary adjustments to the five CORSIA Implementation Elements and related ICAO documents will also be considered³.

With the final steps of the 2022 CORSIA periodic review under way, the Council and its Climate and Environment Committee remain committed to the timely delivery of the Council's conclusions and recommendations. In completing this first CORSIA periodic review, the Council is fully aware of the need to start planning ahead for future reviews. It is in this context that the Council recognizes the need for a regular and systematic assessment of CORSIA, supported by the technical contributions of CAEP and TAB as needed.

² <https://www.icao.int/environmental-protection/CORSIA/Pages/CORSIA-and-Covid-19.aspx>

³ <https://www.icao.int/environmental-protection/CORSIA/Pages/implementation-elements.aspx>