

**61ST CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGION**

*Kuala Lumpur, Malaysia
7 – 11 September 2026*

AGENDA ITEM 7: AVIATION AND ENVIRONMENT

**ADDRESSING EMERGING RISKS TO CORSIA COMPLIANCE:
ENSURING THE AVAILABILITY OF CORSIA ELIGIBLE
EMISSIONS UNITS**

Presented by Thailand, Co-sponsored by IATA, Indonesia, Malaysia and Singapore

SUMMARY

This paper reaffirms CORSIA as the global market-based measure for international aviation. It highlights the potential impacts of current geopolitical tensions and energy market volatility on the effective implementation of CORSIA.

In response to these external risks, this paper emphasizes the need to further strengthen coordination among civil aviation authorities, environmental and climate agencies, carbon market authorities, project developers, and aeroplane operators. This may include facilitating clear national procedures for the issuance of Letters of Authorization (LoAs) and corresponding adjustments, encouraging the development and authorization of additional eligible projects, and promoting early assessment and procurement planning by aeroplane operators.

The Conference is invited to reaffirm CORSIA's role as the sole global market-based measure, discuss mechanisms to ensure sufficient CEEU availability, and request ICAO to develop appropriate preparedness measures, while encouraging strengthened national coordination and early procurement planning for the effective implementation of CORSIA.

ADDRESSING EMERGING RISKS TO CORSIA COMPLIANCE: ENSURING THE AVAILABILITY OF CORSIA ELIGIBLE EMISSIONS UNITS

1. INTRODUCTION

1.1 At the 41st Session of the ICAO Assembly, Member States adopted the Long-Term Global Aspirational Goal (LTAG) of net-zero carbon emissions from international aviation by 2050, recognizing the need for a basket of measures to address aviation emissions while supporting the sustainable growth of international air transport. The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is a key element of this basket of measures.

1.2 The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) has been recognized as the sole global market-based measure for addressing carbon emissions from international aviation. Indonesia, Malaysia, Singapore and Thailand have actively engaged in the scheme since the baseline period and established a comprehensive national framework for Monitoring, Reporting and Verification (MRV) to ensure compliance with ICAO Standards and Recommended Practices (SARPs).

1.3 Indonesia, Malaysia, Singapore and Thailand have begun adopting and promoting the use of Sustainable Aviation Fuel (SAF), which serves to reduce carbon dioxide emissions and mitigate the demand for CORSIA Eligible Emissions Units (CEEsUs) for offsetting purposes. For example, since 2025, Thailand has continued to promote the use of Sustainable Aviation Fuel (SAF) through the signing of a Memorandum of Understanding among all Thai operators subjected to CORSIA, intending to encourage SAF uptake in international aviation. In addition, Thailand has successfully developed the Premium T-VER Programme as a CEEUs eligibility Programme, which has been approved by ICAO for use during the First Phase of CORSIA and is currently seeking approval for the Second Phase compliance period.

1.4 Drawing from these experiences, Thailand remains firmly committed to CORSIA and continues to support its effectiveness, while recognizing that emerging external factors may influence the future demand for CEEUs. These factors include volatility in global energy markets, ongoing geopolitical uncertainties, and challenges regarding the sufficient supply of Sustainable Aviation Fuel (SAF) and the implications of elevated SAF costs. Thailand emphasizes the importance of continued assessment of market developments to ensure the long-term effectiveness, predictability, and environmental integrity of the CORSIA framework.

2. DISCUSSION

2.1 The availability of CEEUs is an important factor in supporting the effective implementation of CORSIA, particularly as the scheme progresses into the compliance stage. According to information published through ICAO's CORSIA Eligible Emissions Units Dashboard, approximately 41.9 million tonnes of CEEUs¹ are currently available under CORSIA.

2.2 While the current volume of available CEEUs represents an important milestone in supporting CORSIA implementation, forecasts published by the International Air Transport Association estimate that total demand for CEEUs during the First Phase of CORSIA may range between approximately 170 and 236 million tonnes.² The volume currently reflected in the ICAO CEEUs Dashboard therefore represents approximately 17.8 to 24.6 percent of the projected demand during the First Phase of CORSIA, indicating that a substantial proportion of future demand remains dependent on additional emissions units becoming available over time.

¹ ICAO CEEUs Dashboard (As of July 20, 2026) [here](#).

² IATA's CORSIA Fact sheet [here](#).

2.3 Further strengthening coordination among civil aviation authorities, environmental and climate agencies, carbon market authorities, project developers, and aeroplane operators could support the timely availability of additional CEEUs. This may include facilitating clear national procedures for the issuance of Letters of Authorization (LOAs) and corresponding adjustments, encouraging the development and authorization of additional eligible projects, and promoting early assessment and procurement planning by aeroplane operators. Such efforts could help broaden and diversify the supply of CEEUs, reduce exposure to potential supply and price uncertainties, prevent double counting, and maintain the environmental integrity of CORSIA.

2.4 Recent geopolitical developments and continued volatility in global energy markets have contributed to significant increases in aviation fuel prices, creating uncertainty regarding future operating costs of aeroplane operators. Under these circumstances, aeroplane operators may adopt a range of cost management measures, including reducing flight frequencies, postponing network expansion, or adjusting capacity deployment.

2.5 During the peak of the geopolitical crisis, Jet A-1 prices reached approximately 2.4 times the pre-crisis reference levels³, representing an increase of 137.5 percent above baseline levels. Consequently, the proportion of fuel expenses in total aeroplane operator operating expenses is projected to increase from 25.4 percent in 2025 to 31.4 percent in 2026.⁴

2.6 Although higher Jet A-1 prices have reduced the price gap between SAF and conventional jet fuel, significant economic challenges remain. Under normal market conditions, SAF is typically around three times more expensive than Jet A-1⁵. As a result, some aeroplane operators may delay or scale back their SAF procurement, leading to shortfalls in meeting in-sector emissions targets. This reduced deployment of SAF could increase aeroplane operator reliance on CEEUs to meet offsetting obligations, particularly where compliance requirements tightened in future period.

2.7 Elevated fuel costs, financial pressures on aeroplane operators, and uncertainties regarding SAF deployment may affect compliance strategies under CORSIA. Delayed procurement of CEEUs, combined with slower-than-expected SAF uptake, could lead to higher future demand for CEEUs and increase uncertainty regarding their availability and cost, particularly as compliance obligations expand in future compliance periods.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to:

- a) reaffirm CORSIA's role as the sole global market-based measure for addressing CO₂ emissions from international aviation
- b) encourage States to strengthen coordination among civil aviation authorities, climate and environmental agencies, and relevant carbon market authorities to facilitate the issuance of Letters of Authorization, support the development and authorization of additional CEEU-generating projects, and encourage aeroplane operators to identify potential CEEU sources and undertake early procurement planning; and
- c) request ICAO to continue monitoring the availability of CEEUs and assess, where appropriate, the implications for future CORSIA implementation and compliance, while maintaining environmental integrity and market stability.

— END —

^{3,5} S&P Global

⁴ IATA's Press Release No: 26 [here](#)