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SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF/7)

Montréal, HQ, 16 to 20 November 2026

Agenda Item 3: Strengthening regulatory and institutional frameworks
3.4: Levies on international air transport
Part b) Levies (implementation of CORSIA)

DRAFT REPORT

(6 pages)

Agenda sub-item 3.4: Levies on international air transport

Part b) Levies (implementation of CORSIA)

3.4.5 DOCUMENTATION

3.4.5.1 WP/124, presented by Egypt on behalf of the African Civil Aviation Commission (AFCAC)[1], reaffirmed support for ICAO's environmental objectives while highlighting concerns over the cumulative costs and overlapping obligations arising from global, regional and national sustainability measures. It noted that these could distort competition and undermine affordability and connectivity, particularly in developing markets. The paper invited the Conference to reaffirm the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) as the only global market-based measure for international aviation and urge States and regional organizations to avoid overlapping or duplicative measures. It also requested ICAO to assess their cumulative economic and connectivity impacts and develop a mechanism to prevent double charging and overlapping regulatory obligations, for consideration by the 44th Session of the ICAO Assembly.

3.4.5.2 WP/90, presented by Qatar, emphasized the importance of maintaining regulatory coherence and predictability in addressing international aviation emissions, particularly as CORSIA enters its mandatory Second Phase in 2027 and regional measures evolve, including the proposed revisions to the European Union Emissions Trading System (EU ETS). The paper expressed concern that divergent or overlapping carbon requirements could create unequal compliance costs, distort competition, increase administrative burdens, undermine global connectivity and discourage long-term investment in cleaner aviation technologies and sustainable aviation fuels. The Conference was invited to reaffirm the value of globally coordinated approaches through ICAO, encourage States to avoid unilateral or regional market-based measures that could fragment the regulation of international aviation, and request the ICAO Council to examine the implications of divergent approaches for competition and global connectivity, and consider guidance to promote regulatory coherence.

3.4.5.3 WP/82, presented by Saudi Arabia and the United Arab Emirates, and co-sponsored by Egypt, addressed the risk of double charging international flights covered by both CORSIA and a regional emissions-trading scheme. The paper highlighted that CORSIA is a global offsetting scheme, whereas regional emissions-trading schemes require operators to surrender allowances, potentially imposing an additional fiscal burden on emissions already addressed under CORSIA. This could increase airline costs, create administrative burdens and disadvantage operators based outside the region. The Conference was invited to affirm that consistent with the Chicago Convention, ICAO's policies on charges and taxation, and Assembly Resolution A42-22, emissions covered by CORSIA should not incur additional regional charges of a fiscal nature, request the ICAO Council to remain seized of the issue until relevant regional schemes are aligned with the global framework, and reaffirm that regional measures should respect the principle that international aviation emissions are accounted for only once.

[1] Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

3.4.5.4 WP/50, presented by Thailand, and co-sponsored by Indonesia, Malaysia, Singapore and the International Air Transport Association (IATA), examined emerging risks to the implementation of CORSIA, particularly limited access to Sustainable Aviation Fuels (SAF) and the potential shortfall in CORSIA Eligible Emissions Units (CEEUs). The paper highlighted that geopolitical and energy-market volatility, together with constrained SAF availability and affordability, could increase airlines' compliance costs. It emphasized the need to improve access to CORSIA Eligible Fuels, streamline the issuance of Letters of Authorization (LoA) and corresponding adjustments, expand the supply of CEEUs, and encourage airlines to plan procurement early. The Conference was invited to reaffirm CORSIA as the only global market-based measure for international aviation, strengthen coordination among relevant stakeholders, and request ICAO to monitor CEEU availability and assess the economic implications for future compliance while maintaining environmental integrity and market stability.

3.4.5.5 WP/31, presented by IATA, and co-sponsored by Thailand, reaffirmed the importance of CORSIA as the only global market-based measure for addressing international aviation CO_2 emissions. The paper highlighted the shortage of CORSIA Eligible Emissions Units (CEEUs) and urged host States to expedite the issuance of LoA to enable airlines to meet their offsetting obligations. It also expressed concern about the carbon levies and taxes on international air transport imposed by several States, noting that such measures could fragment the globally harmonized approach to addressing aviation emissions and conflict with ICAO's policies on taxation set out in Doc 8632. The Conference was invited to encourage more States to participate voluntarily in CORSIA, promote timely authorization of CEEUs, reaffirm ICAO's policies on taxation in Doc 8632 against discriminatory taxation, and urge unified implementation of CORSIA in accordance with Annex 16, Volume IV.

3.4.6 **DISCUSSION**

3.4.6.1 The Conference reaffirmed the importance of CORSIA as the only global market-based measure for addressing CO_2 emissions from international aviation, consistent with relevant ICAO Assembly Resolutions. Many States emphasized the critical importance of maintaining the globally harmonized approach under CORSIA and its ICAO implementation framework in order to ensure regulatory coherence, predictability and equitable treatment of international aircraft operators.

3.4.6.2 Concerns were expressed regarding the potential overlap between CORSIA and regional or national emissions-related measures, including emissions trading schemes and carbon levies. Some States emphasized that overlapping requirements could result in additional compliance costs, administrative burdens and competitive distortions, with adverse implications for affordability and connectivity, particularly in developing markets. The need to avoid double charging and duplicative regulatory obligations was highlighted, while recognizing the importance of maintaining the environmental integrity of global efforts to address aviation emissions.

3.4.6.3 The Conference also considered the economic implications of CORSIA implementation, particularly in view of its second phase commencing in 2027. Attention was drawn to the limited availability and affordability of Sustainable Aviation Fuels (SAF) and the potential shortage of access to CORSIA Eligible Emissions Units (CEEUs). Support was expressed for strengthening cooperation among States and relevant stakeholders to facilitate access to CEEUs, including through the timely issuance of Letters of Authorization by governments hosting activities that generate CEEUs.

3.4.6.4 The importance of monitoring the economic impacts of environmental measures on international air transport was also emphasized. Some States supported further assessment of the

implications of such measures for airline costs, competition and connectivity, noting that Assembly Resolution A42-22 requests the Council to conduct a periodic review of CORSIA every three years, including an assessment of the scheme's market and cost impact on international aviation.

3.4.6.5 WP/173 presented by Türkiye was also noted by the Conference.

3.4.7 CONCLUSIONS

3.4.7.1 As a result of the documentation considered and ensuing discussion under Agenda Item 3.4 Part B, the Conference concluded that:

a) CORSIA continues to be the only global market-based measure for addressing CO_2 emissions from international aviation, and its effective and harmonized implementation is essential to ensuring environmental integrity, regulatory predictability and equitable treatment of international aircraft operators;

b) overlapping or duplicative emissions-related measures for international aviation at global, regional and national levels could increase compliance costs, create administrative burdens and distort competition, with potential adverse impacts on affordability and connectivity;

c) the availability of CORSIA Eligible Emissions Units (CEEUs), through the timely issuance of Letters of Authorization by governments hosting activities that generate CEEUs, is of paramount importance for the effective implementation of CORSIA, particularly as the scheme enters its second phase in 2027; and

d) continued monitoring and assessment of the economic implications of CORSIA, in the context of CORSIA periodic reviews undertaken by the ICAO Council, is important for supporting the globally harmonized approach under CORSIA while maintaining environmental integrity and the sustainable development of international air transport.

3.4.8 RECOMMENDATIONS

Recommendation 3/8 — Levies on international air transport: Levies (implementation of CORSIA)

The Conference recommends that:

a) States should continue to support CORSIA as the only global market-based measure for addressing CO_2 emissions from international aviation and ensure its effective and harmonized implementation in accordance with Annex 16, Volume IV, and relevant ICAO Assembly Resolutions;

b) States and regional organizations should seek to avoid overlapping or duplicative emissions-related measures for international aviation that could result in double charging, unnecessary administrative burdens or competitive distortions, while

maintaining the environmental integrity of measures addressing international aviation CO_2 emissions under ICAO;

c) States should strengthen cooperation with ICAO and other relevant stakeholders to facilitate the availability of CORSIA Eligible Emissions Units (CEEUs) to aeroplane operators, through the timely issuance of Letters of Authorization by governments hosting activities that generate CEEUs;

d) ICAO should continue to monitor and assess the economic implications of CORSIA implementation, including the availability and affordability of CORSIA eligible emissions units and eligible fuels, in the context of CORSIA periodic reviews undertaken by the ICAO Council; and

e) ICAO should continue to promote the critical importance of maintaining the globally harmonized approach under CORSIA, which represents the regulatory coherence and coordination among its Member States and relevant international and regional organizations, and support the effective implementation of CORSIA by all Member States.

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