



WORKING PAPER

SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF/7)

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Agenda Item 3: Strengthening regulatory and institutional frameworks

3.4: Levies on international air transport

ADDRESSING EMERGING RISKS TO CORSIA COMPLIANCE: SAF ACCESS AND THE AVAILABILITY OF CEEUS

(Presented by Thailand, co-sponsored by Indonesia, Malaysia, Singapore and
International Air Transport Association (IATA))

EXECUTIVE SUMMARY

This paper presents an updated assessment of emerging risks to the effective implementation of Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and reaffirms CORSIA as the only global market-based measure applying to CO₂ emissions from international aviation. It highlights the potential impacts of geopolitical and energy-market volatility, constraints on access to Sustainable Aviation Fuels (SAF), and the timely availability of CORSIA Eligible Emissions Units (CEEU) on aeroplane operator compliance costs and the resilience of international air transport.

The paper emphasizes the need for strengthened coordination among relevant authorities and stakeholders to improve access to CORSIA Eligible Fuels, facilitate the issuance of Letters of Authorization and the implementation of corresponding adjustments, support the development and availability of additional eligible CEEUs, and promote early assessment and procurement planning by aeroplane operators.

Action: The Conference is invited to;

- a) reaffirm CORSIA's role as the only global market-based measure applying to CO₂ emissions from international aviation, while recognizing the importance of predictable access to SAF and CEEUs for its effective implementation;
- b) encourage States to strengthen coordination among civil aviation authorities, energy, climate and environmental agencies, relevant carbon market authorities, SAF producers, project developers and aeroplane operators to facilitate access to CORSIA Eligible Fuels, the issuance of Letters of Authorization (LoAs) and corresponding adjustments, the development and authorization of additional CEEU-generating projects, and early assessment and procurement planning; and
- c) request International Civil Aviation Organization (ICAO) to continue monitoring the availability of CEEUs and relevant developments affecting access to CORSIA Eligible Fuels, and to assess, where appropriate, their economic implications for future CORSIA implementation and compliance, while maintaining environmental integrity and market stability.

<i>Strategic Goal:</i>	This working paper relates to Strategic Goals: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All and Aviation Is Environmentally Sustainable.</i>
<i>Financial implications:</i>	Implementation of the proposed actions would be subject to resources available to ICAO and States, including voluntary and extra-budgetary contributions, as applicable.
<i>References:</i>	Assembly Resolutions A42-21 and A42-22;; ICAO CORSIA Eligible Emissions Units Dashboard (as of 27 August 2026); ICAO Technical Advisory Body (TAB) – 2026 Assessment Cycle; IATA Global Outlook for Air Transport – June 2026; IATA CORSIA Eligible Emissions Units information; IATA Supporting Alliance for CORSIA EEU Supply.

1. INTRODUCTION

1.1 The 42nd Session of the ICAO Assembly reaffirmed the Long-Term Global Aspirational Goal (LTAG) of net-zero carbon emissions from international aviation by 2050 and the need for a basket of measures to address aviation emissions while supporting the sustainable development of international air transport. The Assembly also reaffirmed the collective global aspirational vision to reduce CO₂ emissions in international aviation by 5 percent by 2030 through the use of SAF, Lower Carbon Aviation Fuels (LCAF) and other aviation cleaner energies, compared with a scenario of zero cleaner energy use.

1.2 The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) remains a key element of ICAO's basket of measures. Assembly Resolution A42-22 determines that CORSIA is the only global market-based measure applying to CO₂ emissions from international aviation, avoiding a possible patchwork of duplicative State or regional market-based measures and ensuring that international aviation CO₂ emissions are accounted for only once. Indonesia, Malaysia, Singapore and Thailand have actively engaged in CORSIA since the baseline period and have established national frameworks for Monitoring, Reporting and Verification (MRV) to support implementation in accordance with ICAO Standards and Recommended Practices (SARPs). This regional experience provides an important basis for considering practical challenges as CORSIA progresses through its First Phase and towards the associated compliance requirements.

1.3 Indonesia, Malaysia, Singapore and Thailand have also begun adopting and promoting the use of SAF. The use of qualifying CORSIA Eligible Fuels can reduce an aeroplane operator's offsetting requirements and thereby reduce reliance on CEEUs. Since 2025, Thailand has continued to promote the use of SAF through a Memorandum of Understanding among Thai aeroplane operators subject to CORSIA, with the intention of encouraging SAF uptake in international aviation. Thailand has also developed the Premium Thailand Voluntary Emission Reduction Programme (Premium T-VER), which has been approved to supply CEEUs for the First Phase of CORSIA. Premium T-VER has subsequently applied under ICAO's 2026 TAB assessment cycle for eligibility to supply CEEUs for the 2027–2029 compliance period. Experience across Indonesia, Malaysia, Singapore and Thailand in implementing CORSIA and promoting SAF, together with Thailand's development of Premium T-VER as a source of CEEUs, highlights the importance of advancing both in-sector CO₂ reductions and reliable access to eligible emissions units for effective CORSIA implementation.

1.4 Drawing from these experiences, Thailand remains firmly committed to the effective implementation of CORSIA while recognizing that external factors may influence both the availability and cost of compliance options. These factors include continued volatility in global energy markets, geopolitical uncertainties, constraints on SAF availability and affordability, and uncertainty regarding the timely market availability of CEEUs. Continued assessment of these developments is therefore

important not only for the environmental integrity and predictability of CORSIA, but also for the economic sustainability and resilience of international air transport.

2. DISCUSSION

2.1 CEEU AVAILABILITY AND MARKET READINESS

2.1.1 The availability of CEEUs remains an important factor in supporting the effective implementation of CORSIA, particularly as the scheme progresses through the First Phase. According to the ICAO CORSIA Eligible Emissions Units Dashboard, as of 27 August 2026, approximately 41.9 million CEEUs had been verified, issued and labelled as CORSIA eligible by approved emissions unit programmes.

2.1.2 While the increasing volume of issued CEEUs represents important progress towards effective CORSIA implementation, the expected scale of demand remains significant. IATA's latest assessment indicates that approximately 200–250 million CEEUs may be needed by January 2028 to meet First Phase compliance requirements. IATA also estimates that around 200 million units would represent a market value of approximately USD 4–5 billion. In response to the scale of expected demand, the Supporting Alliance launched by IATA to expand CEEU supply aims to increase the supply of CEEUs to 225–250 million units by spring 2027. This is a supply-development objective rather than a forecast of airline demand and reflects ongoing efforts to address implementation bottlenecks and improve market readiness ahead of the First Phase compliance deadline.

2.1.3 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 and efficient national procedures for the issuance of Letters of Authorization (LoAs) and the implementation of 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, improve access to CEEU markets, reduce exposure to potential supply and price uncertainties, prevent double counting and maintain the environmental integrity of CORSIA.

2.2 ECONOMIC IMPLICATIONS FOR INTERNATIONAL AIR TRANSPORT

2.2.1 Recent geopolitical developments and continued volatility in global energy markets have significantly increased uncertainty regarding the future operating costs of aeroplane operators. Under such circumstances, operators may need to adopt a range of cost-management measures, including adjustments to capacity deployment, network development and investment decisions. This issue is particularly relevant to ATConf/7, where the resilience of international air transport and the economic implications of access to aviation cleaner energies form part of the broader consideration of evolving market conditions. Continued monitoring of market dynamics, investment trends and energy supply-chain conditions is therefore important in assessing the economic implications of access to aviation cleaner energies.

2.2.2 SAF remains an important in-sector measure for reducing aviation CO₂ emissions. Where SAF meets the applicable CORSIA sustainability and certification requirements, its use can also reduce an aeroplane operator's CORSIA offsetting requirements. However, global SAF supply remains limited. IATA expects global SAF production to reach approximately 2.4 million tonnes in 2026, equivalent to around 0.8 percent of total annual jet fuel consumption. Constraints in SAF availability and affordability may therefore limit its uptake. Where the use of CORSIA Eligible Fuels is lower than anticipated, residual offsetting requirements may increase, resulting in greater reliance on CEEUs. This interaction highlights the importance of improving access to aviation cleaner energies while ensuring the timely availability of CEEUs to support predictable and effective CORSIA implementation.

2.2.3 The interaction between SAF access and CEEU demand may have important implications for the cost and predictability of CORSIA compliance. This does not alter the respective roles of in-sector emissions reductions and offsetting under the ICAO basket of measures. Rather, it highlights the importance of ensuring that aeroplane operators have timely and predictable access to both CORSIA Eligible Fuels and CEEUs. Improved coordination among aviation, energy, environmental and carbon-market authorities, together with continued market monitoring, can therefore support effective CORSIA implementation and contribute to greater predictability and resilience for international air transport.

3. CONCLUSION

3.1 CORSIA is entering a more demanding stage of implementation as aeroplane operators prepare to meet their First Phase offsetting requirements. At the same time, geopolitical and energy-market volatility, constraints on SAF availability and affordability, and uncertainty regarding the timely market availability of CEEUs may affect the cost and predictability of compliance. These developments reinforce the importance of maintaining CORSIA as the globally harmonized market-based measure for international aviation while addressing practical barriers that may affect its effective implementation.

3.2 Timely access to CORSIA Eligible Fuels and CEEUs, effective national procedures for LoAs and corresponding adjustments, the development of additional eligible CEEU supply, and early planning by aeroplane operators will be important in managing these risks. Strengthened cooperation among States, ICAO, the aviation industry, carbon-market stakeholders and cleaner-energy stakeholders can further support effective CORSIA implementation, while contributing to more predictable operating conditions and the long-term resilience of international air transport.

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