



**WORKING PAPER**

**ASSEMBLY — 39TH SESSION**

**EXECUTIVE COMMITTEE**

**Agenda Item 22: Environmental Protection – International Aviation and Climate Change – Policy, Standardization and Implementation Support**

**INDUSTRY VIEWS ON VOLUNTARY PARTICIPATION IN CORSIA**

(Presented by the Airports Council International (ACI), the Civil Air Navigation Services Organisation (CANSO), the International Air Transport Association (IATA), the International Business Aviation Council (IBAC) and the International Coordinating Council of Aerospace Industries Associations (ICCAIA))

**EXECUTIVE SUMMARY**

While the aviation industry recognises the considerations which have led to the proposal for CORSIA to apply on a voluntary basis in the pilot and first phase of implementation, this working paper underlines the importance of ensuring that this does not result in additional market distortions and preserves the global and exclusive nature of the scheme. The working paper also discusses the need for regulatory predictability and stability and emphasizes the role of capacity-building in facilitating participation in CORSIA.

**Action:** The Assembly is invited to:

- a) Encourage States to join CORSIA on a voluntary basis from the outset of the scheme;
- b) Call on States to confirm their voluntary participation in CORSIA as soon as possible; and
- c) Request the Council to accelerate work on MRV, EUC and registries.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective E – <i>Environmental Protection</i> .
<i>Financial implications:</i>	No additional resources requested.
<i>References:</i>	

<sup>1</sup> English, Arabic, Chinese, French, Russian and Spanish versions provided by IATA.

## 1. INTRODUCTION

1.1 The aviation industry recognises the political considerations which have led to the proposal for CORSIA to apply on a voluntary basis in the pilot and first phase of implementation. We however believe it is important to maintain a high level of coverage to strengthen the environmental effectiveness of the scheme and ensure that the voluntary nature of CORSIA does not undermine the key principles stated in paragraph 2.3 of WP/155. In particular, we underline the need for the scheme to be global in scope and minimize distortions, whilst avoiding a regulatory patchwork.

## 2. VOLUNTARY PARTICIPATION

2.1 In our view, the voluntary nature of the pilot and first phase of CORSIA can be compatible with the principles that should guide the design of a global market-based measure for aviation. It is however important that sufficient States volunteer to join the scheme from its outset in order to ensure as high a level of coverage as possible and that the provision for equal treatment on routes is maintained.

2.2 A high level of coverage not only increases the environmental effectiveness of the scheme, but also reduces the risk of market distortions by creating uniform conditions for coverage under the CORSIA.

2.3 In addition to potential market distortions, significant gaps in the geographic scope of CORSIA could heighten the risk that some policy-makers will seek to apply additional or alternative measures to emissions from international aviation. As underlined in paragraph 2.4 of WP/155, it is important that CORSIA is the sole market-based mechanism to address the impact of international aviation on climate change.

2.4 For the industry, regulatory stability and predictability are also critical. The voluntary nature of participation in the pilot and first phase, as well as for some States in the second phase, introduces a significant level of uncertainty and additional complexity for aircraft operators. Timely information on the routes to be included in the different phases, as well as clarity on the choice of how to apply the calculation of CO<sub>2</sub> emissions to be offset<sup>2</sup>, is important notably to enable aircraft operators to anticipate offsetting requirements and integrate them in their business planning. It is also required to determine whether or not standard or simplified monitoring requirements must be used on specific routes. In some cases, standard fuel reporting requirements may necessitate the introduction of new procedures and sufficient advance notice will reduce the risk of gaps in data collection.

2.5 We also believe that voluntary participation will provide additional benefits for the States participating in CORSIA. By increasing the coverage, voluntary participation is expected to stimulate investment in developing countries. Indeed, the demand for carbon offsets will be increased and the vast majority of the carbon offsets can be anticipated to be generated from projects hosted in developing States. Participation in the pilot and first phase will also allow aircraft operators in volunteering States to gain experience with CORSIA and the carbon market when the costs of the scheme are the lowest. This will be an advantage in the second phase of the scheme.

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<sup>2</sup> As provided for in paragraph 9(e)(i)(a) and (b) of Appendix B of A39-WP/52.

### **3. MEASURES TO FACILITATE PARTICIPATION IN CORSIA**

3.1 The industry recognizes that the voluntary phases of CORSIA allow States to commit to implementing the scheme only once they are fully prepared to do so.

3.2 This further underlines the role and benefits of capacity-building between now and the start of CORSIA. While ICAO naturally has the lead role in capacity-building, in order to facilitate participation, the industry is also committed to building expertise amongst aircraft operators and regulators by sharing its experience in the monitoring, reporting and verification of emissions and in carbon trading and offsetting. Indeed, some aircraft operators have over a decade of experience in voluntary carbon offsetting and many aircraft operators have already implemented advanced fuel monitoring systems to track their fuel consumption and report data to States or to the public.

3.3 In order to facilitate voluntary participation in CORSIA, we call on ICAO to accelerate the work on the monitoring, reporting and verification of fuel use and emissions and on the emissions unit criteria and registries, with the aim that SARPs and guidance material will be available at the latest by the end of 2017. We are concerned that any further delay could jeopardize the timely implementation of CORSIA.

### **4. CONCLUSIONS**

4.1 In view of the above, the industry strongly welcomes the commitments already made by some States to join the scheme in the pilot and first phase and to take leadership in enabling our industry to grow and support the world's economies sustainably. We encourage additional States to follow their example and confirm their intention to participate in CORSIA on a voluntary basis as soon as possible.

4.2 We also call on States that decide to join CORSIA on a voluntary basis, or may in the future reconsider their voluntary participation, to communicate their decision as soon as possible both in order to understand the level of global commitment being made and for administrative ease in implementing the scheme.

4.3 In the event that States do commit to participate in CORSIA on a voluntary basis, we believe that their participation should be guaranteed for a minimum 3-year compliance cycle and urge such voluntary participation in as many phases as possible.

4.4 The industry is committed to CORSIA, as a necessary and the most cost-effective complement to technology, operations and infrastructure elements of the basket of measures, and will assist ICAO and States with capacity building and assistance for implementation of the GMBM.

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