



WORKING PAPER

ASSEMBLY — 40TH SESSION

EXECUTIVE COMMITTEE

Agenda Item 17: Environmental Protection – Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

ENSURING THE SUCCESS OF CORSIA IMPLEMENTATION

(Presented by Singapore and co-sponsored by Australia, Canada, Fiji, Indonesia, Japan, Nauru, New Zealand, Palau, Samoa, Trinidad and Tobago and the United States)

EXECUTIVE SUMMARY

States and operators are implementing the monitoring, reporting and verification (MRV) requirements for operator emissions as part of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). CORSIA implementation is proceeding at an accelerated pace and its compliance requirements on various stakeholders pose some challenges, but there are measures available to address them, as well as suggestions for further improvement.

Action: The Assembly is invited to:

- a) Reaffirm ICAO's continuous leadership on environmental issues relating to international aviation emissions and the Assembly's decision to implement a global market-based measure scheme in the form of CORSIA, determining it to be the market-based measure applying to CO₂ emissions from international aviation;
- b) Acknowledge the good efforts of ICAO, States, and industry in bringing CORSIA up to the current state of implementation;
- c) Acknowledge the key role of ACT-CORSIA in supporting States with the implementation of CORSIA and request ICAO to align the technical assistance provided to States for CORSIA to ensure consistency in its implementation;
- d) Request ICAO to work with interested States and the International Accreditation Forum (IAF) to increase the number of accredited verification bodies for CORSIA to meet the industry demand, including through the provision of CORSIA Verification courses by the ICAO Global Aviation Training (GAT) office; and
- e) Recognise the importance of timely ICAO guidance on CORSIA eligible emissions units and CORSIA eligible fuels for emissions offsetting in CORSIA.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective E – Environmental Protection
<i>Financial implications:</i>	Not applicable.

<i>References:</i>	<ul style="list-style-type: none">• Resolution A39-2, <i>Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate Change</i>• Resolution A39-3, <i>Consolidated statement of continuing ICAO policies and practices related to environmental protection – Global market-based measure scheme</i>
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1. INTRODUCTION

1.1 The ICAO Standards and Recommended Practices (SARPs), guidance and tools for the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA), was adopted in June 2018. Significant progress has been made to prepare for CORSA implementation, including States setting up the monitoring, reporting, and verification (MRV) of operator emissions to establish the baselines for offsetting obligations in future phases in CORSA, as well as ongoing updates to various supporting documents to the ICAO CORSA SARPs. There is a need to consider CORSA's compliance requirements and its obligations on various stakeholders, with a view to ensure the success of CORSA implementation in meeting international aviation environment objectives.

2. ICAO'S STRATEGIC OBJECTIVE IN ENVIRONMENTAL PROTECTION

2.1 Assembly Resolution A39-2 reaffirmed ICAO's "continuous leadership on environmental issues relating to international aviation emissions". Assembly Resolution A39-3 records the Assembly decision "to implement a global market-based measure scheme in the form of CORSA" and determined it "to be the market-based measure applying to CO₂ emissions from international aviation" to avoid a patchwork of national/regional schemes that could have serious implications on the sustainable growth of the aviation industry.

2.2 CORSA allows the aviation industry access to out-of-sector emissions units, complementing a larger basket of measures including operational improvements, technological measures, and sustainable aviation fuels, to address international aviation emissions to achieve the global aspirational goals. The successful implementation of CORSA requires the voluntary participation of a significant and large enough group of States for the scheme to function effectively, provides a level-playing field, and minimises market distortion.

3. CORSA IMPLEMENTATION EXPERIENCE

3.1 In preparing for CORSA implementation, States have drafted national legislation to focus on the immediate needs of CORSA administration and emissions MRV, allocating internal resources and training for operators and regulators to meet the multiple milestones for CORSA requirements; including Emissions Monitoring Plans, pre-verification, Emissions Reports. Some have also set out accreditation programmes together with National Accreditation Bodies to facilitate the accreditation of interested verification bodies. States also share and exchange experience on their CORSA implementation at the ICAO CORSA Regional Seminars.

3.2 The strong partnership between ICAO, States and industry, especially with the International Air Transport Association (IATA), in CORSIA emissions MRV implementation demonstrates the committed and united front the aviation community is taking to ensure a consistent approach to CORSIA implementation.

4. ADDRESSING CORSIA IMPLEMENTATION CHALLENGES MOVING FORWARD

4.1 CORSIA implementation is proceeding at an accelerated pace and its varying compliance requirements on various stakeholders pose some challenges. Some of these challenges are discussed below with measures available to address them, as well as suggestions for further improvement:

- a) Capacity building for CORSIA implementation: ICAO has set up an Assistance, Capacity Building, and Training Programme for CORSIA (ACT-CORSIA) to assist States with CORSIA implementation training materials and templates for legislation. The “buddy partnership” arrangement is a key cornerstone of ACT-CORSIA, where donor States provide technical experts and training in CORSIA implementation to recipient States. This arrangement supports the No Country Left Behind (NCLB) initiative to assist developing States with the implementation of ICAO SARPs.

Moving forward, ICAO could build upon the current success of the Buddy partnerships, for example, by encouraging participation from States that have yet to request for assistance and training on CORSIA implementation, particularly States that had not yet submitted its CORSIA requirements. ICAO could also work closely with industry organisations offering CORSIA technical assistance to coordinate and find synergies between capacity building efforts to optimise resource allocation and ensure all States and operators have access to capacity building, with the aim to achieve consistency in CORSIA implementation.

- b) Access to accredited verification bodies: A limited supply of accredited verification bodies for CORSIA hampers access to verification services needed to comply with the CORSIA SARPs, leading to higher compliance costs and delays for operators. As of June 2019, the list published by ICAO only indicates 22 accredited verification bodies across 7 States, with several regions being underserved. There is a risk of limited supply for CORSIA emissions verification services, particularly in the first few years of CORSIA emissions monitoring.

ICAO is currently coordinating with the International Accreditation Forum, as well as conducting CORSIA Verification Courses through the ICAO Global Aviation Training (GAT) office. These are beneficial, but could be supplemented with ICAO encouraging and working with States with interests to accredit verification bodies through their National Accreditation Bodies (NABs) to contribute specific aviation technical knowledge and to develop accreditation programmes that the NABs could adopt to accelerate this process.

ICAO could further enlist the aviation industry to organise workshops and training for interested verification bodies to acquaint them in airline operational and emissions monitoring processes, yet ensuring alignment with the CORSIA SARPs. These efforts could increase the availability of accredited verification bodies to provide greater choice and lower compliance costs to operators. The list of accredited verification bodies should be kept up to date to make available more options to operators.

- c) Timely guidance on CORSIA emissions unit eligibility and CORSIA eligible fuels: The adoption of the CORSIA emissions unit criteria and the subsequent formation of the Technical Advisory Body (TAB) in March 2019 to make recommendations on CORSIA eligible emissions units is an important and welcome development. In addition, the sustainability theme and criteria for CORSIA eligible fuels is also being discussed in ICAO.

It is essential that timely guidance is provided on CORSIA eligible emissions units and CORSIA eligible fuels to facilitate operators' business decisions in meeting CORSIA's offsetting requirements. Such guidance would also allow project developers and fuel suppliers, as appropriate, to respond to the expected demand for offsets from CORSIA.

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