



ASSEMBLY — 42ND SESSION

EXECUTIVE COMMITTEE

Agenda Item 16: Environmental Protection – International Aviation and Climate Change

FURTHER IMPROVEMENT OF THE CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION (CORSIA) AND THE CERTIFICATION PROCESS FOR SAF AND LCAF ALTERNATIVE AVIATION FUELS ACCEPTABLE FOR CORSIA

(Presented by the Russian Federation)

EXECUTIVE SUMMARY

The main instruments for meeting obligations under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) are the use of emission units and CORSIA-compliant aviation fuel. Requirements for emission units and aviation fuel and lists of eligible emission units and fuel manufacturers are to be determined by the Council with the assistance of advisory bodies. The procedures and time frames for such work have not been determined, however, and this may potentially entail the risk of the over-frequent revision of criteria, rules and requirements and prevent their timely implementation.

There are a number of obstacles to the use of CORSIA-compliant aviation fuel: first, it is currently not possible to certify Lower Carbon Aviation Fuels (LCAF) manufacturers and, second, the possibilities of such certification may be limited because of politically motivated decisions under approved sustainability certification schemes to reject applications from the fuel manufacturers of certain countries.

Action: The Assembly is invited to:

- request the Council to ensure the incorporation in the document "CORSIA Eligibility Framework and Requirements for Sustainability Certification Schemes" of a requirement that such sustainability certification schemes accept the obligation to consider applications for certification from fuel producers of all countries without exception;
- request the Council to consider the possibility of accepting the certification by national certification bodies of compliance by LCAF manufacturers with the sustainability criteria for CORSIA-compliant aviation fuels until sufficient conditions are in place for the full functioning of sustainability certification schemes in this area;
- request the Council, when determining whether Volume IV of Annex 16 or the ICAO documents relating to CORSIA and referred to in Volume IV should be updated, to update them no more frequently than every three years; and
- encourage States, with the active participation of ICAO, to implement measures to support the development of international and national climate projects in the field of aviation.

Strategic Goals:

This working paper relates to Strategic Goal *Aviation is Environmentally Sustainable*

¹ Russian version provided by the Russian Federation

<i>Financial implications</i>	This will require no additional financial resources.
<i>References:</i>	Annex 16 to the Convention on International Civil Aviation — <i>Environmental Protection</i>, Volume IV — <i>Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)</i>, Second Edition, July 2023 ICAO Assembly Resolution A41-22 – <i>Consolidated statement of continuing ICAO policies and practices related to environmental protection – Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)</i> ICAO Assembly Resolution A40-18 – <i>Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change</i>

1. INTRODUCTION

1.1. In 2018, the International Civil Aviation Organization (ICAO) adopted Volume IV, *Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)*, of Annex 16 to the Convention on International Civil Aviation, *Environmental Protection*. The goal of CORSIA is to keep carbon dioxide emissions from international air travel below 85 per cent of all emissions in 2019. To achieve this goal, the Scheme provides for the offsetting of emissions above the baseline level through the purchase of CORSIA-eligible emission units and the use of CORSIA-compliant fuel by airlines.

1.2. In 2022, the Assembly adopted Resolution A41–22, pursuant to which the Council, with the assistance of the Technical Advisory Body (TAB) and the Committee on Aviation Environmental Protection (CAEP), has full authority to develop and update Volume IV of Annex 16 and the ICAO CORSIA documents referenced in the Annex.

1.3. On the recommendation of TAB, the Council shall determine the emission units that meet the CORSIA criteria. The CORSIA Emissions Unit Criteria are approved and may only be amended by the Council, with the technical contribution of CAEP, taking into account relevant developments in the UNFCCC and the Paris Agreement.

1.4. According to the current version of the document "CORSIA Eligible Emissions Units", 11 emissions unit programmes were approved for the period 2021–2023 and 6 programmes for the period 2024–2026.

1.5. The Council shall also determine the sustainability criteria for CORSIA-compliant aviation fuels, determine the applicability principles and requirements for sustainability certification systems certifying manufacturers of such fuels, and approve these sustainability certification systems.

1.6. The use of CORSIA-compliant sustainable aviation fuel (SAF) has the potential to significantly reduce the carbon footprint of international air travel. The relevant production technologies, infrastructure and aviation equipment itself are currently insufficiently developed, however. In addition, the resource base for the production of SAF, together with its high costs, significantly limit the possibilities of its widespread use in the near future.

1.7. The use of CORSIA-compliant LCAF produced from oil using technologies to reduce greenhouse gas emissions at different stages of the fuel life cycle can reduce specific greenhouse gas emissions by at least 10–15 per cent. Many manufacturers of aviation fuels believe that the LCAF technologies are at a sufficiently high level and do not require significant investment, which means that their introduction can be expected in the near future.

1.8. Pursuant to Assembly Resolution A41–22, starting in 2022, the Council will review the implementation of CORSIA, including its impact on the growth of international aviation, every three years, providing a sound basis for the Council to consider the need for adjustments to the next phase or cycle of compliance and, where appropriate, to recommend such adjustments to the Assembly for its decision.

2. DISCUSSION

2.1. Within the framework of the existing procedures for the functioning of CORSIA and in the context of the formulation of rules, requirements and criteria, the Russian Federation draws attention to the current and potential risks of discrimination against certain participants in the international Scheme.

2.2. In particular, the frequent revision of CORSIA requirements may render impossible their timely incorporation in the domestic legislation of the countries participating in the Scheme, thereby hampering international cooperation within the framework of established rules and procedures.

2.3. Frequent adjustments to legislation in line with updated CORSIA requirements will also entail significant administrative costs, a critical consideration for developing countries and their special circumstances.

2.4. Second, the possible frequent updating of the ICAO documents on CORSIA referred to in Volume IV of Annex 16, such as, for example, "CORSIA Emissions Unit Eligibility Criteria" and "CORSIA Sustainability Criteria for CORSIA Eligible Fuels", will create an uneven playing field for the various participants in the Scheme in terms of offering the necessary products and services.

2.5. In some countries, such CORSIA-related issues as the issuance of emission units, the functioning of carbon markets, and the creation and development of the SAF and LCAF market are directly bound up with the parameters of State policy and national legislation: rapid changes in requirements and procedures may render such States unable to ensure compliance with CORSIA requirements in a timely manner and remove their competitive advantage over private, non-State participants in the Scheme, which are able to adapt quickly to changing requirements.

2.6. The use of carbon units from Council-approved climate programmes which have nothing to do with the aviation industry will lead to a significant drain of funding from the aviation sector to other sectors of the economy. These funds could be used for the technical upgrading of the aircraft and equipment operated by airlines and raise the level of flight safety. The inadmissibility of such a development of events was recognized in Resolution A40-18 of the 40th Session of the Assembly. In addition, Resolution A41-22 of the 41st Session of the Assembly requests the ICAO Council to promote the use of emission units generated that benefit developing States and encourages States to develop domestic aviation-related projects. In this regard, States, with the active participation of ICAO, are invited to discuss and implement effective measures to support the development of international and domestic aviation-related climate projects, thereby boosting their competitiveness over non-aviation projects. In particular, such projects may include climate projects involving the use of aviation equipment to prevent and fight wildfires.

2.7. In turn, attainment of the Scheme's fundamental climate goals is directly threatened by the inability to ensure compliance with CORSIA requirements in a timely manner. In particular, frequent revision of the requirements of the document "CORSIA Emissions Unit Eligibility Criteria" and the subsequent narrowing of the list of units included in the document "CORSIA Eligible Emissions Units" entail the risk of insufficient supply of eligible emission units on the market and excessive demand for such units, which may not only significantly increase the costs to aircraft operators of compliance with CORSIA requirements through significant price effects, but also call into question the very possibility of meeting the Scheme's requirements to meet compensation obligations.

2.8. Barriers to the use of SAF and LCAF in CORSIA, due to complexities in their certification process, are also a major cause for concern.

2.9. First, in the activities of the currently approved sustainability certification schemes, there is evidence of bias and dependence on the political, economic and other views of certain countries, competing structures and regions. In particular, one of these companies recently posted an announcement on its Internet website that it will not consider applications for SAF certification from the fuel manufacturers of two States (later this announcement was taken down).

2.10. Second, a key obstacle to the large-scale and cost-effective use of CORSIA-compliant aviation fuel is posed by the current inability to certify LCAF manufacturers: in accordance with the ICAO document "CORSIA Approved Sustainability Certification Schemes", none of the approved sustainability certification systems is authorized to certify LCAF manufacturers and suppliers. Thus, despite its potentially significant positive contribution to attainment of the goals of CORSIA and the abundant technical opportunities to scale up its production, the use of LCAF for the purposes of the Scheme is currently not possible.

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