



WORKING PAPER

ASSEMBLY — 41ST SESSION

EXECUTIVE COMMITTEE

Agenda Item 18: Environmental Protection - Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)

PERSPECTIVES ON THE 2022 CORSA REVIEW

(Presented by Czechia on behalf of the European Union¹ and its Member States, the other Member States of the European Civil Aviation Conference², and EUROCONTROL)

EXECUTIVE SUMMARY

The implementation of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) so far shows a shared commitment to implement the 2016 agreement by the Assembly to stabilise aviation emissions from 2020 onwards. The current CORSA review should in particular cover improvements that would support the purpose of the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC). Its environmental ambition needs to be advanced in the course of the periodic reviews. In assuring a phased implementation of CORSA, the post-2023 CORSA baseline should be set at a level where offsetting requirements arise for emissions from 2024. This could be achieved by having a baseline that ensures the same level of ambition as the one originally agreed for phases from 2024 onwards. CORSA needs to be given the opportunity to prove that it works as intended before considering any fundamental changes in later reviews.

Action: The Assembly is invited to approve the actions referred to below (also in paragraph 6):

- a) note that all implementation elements of CORSA are adopted and in effect;
- b) consider improvements of the scheme's design if they lead to increased effectiveness of the scheme for the next cycle (2024-2026) that would further support the purpose of the Paris Agreement under the UNFCCC, in particular its temperature goals. Timing of the mandatory phase or other fundamental tenets of CORSA could be left for later reviews;
- c) reaffirm a baseline from 2024 that ensures the same level of ambition of CORSA as the one originally agreed in the Assembly Resolution A40-19 and in the CORSA Standards and Recommended Practices (SARPs); and
- d) instruct the Council to take the necessary measures to ensure that double counting of emissions reduction does not occur between CORSA and nationally determined contributions under the Paris Agreement.

¹ Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

² Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Iceland, Republic of Moldova, Monaco, Montenegro, North Macedonia, Norway, San Marino, Serbia, Switzerland, Türkiye, Ukraine and the United Kingdom

<i>Strategic Objectives:</i>	This working paper relates to the Strategic Objective – <i>Environmental Protection</i> .
<i>Financial implications:</i>	The activities referred to in this paper will be undertaken subject to the resources available in the 2023-2025 Regular Programme Budget and/or from extra budgetary contributions.
<i>References:</i>	<i>Convention on International Civil Aviation (Chicago Convention)</i> <i>Annex 16 — Environmental Protection</i> <i>Assembly Resolution A40-19 — Consolidated statement of continuing ICAO policies and practices related to environmental protection - Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)</i>

1. INTRODUCTION

1.1 The CORSIA SARPs and all Implementation Elements have been adopted. This demonstrates a shared commitment to implement the 2016 agreement by the ICAO Assembly to stabilise net international aviation emissions from 2020 onwards (CNG2020). This is a crucially important initial step taken by aviation towards reaching the objectives of the Paris Agreement under the UNFCCC, in particular to limit the global temperature increase to well below 2°C, while pursuing efforts to limit the increase to 1.5°C.

1.2 Like many other States around the globe, European Civil Aviation Conference (ECAC) Member States show their commitment to the scheme and to a robust and legally-binding implementation in their jurisdictions. All 44 ECAC Member States volunteered to participate, right from the beginning, in the voluntary pilot phase of CORSIA starting in 2021, and are fully engaged and mutually supportive in CORSIA implementation. Their commitment to CORSIA was re-iterated at the 40th ICAO Assembly in 2019, and through the subsequent submission of emissions reports.

1.3 The States presenting this paper support the implementation of CORSIA, with robust rules and governance, backed by the broadest possible participation. It is crucial that all States and operators commit to implementing CORSIA effectively to meet the CNG2020 goal. A high level of participation is key to ensure a positive climate impact, and we encourage States to volunteer as soon as possible.

1.4 The CORSIA-eligible emission units and the sustainability framework for SAF are of utmost importance for CORSIA's effectiveness and credibility. To the same end, CORSIA shall take into account developments under the UNFCCC and the Paris Agreement, including the agreement of the enhanced transparency framework at COP26, for the prevention of double counting of emission reductions.

1.5 The Assembly should instruct the Council to take the necessary measures to ensure that double counting of emissions reductions - as per the enhanced transparency framework and Article 6 of the Rulebook agreed at COP26 - does not occur³ under nationally determined contributions under the Paris Agreement and for the mitigation underlying all CORSIA Eligible Emissions Units, nor for reductions obtained through the use of CORSIA Eligible Fuels.

1.6 The 40th Session of the ICAO Assembly strongly encouraged all States to voluntarily participate in the pilot phase and the first phase of CORSIA. As of July 2022, 115 States have notified their decision to participate voluntarily from 1 January 2023. The fact that more than 97% of the total CO₂ emissions of international civil aviation have been reported through the CORSIA Central Registry for both

³ Through the host state's application of corresponding adjustments in accounting for its nationally determined contribution under the Paris Agreement

years 2019 and 2020 is testament of the determination of both States and aeroplane operators to ensure the successful implementation of CORSIA.

2. CORSIA PERIODIC REVIEW

2.1 The CORSIA Resolution (A40-19, paragraph 9 g)) states that “starting in 2022, the Council will conduct a review of the implementation of the CORSIA every three years, including its impact on the growth of international aviation, which serves as an important basis for the Council to consider whether it is necessary to make adjustments to the next phase or compliance cycle and, as appropriate, to recommend such adjustments to the Assembly for its decision”. It further specifies what this review should cover (A40-19, paragraph 17). In particular, it refers to “improvements that would support the purpose of the UNFCCC and the Paris Agreement”.

2.2 The Sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC) identified that “sectoral agreements (on aviation and shipping) fall far short of what would be required to achieve the temperature goal of the Paris Agreement”⁴. There is therefore a need to advance the environmental ambition of the scheme in the course of undertaking the CORSIA Periodic Reviews.

2.3 The authors of this paper welcome the inputs to the 2022 CORSIA periodic review provided by CAEP, namely: the further assessment of the COVID-19 pandemic impacts on CORSIA and its baseline; the assessment of costs of CORSIA implementation on States and aeroplane operators; and the analysis of impact on different types of operators. The authors of this paper take note of some States' concerns with the individual operator's growth factor, relevant to determine the individual operator's offsetting obligations from 2030 onwards.

2.4 Considering that CORSIA needs to be given the opportunity to prove that it works as intended before considering embarking on any fundamental changes, this first periodic review should cover those elements of CORSIA which are active and on which practical experience has been gained by States until now: attribution of airlines, scope considerations and monitoring, reporting and verification (MRV). They have been implemented by States, and the authors consider that this first CORSIA review should focus on how these aspects could be improved as needed.

2.5 For the first review, emphasis should be given to the fact that the periodic review clause is also a method to ensure that CORSIA remains fit for purpose throughout its operation and in line with climate policy worldwide, including the best available climate science. It also represents the mechanism whereby the level of ambition of CORSIA can be kept abreast with worldwide climate policy developments.

2.6 The CORSIA periodic reviews are undertaken by the Council every three years, with the technical contributions of CAEP. There is a need for regular and systematic assessment of CORSIA in future, such as updates on the contribution of CORSIA offsetting to the temperature goals of the Paris Agreement under the UNFCCC. More fundamental considerations could be covered in later reviews.

3. APPLICATION OF SAFEGUARDS IN CORSIA IN RESPONSE TO THE COVID-19 PANDEMIC

3.1 The CORSIA Resolution (A40-19, paragraph 16) recalls the Assembly's decision at the 39th Session on the need to provide for safeguards in CORSIA to ensure the sustainable development of the international aviation sector and against inappropriate economic burden on international aviation.

3.2 The COVID 19 pandemic and associated travel restrictions caused an unexpected drop in CO₂ emissions from the sector. This decrease, in conjunction with the 220th ICAO Council Decision to

⁴ https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_Chapter14.pdf Chapter 14, page 4

apply the CORSIA safeguards and adjust the baseline of CORSIA to be made up of 2019 emissions alone during the pilot phase (2021-2023) almost certainly leads to zero offsetting in the pilot phase.

4. **CORSIA BASELINE FROM 2024**

4.1 In the course of undertaking the CORSIA Periodic Reviews, the environmental ambition of the scheme should be advanced to the extent possible. This would be consistent with the legally binding commitments ICAO contracting States have made under the Paris Agreement.

4.2 The authors wish to recall the decision at the 39th Assembly on the use of a phased implementation for CORSIA to accommodate the special circumstances of States, in particular developing States.

4.3 While uncertainties remain over the speed of full recovery of international aviation to pre-pandemic levels of traffic and emissions, it is necessary that the post-2023 CORSIA baseline is set at a level where offsetting requirements would arise for emissions in 2024. Therefore, the 41st Assembly should reaffirm a baseline from 2024 with the same level of ambition of CORSIA as the one originally agreed in the Assembly Resolution A40-19 and in the CORSIA SARPs.

5. **ACT-CORSIA**

5.1 ECAC Member States have participated in the ICAO Assistance, Capacity-building and Training for CORSIA (ACT-CORSIA) buddy partnership programme and projects funded by the European Union (EU) have provided assistance in the form of expert training and necessary follow-up support to recipient States, including in Africa, Latin America and the Caribbean, South Asia and the Association of Southeast Asian Nations (ASEAN) Member States. This covers the ability to implement CORSIA and the promotion of the rest of the basket of measures, including the preparation or update of the State Action Plans.

5.2 The authors of this paper commend the Secretariat for the success and effectiveness of the ACT-CORSIA programme, and recommended its continuation with a focus on CO₂ emission mitigation (e.g. through the use of SAF) and offsetting. There is also a need for continued support from States to the ACT-CORSIA initiative.

6. **ACTIONS**

6.1 The Assembly is invited to:

- a) note that all implementation elements of CORSIA are adopted and in effect;
- b) consider improvements of the scheme's design if they lead to increased effectiveness of the scheme for the next cycle (2024-2026) that would further support the purpose of the Paris Agreement under the UNFCCC, in particular its temperature goals. Timing of the mandatory phase or other fundamental tenets of CORSIA could be left for later reviews;
- c) reaffirm a baseline from 2024 that ensures the same level of ambition of CORSIA as the one originally agreed in the Assembly Resolution A40-19 and in the CORSIA SARPs; and
- d) instruct the Council to take the necessary measures to ensure that double counting of emissions reduction does not occur between CORSIA and nationally determined contributions under the Paris Agreement.