

**TECHNICAL ADVISORY BODY (TAB)**  
**RECOMMENDATIONS ON CORSIA ELIGIBLE EMISSIONS UNITS**

*The following is an excerpt from the TAB Report of January 2022, presented in Appendix B of C/WP-15327*

**3. TAB RECOMMENDATIONS ON MATERIAL CHANGES**

3.1 TAB recommends updated eligibility parameters for one emissions unit programme that was previously approved for immediate eligibility to supply CORSIA Eligible Emissions Units, for which TAB assessed material procedural updates submitted by the programme in this cycle:

- Verified Carbon Standard (see further details in Section 3.3)

3.2 The eligibility of the emissions units should remain subject to the general eligibility parameters set out in the Section 4.1 of the TAB Report (January 2020) from TAB's first assessment cycle unless otherwise specified in Section 3.3, and any additional programme-specific parameters set out for the programme, as specified in paragraph 3.3.12. The recommendations in this section do not retroactively disallow currently eligible registered activities.

**3.3. Verified Carbon Standard**

***TAB recommendations based on material changes assessed***

3.3.1 In light of VCS's procedural changes submitted for and assessed under TAB's 2021 assessment of potentially material procedural updates, including changes to the nomenclature used in VCS's updated programme documents, TAB recommends a programme-specific amendment to VCS's *Scope of Eligibility*, as specified in paragraph 3.3.12, which should be clearly described in the ICAO document titled "CORSIA Eligible Emissions Units".

3.3.2 *Eligible Unit Dates* for this programme, as for all programmes that are subject to TAB's re-assessment of CORSIA eligible emissions units programmes for use after the pilot phase (planned for 2022), will be reviewed in the course of this re-assessment, in particular where *Eligible Unit Dates* cover emissions reductions occurring beyond 31 December 2020 and taking into account relevant developments in the UNFCCC and Article 6 of the Paris Agreement.

***Background on programme status***

3.3.3 In prior assessment cycles, TAB found that the VCS' procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019 were consistent with the contents of the EUC, for emissions units generated under the programme prior to 1 January 2021.

3.3.4 The criterion A system must have measures in place to assess and mitigate incidences of material leakage includes a guideline requiring that, "...activities that pose a risk of leakage when implemented at the project-level should be implemented at a national level, or on an interim basis on a subnational level, in order to mitigate the risk of leakage." In its first assessment cycle in 2019, TAB found

that VCS's procedures under Scenario 2 and Scenario 3 of VCS Jurisdictional and Nested REDD+ (JNR) were consistent with this guideline and recommended their conditional approval, pending the completion of requested further actions relating to the Permanence criterion. TAB found that procedures under JNR Scenario 1 were not fully consistent with the guideline A system must have measures in place to assess and mitigate incidences of material leakage, because Scenario 1 enabled "nesting" of REDD+ projects into a jurisdictional baseline but without jurisdiction-level monitoring requirements that TAB regarded as necessary to achieve consistency with this criterion and its guideline. TAB recommended the exclusion of emissions units generated from project-level activities, including project-level activities implemented under Scenario 1, with allowable exceptions for activity types that do not pose a risk of leakage when implemented at the project level.<sup>1</sup>

3.3.5 In its second assessment cycle in 2020, TAB assessed VCS's updated procedures for JNR Scenario 2 and Scenario 3 as demonstrating fulfilment of the programme's conditions for eligibility that were accepted by Council related to the Permanence criterion. In reference to the criterion A system must have measures in place to assess and mitigate incidences of material leakage, TAB also recommended further allowable exceptions to the exclusion of emissions units generated by project-level activities, including those following JNR Scenario 1 procedures, based on criteria interpretations applicable to different activity types, geographic contexts and project sizes.<sup>2</sup> During its third assessment cycle in 2021, TAB recommended two more methodologies as allowable exceptions to the exclusion of emissions units generated by project-level activities, including those following JNR Scenario 1 procedures.<sup>3</sup> At its 221st Session in October 2020 and 224th Sessions in November 2021, Council approved these recommendations to expand the *Scope of Eligibility* for VCS.

### ***Summary of material procedural updates***

3.3.6 In April 2021, VCS submitted for TAB's assessment information on updates to its procedures pertaining to its Jurisdictional and Nested REDD+ (JNR) framework, elements of which are included under the current VCS' *Scope of Eligibility*. Several of these recent updates to the JNR Requirements (now version 4.0) were described to TAB during its first assessment cycle in 2019 but were still undergoing consultation and finalization. VCS has since finalized these and other related updates and submitted them for TAB's review in April 2021.

3.3.7 The updates submitted by VCS involved updated programme procedures for JNR activities including, *inter alia*, updated requirements for JNR Scenarios 1, 2, and 3. TAB's assessment of these updates focused in particular on updates that restructured JNR Scenario 2 into two categories: Scenario 2a and 2b. TAB identified that the procedures and arrangements for "JNR Scenario 2a" largely aligned with those that were previously assessed as "JNR Scenario 2"—such that this was primarily a change to the nomenclature used in updated VCS programme documents.

3.3.8 TAB further identified that the procedures reflected in (new) Scenario 2b indeed differed materially from the procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019–2021. These changes focused on updated or new requirements enabling activities to "nest" within a jurisdictional programme in case where the jurisdiction itself is not participating in VCS JNR. Scenario 2b specifies jurisdiction-level conditions that must be present in order for activities to qualify for crediting under JNR Scenario 2b—as well as direct guidance and requirements for project-level

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<sup>1</sup> See sections 4.2.7 and 4.3.2 of the TAB Report (January 2020)

<sup>2</sup> See Section 4.2.7 and 4.3.8 of the TAB Report (October 2020)

<sup>3</sup> See section 4.2.4.7 of the TAB Report (September 2021)

implementation involving, e.g., the use of the jurisdiction’s forest reference emissions level and for project-level accounting for emissions leakage as well as for reversals identified within the project boundary. Scenario 2b also excludes some project- and jurisdiction-level requirements that are present under Scenario 2a (and formerly under Scenario 2) pertaining to, e.g., jurisdictional monitoring and accounting for net increases in emissions at the jurisdictional scale. TAB confirmed that the updated procedures pertaining to new Scenario 2b were material changes to VCS JNR’s earlier-stage procedures and programme elements and decided to assess them in this cycle.

### ***General findings***

3.3.9 TAB found that VCS procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019, supplemented by material changes submitted for TAB’s assessment through April 2021, were largely consistent with the EUC, for emissions units generated under the programme prior to 1 January 2021.

3.3.10 Consistent with its findings in its first assessment cycle (paragraphs 3.3.4 of this document), TAB found that the updated procedures for JNR Scenario 2a (previously known as “Scenario 2”) and Scenario 3 both remain consistent with the EUC criterion A system must have measures in place to assess and mitigate incidences of material leakage. However, TAB found that some of the updated procedures for JNR Scenario 1 and the new module “Scenario 2b” are not fully consistent with this criterion’s guideline on *Scope and leakage prevention*,<sup>4</sup> given that they do not involve comprehensive procedures for monitoring and accounting of jurisdiction-wide emissions and removals.

3.3.11 TAB found that updated VCS procedures for JNR Scenario 2a and Scenario 3 both remain consistent with the guideline on *double issuance* under the criterion Are only counted once towards a mitigation obligation, which provides that “the program should have procedures in place for program and/or registry administrator monitoring of program registry(ies) to ensure ... that only one unit is issued for one tonne of mitigation”. However, TAB found that JNR Scenario 2b procedures for nesting projects into jurisdictional programmes *other than* its own JNR Framework are not fully consistent with this criterion and its guideline, due to insufficient clarity regarding the confirmation that procedures are in place to ensure that emissions units for mitigation already credited to either the VCS project-level activity or the higher-level jurisdiction are not *subsequently* double-issued by the other.

### ***Programme-specific eligibility parameters***

3.3.12 *Scope*: VCS submitted for TAB’s assessment most, but not all, activity types and scales, unit types, methodologies, and procedural categories supported by the programme, supplemented by material changes to programme procedures assessed under TAB’s 2021 assessment cycle. TAB recommends that exclusions from or limitations to the programme’s eligibility scope described in the ICAO document titled “CORSIA Eligible Emissions Units” should include those set out in the general eligibility parameters in Section 4.1 of the TAB Report (January 2020) from the TAB’s first assessment; and those specified for VCS in 6th edition of the ICAO document titled “CORSIA Eligible Emissions Units” (November 2021), with the following amendment:

*Scope of Eligibility*: (d) a. VCUs issued to project-level activities under a jurisdictional programme following Scenario 2a of the VCS JNR framework

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<sup>4</sup> “Programs should have provisions in place requiring that activities that pose a risk of leakage when implemented at the project-level should be implemented at a national level, or on an interim basis on a subnational level, in order to mitigate the risk of leakage.”

3.3.13 **Further actions requested of the programme:** TAB recommends maintaining the recommended further actions requested of the programme in Section 4.2.7.8 paragraph c) of the TAB Report (January 2020), which states: “TAB recommends that the Council request VCS to undertake the following actions, which do not need to be taken prior to describing the VCS in the ICAO document titled “CORSIA Eligible Emissions Units”: to clearly state, in an update to its relevant programme Rules and Requirements at the earliest opportunity, the information in [paragraph c] below:

...c) procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates referred to in Section 4.1.”

TAB will request a progress update pertaining to the requested further action(s) in the 2022 re-assessment process.

### 3.4. Other Findings from TAB’s Assessment of Potential Material Change

#### 3.4.1. American Carbon Registry

3.4.1.1 TAB’s first assessment found that ACR’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019 were fully consistent with all EUC, for emissions units generated under the programme prior to 1 January 2021. TAB recommended ACR as *immediately eligible* to supply CORSIA Eligible Emissions Units, which the Council approved at its 219th session and updated in line with clarifications recommended by TAB during its 221st session. At its 222nd Session in March 2021, Council approved the extension of ACR’s *Eligible Unit Dates* through 31 December 2023.

3.4.1.2 ACR submitted potentially material procedural changes in September 2021 for TAB’s review and possible assessment. Prior to TAB/10, TAB members identified that ACR’s updates were purely administrative and would not have functional implications for or impact the programme’s substantive procedures or implementation. Thus, TAB confirmed that these were immaterial updates and did not further assess them in this cycle.

3.4.1.3 **Further actions requested of the programme:** TAB recommends maintaining the recommended further actions requested of the programme in Section 4, paragraph 4.1.10 of the TAB Report (January 2021), which states: “TAB recommends that the Council request ACR to undertake the actions in paragraphs a) through c) below. These actions do not need to be taken prior to updating ACR’s description in the ICAO document titled “CORSIA Eligible Emissions Units”:

- a) to clarify in an update to its guidance or standard at the earliest opportunity that “other means” for evidencing adjustments, as referred to in Version 7.0 of the ACR Standard<sup>5</sup>, may precede or complement, but are not a substitute for, evidencing adjustments in country reports to the UNFCCC in the manner ACR requires host countries to detail in their Letters of Assurance and Authorization;

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<sup>5</sup> Appendix B, Section B4: Paragraph 3, Option i; and Paragraph 5 of ACR Standard Version 7.0, available here: [https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard/acr-standard-v7-0\\_final\\_dec2020.pdf](https://americancarbonregistry.org/carbon-accounting/standards-methodologies/american-carbon-registry-standard/acr-standard-v7-0_final_dec2020.pdf)

- b) to clarify in an update to its guidance or standard at the earliest opportunity that a 5% CORSIA Buffer Pool contribution, as referred to in Version 7.0 of the ACR Standard<sup>6</sup>, is applicable to projects located in Host Countries with an Organization for Economic Co-operation (OECD) Prevailing Country Risk Classification score of “0”; and
- c) to continue to advance its evaluation of responses to confirmed instances of double-claiming, as referred to in Version 7.0 of the ACR Standard<sup>7</sup>, such as, *inter alia*, whether to cease qualifying offset credits from the respective country for CORSIA, or possible revisions to the country’s risk classification in such instances.

TAB will request a progress update pertaining to the requested further action(s) in the 2022 re-assessment process.

### 3.4.2. Architecture for REDD+ Transactions

3.4.2.1 TAB’s second assessment cycle in 2020 found that ART’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2020 were fully consistent with all EUC, for emissions units generated under the programme prior to 1 January 2021. TAB recommended ART as *immediately eligible* to supply CORSIA Eligible Emissions Units, which the Council approved at its 221st session in October 2020. At its 224th Session in November 2021, Council approved the extension of ART’s *Eligible Unit Dates* through 31 December 2023.

3.4.2.2 ART submitted for TAB’s assessment potentially material procedural updates in September 2021, which fall into five key categories. These include updates to extend the programme’s scope to support (1) ART The REDD+ Environmental Excellence Standard (TREES) activities that credit emissions *removals* and (2) the implementation of and crediting to ART TREES activities that involve the protection of intact forests in locations with High Forest cover and Low Deforestation rates (HFLD). ART disclosed new procedures for (3) crediting ART TREES activities in locations where smaller-scale activities (sub-jurisdictional / project-level) are implemented within an ART TREES jurisdiction but are credited by another emissions unit programme and are explicitly designated and issued for purely domestic uses (e.g., compliance or voluntary initiatives administered by a host country government). ART also reported new procedures that (4) support the approval of recognized Indigenous Peoples territories as discrete subnational accounting areas where these are registered by a national government according to ART TREES criteria. Finally, ART provided evidence of the implementation and publication of (5) procedures that respond to the Council’s requested further action for ART to finalize procedures requiring and facilitating a minimum 20-year monitoring and crediting timeframe for jurisdictional programmes that wish to be CORSIA-eligible.

3.4.2.3 TAB assessed the updates in categories (1) – (4) as material changes to ART’s earlier-stage procedures and programme elements, which were assessed in 2020. TAB found that ART’s updated procedures demonstrated continued technical consistency with the contents of the following criteria and their guidelines for criteria interpretation: Scope Considerations; Carbon offset programmes must generate units that represent emissions reductions, avoidance, or removals that are additional; Carbon offset credits must be based on a realistic and credible baseline; A system must have measures in place to assess and mitigate incidences of material leakage; and Are only counted once towards a mitigation obligation.

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<sup>6</sup> ACR Standard Version 7.0 Appendix B, Section B4: Paragraph 3, Option iv of ACR Standard Version 7.0

<sup>7</sup> ACR Standard Version 7.0 Appendix B, Section B4: Paragraph 3, Paragraph 6 of ACR Standard Version 7.0

3.4.2.4 Upon reviewing the updated procedures in categories (1) – (4) above, TAB confirmed that the changes reported do not necessitate any revision to its previous recommendations to Council regarding ART’s *Scope of Eligibility* at this time. TAB further confirmed that ART’s finalized procedures pertaining to the duration of ART activities that wish to CORSIA-eligible (category (5), above) were consistent with the further actions requested by the Council.

3.4.2.5 ***Further actions requested of the programme:*** TAB recommends maintaining the recommended further actions requested of the programme in Section 4.2.3.9 of the TAB Report (September 2021), which states: “TAB recommends that the Council request ART to to elaborate in an update to its guidance or standard at the earliest opportunity procedures providing for Host Party attestations to specify the expected timing and/or trigger(s) for applying and reporting adjustments. These actions do not need to be taken prior to updating ART’s description in the ICAO document titled “CORSIA Eligible Emissions Units”. TAB will request a progress update pertaining to the requested further action(s) in the 2022 re-assessment process.

### 3.4.3. Climate Action Reserve

3.4.3.1 TAB’s first assessment cycle in 2019 found that the Reserve’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019 were consistent with the EUC, for emissions units generated under the programme prior to 1 January 2021. TAB recommended the Reserve as *immediately eligible* to supply CORSIA Eligible Emissions Units, which the Council approved at its 219th session in March 2020 and updated in line with clarifications recommended by TAB during its 221st session in October 2020.

3.4.3.2 TAB also recommended, and the Council accepted and requested, that the Reserve “update, or finalize updates to, programme procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates referred to in Section 4.1 of the TAB Report from its first assessment<sup>8</sup>. This action does not need to be taken prior to describing the Climate Action Reserve in the ICAO document titled “CORSIA Eligible Emissions Units”.”

3.4.3.3 In September 2021, the Reserve submitted for TAB’s assessment programme procedures related to the guidelines for host country attestation, in response to the Council’s “Further actions requested of the programme”. TAB assessed these updates as material changes to the Reserve’s earlier-stage procedures and programme elements related to host country attestations, which were assessed in 2019. TAB found that the Reserve demonstrated technical consistency with some, but still not all, contents of the criterion Are only counted once towards a mitigation obligation and its guidelines for criteria interpretation.

3.4.3.4 TAB noted the Reserve’s progress on the development of these procedures pertaining to the contents of host country attestations and its continued willingness to put in place the measures to ensure that emissions reductions resulting from its activities are consistent with the EUC contents and guidelines pertaining to the avoidance of double-claiming, in the context of the Paris Agreement and decisions taken under the UNFCCC. However, upon reviewing the updated procedures, TAB confirmed that the changes reported do not necessitate any revision to its previous recommendations to Council regarding the Reserve’s *Scope of Eligibility* at this time.

3.4.3.5 ***Further actions requested of the programme:*** TAB recommends maintaining the recommended further actions requested of the programme in Section 4.2.5.6, paragraph b) of the TAB

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<sup>8</sup> Section 4.2.5, [https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202020/TAB\\_JANUARY\\_2020\\_REPORT\\_EXCERPT\\_SECTION\\_4.EN.pdf](https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202020/TAB_JANUARY_2020_REPORT_EXCERPT_SECTION_4.EN.pdf)

Report (January 2020), which states: “TAB recommends that the Council request the Reserve to undertake the following action [paragraph b] which do not need to be taken prior to describing the Reserve in the ICAO document titled “CORSIA Eligible Emissions Units”:

...b) to update, or finalize updates to, programme procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates referred to in Section 4.1.”

TAB will request a progress update pertaining to the requested further action(s) in the 2022 re-assessment process.

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