

4 TAB RECOMMENDATIONS FROM ITS FIRST RE-ASSESSMENT

4.1 GENERAL ELIGIBILITY PARAMETERS FOR 2024-2026 COMPLIANCE PERIOD

4.1.1 TAB recommends that the Council approve the general eligibility parameters in this section for application in CORSIA's first phase (2024-2026 compliance period). This recommendation does not in any way alter programmes' existing eligibility scopes or parameters for CORSIA's pilot phase (2021-2023 compliance period).

4.1.2 TAB-recommended eligibility timeframe and unit date eligibility

4.1.2.1 The following parameters of unit date eligibility apply to all CORSIA Eligible Emissions Units that are approved by the ICAO Council for use in the CORSIA first phase, in addition to any programme-specific eligibility parameters recommended for a particular programme:

a) eligible for cancellation for use toward CORSIA offsetting requirements in the **2024-2026 compliance period** (hereafter *eligibility timeframe*); and

b) issued:

1) to activities that started their first crediting period from **1 January 2016**; and

2) in respect of emissions reductions that occurred **from 1 January 2021 through 31 December 2026**.

4.1.2.2 *Extension of unit date eligibility:* The date(s) in paragraph 4.1.2.1 above may only be extended to apply to eligibility timeframes beyond the CORSIA first phase (2024-2026 compliance period), and/or eligible unit dates after 31 December 2026, subject to the Council decision and TAB recommendations. TAB may recommend such an extension to the Council where TAB's analysis identifies that an emissions unit programme is fully consistent with all of the EUC and guidelines when assessing the eligibility of emissions units with eligibility dates beyond 31 December 2026.

4.1.2.3 A summary of TAB's discussions and analysis that informed these recommendations is in Section 4.3 further down.

4.2 PROGRAMME RECOMMENDATIONS

4.2.1 Programmes recommended for immediate eligibility

4.2.1.1 TAB recommends that the following emissions unit programme should be approved to supply CORSIA Eligible Emissions Units for the first phase (2024-2026 compliance period):

- American Carbon Registry (see details in section 4.2.2)
- Architecture for REDD+ Transactions (see details in section 4.2.3)

4.2.1.2 The eligibility of the emissions units for the first phase (2024-2026 compliance period) should be subject to the general eligibility parameters set out in Section 4.1.2 and any programme-specific parameters set out for each given programme, respectively, in Sections 4.2.2.3 and 4.2.3.3, which should be clearly described in section II of the ICAO document titled "CORSIA Eligible Emissions Units". These

programmes also continue to be eligible to supply emissions units for the pilot phase (2021-2023 compliance period) according to their existing eligibility parameters set out in section I of the ICAO document titled “CORSIA Eligible Emissions Units”.

4.2.2 American Carbon Registry (ACR)

General findings

4.2.2.1 TAB found that ACR’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in its fourth assessment cycle were consistent with the contents of the EUC as TAB applied them in its eligibility re-assessments for the first phase (2024-2026 compliance cycle), for emissions units generated under the programme from 1 January 2021 through 31 December 2026.

4.2.2.2 TAB also found that ACR demonstrated technical consistency with most, but not all, contents of the criterion Carbon offset credits must be based on a realistic and credible baseline, taking into account TAB’s interpretation that “conservative” means that procedures should provide for baselines that are set “in a conservative way *and below the business-as-usual emissions projections*”, following from TAB’s considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement (see para. 6.5.17 of September 2022 TAB Report and para. 2(a) and (g) of C-DEC 227/4). This common finding is further discussed in Section 4.4.

Programme-specific eligibility parameters

4.2.2.3 *Scope*: ACR submitted for TAB’s assessment all activity types and scales, unit types, methodologies, and procedural categories supported by the programme. TAB does not, at this time, recommend any exclusions from or limitations to the scope of ACR’s eligibility beyond those set out in the general eligibility parameters in Section 4.1.2.

Further actions requested of the programme

4.2.2.4 TAB recommends that the Council requests ACR to undertake the following further actions, which do not need to be taken prior to adding ACR to section II of the ICAO document titled “CORSIA Eligible Emissions Units”:

- a) Review and, if necessary, update the ACR Registry CORSIA-Eligibility functionality in order to identify, for all CORSIA-eligible units with vintage years from 2021 onward, whether the corresponding adjustments have or have not yet been applied;
- b) Update the programme registry functionality to transparently identify the relevant CORSIA compliance period(s) for which units are CORSIA-eligible;
- c) Confirm to TAB that account holders and/or their duly authorized representatives are clearly informed in advance of ACR’s policy that the ACR Registry Administrator will not action cancellation requests until any associated invoice is paid in full;
- d) At the earliest opportunity, update, or finalize updates to, the programme registry to enhance consistency with all requirements in the Emissions Unit Programme Registry Attestation, Part B, Paragraph 7.10, including for the registry to record cancellation information required in the

CORSIA SARPs Appendix 5, Table A5-7¹⁰, through discrete, standardized fields in a downloadable format;

- e) At the earliest opportunity, but no later than TAB's re-assessment of programmes for eligibility toward the 2027-2029 compliance period, demonstrate that procedures provide for baselines that are set in a conservative way and *below the business-as-usual emissions projections*, noting that non-traditional methods for baseline-setting should deliver equivalent outcomes; and,
- f) In future revisions to ACR's procedures relating to the criterion Are only counted once towards a mitigation obligation, incorporate more thorough and specific references to the Article 6.2 Guidance adopted at the Glasgow Climate Conference (COP26), so that ACR procedures clearly:
 - i. Address the relevant national emissions reports that contain countries' accounting for emissions units, including each report submitted by the host country in accordance with Section IV of the Article 6.2 Guidance; and,
 - ii. Address the relevant provisions of the Article 6.2 Guidance relating to a Party's specified 'trigger' for first-transfers and the registry that the Party has, or to which it has access.

4.2.3 Architecture for REDD+ Transactions (ART)

General findings

4.2.3.1 TAB found that ART's procedures, standards, and related governance arrangements that were in place and assessed by TAB in its fourth assessment cycle were consistent with the contents of the EUC as TAB applied them in its eligibility re-assessments for the first phase (2024-2026 compliance cycle), for emissions units generated under the programme from 1 January 2021 through 31 December 2026.

4.2.3.2 TAB also found that ART demonstrated technical consistency with most, but not all, contents of the criterion Carbon offset credits must be based on a realistic and credible baseline, taking into account TAB's interpretation that "conservative" means that procedures should provide for baselines that are set "in a conservative way and *below the business-as-usual emissions projections*", following from TAB's considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement (see para. 6.5.17 of September 2022 TAB Report and para. 2(a) and (g) of C-DEC 227/4). This common finding is further discussed in Section 4.4.

Programme-specific eligibility parameters

4.2.3.3 *Scope*: ART submitted for TAB's assessment all activity types and scales, unit types, methodologies, and procedural categories supported by the programme. TAB does not, at this time, recommend any exclusions from or limitations to the scope of ART's eligibility beyond those set out in the general eligibility parameters in Section 4.1.2.

¹⁰ Required fields for reporting emissions unit cancellations: Aeroplane operator in whose name the unit was cancelled {name}; Compliance period {for which units were cancelled}; Quantity of units cancelled {in a given batch}; Start of serial number range {by batch}; End of serial number range {by batch}; Date of cancellation; Name of programme; Unit type {e.g., VER, CRT}; Host country; Methodology {alpha/numeric identifier}; Unit vintage {year}.

Further actions requested of the programme

4.2.3.4 TAB recommends that the Council requests ART to undertake the following further actions, which do not need to be taken prior to adding ART to section II of the ICAO document titled “CORSIA Eligible Emissions Units”:

- a) Review and, if necessary, update the ART Registry CORSIA-Eligibility functionality in order to identify, for all CORSIA-eligible units with vintage years from 2021 onward, whether the corresponding adjustments have or have not yet been applied;
- b) Update the programme registry functionality to transparently identify the relevant CORSIA compliance period(s) for which units are CORSIA-eligible;
- c) Confirm to TAB that account holders and/or their duly authorized representatives are clearly informed in advance if, by policy, the ART Registry Administrator does not action cancellation requests until any associated invoice is paid in full;
- d) At the earliest opportunity, update, or finalize updates to, the programme registry to enhance consistency with all requirements in the Emissions Unit Programme Registry Attestation, Part B, Paragraph 7.10, including for the registry to record cancellation information required in the CORSIA SARPs Appendix 5, Table A5-7¹¹, through discrete, standardized fields in a downloadable format;
- e) At the earliest opportunity, but no later than TAB’s re-assessment of programmes for eligibility toward the 2027-2029 compliance period, demonstrate that procedures provide for baselines that are set in a conservative way and *below the business-as-usual emissions projections*, noting that non-traditional methods for baseline-setting should deliver equivalent outcomes; and,
- f) In future revisions to ART’s procedures relating to the criterion Are only counted once towards a mitigation obligation, incorporate more thorough and specific references to the Article 6.2 Guidance adopted at the Glasgow Climate Conference (COP26), so that these procedures clearly:
 - i. Address the relevant national emissions reports that contain countries’ accounting for emissions units, including each report submitted by the host country in accordance with Section IV of the Article 6.2 Guidance;
 - ii. Address the relevant provisions of the Article 6.2 Guidance relating to a Party’s specified ‘trigger’ for first-transfers and the registry that the Party has, or to which it has access.

4.2.4 Programmes recommended for conditional eligibility

¹¹ Required fields for reporting emissions unit cancellations: Aeroplane operator in whose name the unit was cancelled {name}; Compliance period {for which units were cancelled}; Quantity of units cancelled {in a given batch}; Start of serial number range {by batch}; End of serial number range {by batch}; Date of cancellation; Name of programme; Unit type {e.g., VER, CRT}; Host country; Methodology {alpha/numeric identifier}; Unit vintage {year}.

4.2.4.1 TAB recommends that the following emissions unit programmes should be approved as conditionally eligible for the first phase (2024-2026 compliance period), subject to further review by TAB of the programme’s updated procedures:

- Climate Action Reserve (see details in section 4.2.5)
- Global Carbon Council (see details in section 4.2.6)
- Gold Standard (see details in section 4.2.7)
- Verified Carbon Standard (see details in section 4.2.8)

4.2.4.2 TAB does not recommend these programmes to be approved to supply CORSIA Eligible Emissions Units for the first phase (2024-2026 compliance period) at this stage (*i.e., immediately* added to section II of the ICAO document “CORSIA Eligible Emissions Units”). TAB will confirm to the Council when programme updates meet specified conditions; *then* the programme will be added to section II of the ICAO document “CORSIA Eligible Emissions Units”. In the meantime, these programmes remain eligible to supply CORSIA Eligible Emissions Units for the pilot phase (2021-2023 compliance period) according to their existing eligibility parameters set out in section I of the ICAO document “CORSIA Eligible Emissions Units”.

4.2.5 Climate Action Reserve (“the Reserve”)

General findings

4.2.5.1 TAB found that the Reserve’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in its fourth assessment cycle were largely consistent with the contents of the EUC as TAB applied them in its eligibility re-assessments for the first phase (2024-2026 compliance cycle), for emissions units generated under the programme from 1 January 2021 through 31 December 2026, pending the completion of the *Further actions requested of the programme* recommended in section 4.2.5.4 further down.

Areas for further development

4.2.5.2 TAB found that the Reserve demonstrated technical consistency with some, but not all, contents of the following criteria: Sustainable development criteria; Leakage; and Only counted once towards a mitigation obligation. These findings informed the *Further actions requested of the programme* recommended in section 4.2.5.4 further down.

4.2.5.3 TAB also found that the Reserve demonstrated technical consistency with most, but not all, contents of the criterion Carbon offset credits must be based on a realistic and credible baseline, taking into account TAB’s interpretation that “conservative” means that procedures should provide for baselines that are set “in a conservative way *and below the business-as-usual emissions projections*”, following from TAB’s considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement (see para. 6.5.17 of September 2022 TAB Report and para. 2(a) and (g) of C-DEC 227/4). This common finding is further discussed in Section 4.4.

Further actions requested of the programme

4.2.5.4 TAB recommends that the Council requests the Reserve to undertake the further actions in paragraphs (a) to (b) below, which the Reserve is invited to submit for TAB to assess and make recommendations to the Council as necessary to finalize the conditional eligibility for the first phase of units issued under these programme elements:

- a) Update the Terms of Use agreement for registry account holders to include a clear provision that explicitly prohibits account holders from double-selling (*i.e.*, double selling occurs when one or more entities sell the same unit more than once, *e.g.*, by way of contractual arrangements that do not involve discrete registry operations); and,
- b) Develop and put into place a complete suite of procedures necessary to prevent double-claiming, consistent with the criterion Only counted once towards a mitigation obligation and the relevant Guidelines, mindful of TAB’s considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement contained in the document *Clarifications of TAB’s Criteria interpretations*.¹²

4.2.5.5 TAB also recommends that the Council requests the Reserve to undertake these further actions, which do not need to be taken prior to adding the Reserve to section II of the ICAO document titled “CORSIA Eligible Emissions Units”:

- a) At the earliest opportunity, update, or finalize updates to, the programme registry to enhance consistency with all requirements in the Emissions Unit Programme Registry Attestation, Part B, Paragraph 7.10, including for the registry to record cancellation information required in the CORSIA SARPs Appendix 5, Table A5-7¹³, through discrete, standardized fields in a downloadable format;
- b) Update the programme registry functionality to transparently identify the relevant CORSIA compliance period(s) for which units are CORSIA-eligible;
- c) At the earliest opportunity, but no later than TAB’s re-assessment of programmes for eligibility toward the 2027-2029 compliance period, demonstrate that procedures provide for baselines that are set in a conservative way and *below the business-as-usual emissions projections*, noting that non-traditional methods for baseline-setting should deliver equivalent outcomes; and,
- d) Clearly state, in an update to its program manual at the earliest opportunity, that only units that have been or will be issued to Reserve activities that report their Sustainable Development contributions or co-benefits according to criteria identified in the Reserve’s Program Manual can be identified as CORSIA Eligible Emissions Units in the Reserve registry system.¹⁴

4.2.6 Global Carbon Council (GCC)

General findings

4.2.6.1 TAB found that GCC’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in its fourth assessment cycle were largely consistent with the contents of the EUC as TAB applied them in its eligibility re-assessments for the first phase (2024-2026 compliance cycle), for emissions units generated under the programme from 1 January 2021 through 31 December

¹² https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/Clarifications_TABs_Criteria_Interpretations.pdf

¹³ Required fields for reporting emissions unit cancellations: Aeroplane operator in whose name the unit was cancelled {name}; Compliance period {for which units were cancelled}; Quantity of units cancelled {in a given batch}; Start of serial number range {by batch}; End of serial number range {by batch}; Date of cancellation; Name of programme; Unit type {*e.g.*, VER, CRT}; Host country; Methodology {alpha/numeric identifier}; Unit vintage {year}.

¹⁴ Council originally requested the Reserve to undertake this action in March 2020, as recommended in TAB’s first report to Council (TAB Report, January 2020 paragraph 4.2.5.6 (a)).

2026, pending the completion of the *Further actions requested of the programme* recommended in section 4.2.6.5 further down.

Areas for further development

4.2.6.2 TAB found that GCC demonstrated technical consistency with some, but not all, contents of the following criteria: Identification and tracking; Additionality; Quantified, monitored, reported and verified; and Only counted once towards a mitigation obligation. These findings informed the *Further actions requested of the programme* recommended in section 4.2.6.5 further down.

4.2.6.3 TAB also found that GCC demonstrated technical consistency with most, but not all, contents of the criterion Carbon offset credits must be based on a realistic and credible baseline, taking into account TAB's interpretation that "conservative" means that procedures should provide for baselines that are set "in a conservative way *and below the business-as-usual emissions projections*", following from TAB's considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement (see para. 6.5.17 of September 2022 TAB Report and para. 2(a) and (g) of C-DEC 227/4). This common finding is further discussed in Section 4.4.

4.2.6.4 In its January 2021 Report to the Council, TAB found that GCC's procedures for populating its "Regional Positive List" did not fully demonstrate technical consistency with the criterion Additionality, particularly its requirements pertaining to the qualification of activities for automatic additionality. Following TAB's recommendation, the Council excluded from CORSIA eligibility of all GCC emissions units issued to activities that are deemed automatically additional on the basis of the GCC's "Regional Positive List" and this exclusion is reflected in the ICAO document titled "CORSIA Eligible Emissions Units." In its 2022 application for re-assessment, GCC confirmed that it has since deleted the "Regional Positive List". TAB therefore recommends that the Council rescind the relevant exclusion from section I of the ICAO document titled "CORSIA Eligible Emissions Units" and emphasizes that GCC must submit any new "Regional Positive List" for assessment by TAB using the Material Change Form available on the ICAO website.

Further actions requested of the programme

4.2.6.5 TAB recommends that the Council requests GCC to undertake the further actions in paragraphs (a) to (c) below, which GCC is invited to submit for TAB to assess and make recommendations to the Council as necessary to finalize the conditional eligibility for the first phase of units issued under these programme elements:

- a) Put procedures in place requiring that a re-evaluation of baselines, and procedures and assumptions for quantifying, monitoring, and verifying mitigation, including the baseline scenario, for any GCC activity that wishes to undergo verification but has not done so within an allowable number of years between verification events determined by the programme;
- b) Clearly state in the GCC Project Standard that ACCs shall not be eligible for the CORSIA first phase (2024-2026 compliance period) if issued to an activity that applies methodologies or methodological standards which allow any exemptions to legal additional requirements, such as in situations where legally binding mandates are systematically not enforced and/or non-compliance is widespread; and,
- c) Develop and put into place a complete suite of procedures necessary to prevent double-claiming, consistent with the criterion Only counted once towards a mitigation obligation and the relevant

Guidelines, mindful of TAB's considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement contained in the document *Clarifications of TAB's Criteria interpretations*.¹⁵ Further actions should address the following:

- i. Review and, if necessary, update the registry CORSIA-Eligibility functionality in order to identify, for all CORSIA-eligible units with vintage years from 2021 onward, whether the corresponding adjustments have or have not yet been applied;
- ii. Ensure that all references to the Article 6.2 Guidance would also cover related decisions adopted at UNFCCC COP27 and any relevant future decisions;
- iii. Minimum specifications for the information to be provided in the host country letter of attestation, including the steps to be taken consistent with the Article 6.2 Guidance and the EUC and Guidelines to prevent double-claiming of mitigation by Aeroplane Operators and host country Nationally Determined Contributions; any limitations or parameters to the relevant authorizations; the relevant provisions of the Article 6.2 Guidance relating to a Party's specified 'trigger' for first-transfers and the registry that the Party has, or to which it has access;
- iv. Publication of the host country letter of attestations in the GCC Registry entry for the relevant project(s)/activity(ies);
- v. Procedures for the programme to ensure that the information on host country attestations made public by programme is compared with the information on authorizations in national reports;
- vi. Procedures in place for the programme to compare countries' accounting for emissions units in national emissions reports against the volumes of eligible units issued by the programme and used under the CORSIA which the host country's national reporting focal point or designee otherwise attested to its intention to not double-claim;
- vii. Put in place the procedures on amendments to the host country letter of attestation that were shared with TAB in draft form; and,
- viii. Ensure that the program, or proponents of the activities it supports, fully compensate for, replace, or otherwise reconcile double-claimed mitigation associated with units used under the CORSIA which the host country's national accounting focal point or designee otherwise attested to its intention to not double-claim.

4.2.6.6 TAB also recommends that the Council requests GCC to undertake these further actions, which do not need to be taken prior to adding GCC to section II of the ICAO document titled "CORSIA Eligible Emissions Units":

- a) At the earliest opportunity, update, or finalize updates to, the programme registry to enhance consistency with all requirements in the Emissions Unit Programme Registry Attestation, Part B, Paragraph 7.10, including for the registry to record cancellation information required in the CORSIA SARPs Appendix 5, Table A5-7¹⁶, through discrete, standardized fields in a downloadable

¹⁵ https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/Clarifications_TABs_Criteria_Interpretations.pdf

¹⁶ Required fields for reporting emissions unit cancellations: Aeroplane operator in whose name the unit was cancelled {name}; Compliance period {for which units were cancelled}; Quantity of units cancelled {in a given batch}; Start of serial number range {by batch}; End of serial number range {by batch}; Date of cancellation; Name of programme; Unit type {e.g., VER, CRT}; Host country; Methodology {alpha/numeric identifier}; Unit vintage {year}.

and machine-readable format (e.g., XLS, CSV), that is available to public users at no cost and with no credentials required;

- b) Update the programme registry functionality to transparently identify the relevant CORSIA compliance period(s) for which units are CORSIA-eligible;
- c) Update the ‘Approved Projects’ view of the GCC Registry to clarify that the ‘CORSIA(C+)’ label in the Market Eligibility column indicates an intention on the part of the Project Owner and does not indicate that units from that activity are necessarily CORSIA-eligible; and,
- d) At the earliest opportunity, but no later than TAB’s re-assessment of programmes for eligibility toward the 2027-2029 compliance period, demonstrate that procedures provide for baselines that are set in a conservative way and *below the business-as-usual emissions projections*, noting that non-traditional methods for baseline-setting should deliver equivalent outcomes.

4.2.7 Gold Standard (GS)

General findings

4.2.7.1 TAB found that GS’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022 were largely consistent with the contents of the EUC as TAB applied them in its eligibility re-assessments for the first phase (2024-2026 compliance cycle), for emissions units generated under the programme from 1 January 2021 through 31 December 2026, pending the completion of the *Further actions requested of the programme* recommended in section 4.2.7.4 further down.

Areas for further development

4.2.7.2 TAB found that GS demonstrated technical consistency with some, but not all, contents of the following criteria: Identification and tracking; Permanence; and Only counted once towards a mitigation obligation. These findings informed the *Further actions requested of the programme* recommended in section 4.2.7.4 further down.

4.2.7.3 TAB also found that the GS demonstrated technical consistency with most, but not all, contents of the criterion Carbon offset credits must be based on a realistic and credible baseline, taking into account TAB’s interpretation that “conservative” means that procedures should provide for baselines that are set “in a conservative way *and below the business-as-usual emissions projections*”, following from TAB’s considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement (see para. 6.5.17 of September 2022 TAB Report and para. 2(a) and (g) of C-DEC 227/4). This common finding is further discussed in Section 4.4.

Further actions requested of the programme

4.2.7.4 TAB recommends that the Council request GS to undertake the further actions in paragraphs (a) to (c) below, which GS is invited to submit for TAB to assess and make recommendations to the Council as necessary to finalize the conditional eligibility for the first phase of units issued under these programme elements:

- a) Provide evidence to TAB that programme has provisions in place ensuring the periodic audit or evaluation of registry compliance with security provisions;

- b) Provide for procedure that can ensure full compensation for all reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA, including in situations where, for example, an individual proponent's buffer account is insufficient and/or the proponent is non-responsive to requested actions;
- c) Develop and put into place a complete suite of procedures necessary to prevent double-claiming, consistent with the criterion Only counted once towards a mitigation obligation and the relevant Guidelines, mindful of TAB's considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement contained in the document *Clarifications of TAB's Criteria interpretations*.¹⁷ Further actions should address the following:
- i. Review and, if necessary, update the registry CORSIA-Eligibility functionality in order to identify, for all CORSIA-eligible units with vintage years from 2021 onward, whether the corresponding adjustments have or have not yet been applied;
 - ii. Ensure that all references to the Article 6.2 Guidance would also cover related decisions adopted at UNFCCC COP27 and any relevant future decisions;
 - iii. The relevant national emissions reports that contain countries' accounting for emissions units, including each report submitted by the host country in accordance with Section IV of the Article 6.2 Guidance;
 - iv. The relevant provisions of the Article 6.2 Guidance relating to a Party's specified 'trigger' for first-transfers and the registry that the Party has, or to which it has access;
 - v. Procedures for the programme to ensure that the information on host country attestations made public by programme is compared with the information on authorizations in national reports;
 - vi. Procedures in place for the programme to compare countries' accounting for emissions units in national emissions reports against the volumes of eligible units issued by the programme and used under the CORSIA which the host country's national reporting focal point or designee otherwise attested to its intention to not double-claim;
 - vii. Ensure that information on host country reporting is obtained and submitted by project owners, and is accurate and timely (*e.g.*, confirmed in spot checks by the programme); and that the programme will respond to instances of non-responsiveness / inaction by a project owner in regard to these information requirements; and,
 - viii. Ensure that the program, or proponents of the activities it supports, fully compensate for, replace, or otherwise reconcile double-claimed mitigation associated with units used under the CORSIA which the host country's national accounting focal point or designee otherwise attested to its intention to not double-claim.

4.2.7.5 TAB also recommends that the Council request GS to undertake these further actions, which do not need to be taken prior to adding GS to section II of the ICAO document titled "CORSIA Eligible Emissions Units:

- a) At the earliest opportunity, to update, or finalize updates to, the programme registry to enhance consistency with all requirements in the Emissions Unit Programme Registry Attestation, Part B,

¹⁷ https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/Clarifications_TABs_Criteria_Interpretations.pdf

Paragraph 7.10, including for the registry to record cancellation information required in the CORSIA SARPs Appendix 5, Table A5-7¹⁸, through discrete, standardized fields in a downloadable format;

- b) Update the programme registry functionality to transparently identify the relevant CORSIA compliance period(s) for which units are CORSIA-eligible; and,
- c) At the earliest opportunity, but no later than TAB's re-assessment of programmes for eligibility toward the 2027-2029 compliance period, demonstrate that procedures provide for baselines that are set in a conservative way and *below the business-as-usual emissions projections*, noting that non-traditional methods for baseline-setting should deliver equivalent outcomes.

4.2.8 Verified Carbon Standard (VCS)

General findings

4.2.8.1 TAB found that VCS's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022 were largely consistent with the contents of the EUC as TAB applied them in its eligibility re-assessments for the first phase (2024-2026 compliance cycle), for emissions units generated under the programme from 1 January 2021 through 31 December 2026, pending the completion of the *Further actions requested of the programme* recommended in section 4.2.8.5 further down.

Areas for further development

4.2.8.2 TAB found that VCS demonstrated technical consistency with some, but not all, contents of the following criteria: Identification and tracking; Quantified, monitored, reported and verified; Additionality; and Only counted once towards a mitigation obligation. These findings informed the *Further actions requested of the programme* recommended in section 4.4 further down.

4.2.8.3 TAB also found that VCS demonstrated technical consistency with most, but not all, contents of the criterion Carbon offset credits must be based on a realistic and credible baseline, taking into account TAB's interpretation that "conservative" means that procedures should provide for baselines that are set "in a conservative way and below the business-as-usual emissions projections", following from TAB's considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement (see para. 6.5.17 of September 2022 TAB Report and para. 2(a) and (g) of C-DEC 227/4). This common finding is further discussed in Section 4.2.8.5.

4.2.8.4 TAB found that the VCS demonstrated technical consistency with some, but not all, contents of the criterion Assess and mitigate against potential increase in emissions elsewhere. Related to *requiring activities that pose a risk of leakage when implemented at the project-level to be implemented at a national level, or on an interim basis on a sub-national level*, Scenario 1 and 2b of VCS Jurisdictional and Nested REDD+ (JNR) requirements allows REDD+ projects to "nest" into a jurisdictional baseline without jurisdiction-level monitoring and accounting. This is inconsistent with TAB's interpretation of this

¹⁸ Required fields for reporting emissions unit cancellations: Aeroplane operator in whose name the unit was cancelled {name}; Compliance period {for which units were cancelled}; Quantity of units cancelled {in a given batch}; Start of serial number range {by batch}; End of serial number range {by batch}; Date of cancellation; Name of programme; Unit type {e.g., VER, CRT}; Host country; Methodology {alpha/numeric identifier}; Unit vintage {year}.

criterion. In this regard, TAB re-affirmed the relevance of the exclusions and allowable exceptions on this matter contained in the ICAO document “CORSIA Eligible Emissions Units”.

Further actions requested of the programme

4.2.8.5 TAB recommends that the Council request VCS to undertake the further actions in paragraphs (a) to (c) below, which VCS is invited to submit for TAB to assess and make recommendations to the Council as necessary to finalize the conditional eligibility for the first phase of units issued under these programme elements:

- a) Put procedures in place requiring that a reevaluation of baselines, and procedures and assumptions for quantifying, monitoring, and verifying mitigation, including the baseline scenario, for any VCS activity that wishes to undergo verification but has not done so within an allowable number of years between verification events determined by the programme;
- b) Clearly state in VCS programme documents that VCU shall not be eligible for the CORSIA first phase (2024-2026 compliance period) if issued to an activity that applies methodologies or methodological standards which allow any exemptions to legal additional requirements, such as in situations where legally binding mandates are systematically not enforced and/or non-compliance is widespread; and,
- c) Develop and put into place a complete suite of procedures necessary to prevent double-claiming, consistent with the criterion Only counted once towards a mitigation obligation and the relevant Guidelines, mindful of TAB’s considerations and analysis of the COP26 outcomes on Article 6 of the Paris Agreement contained in the document *Clarifications of TAB’s Criteria interpretations*.¹⁹

4.2.8.6 TAB also recommends that the Council request VCS to undertake these further actions, which do not need to be taken prior to adding VCS to section II of the ICAO document titled “CORSIA Eligible Emissions Units”:

- a) At the earliest opportunity, update, or finalize updates to, the programme registry to enhance consistency with all requirements in the Emissions Unit Programme Registry Attestation, Part B, Paragraph 7.10, including for the registry to record cancellation information required in the CORSIA SARPs Appendix 5, Table A5-7²⁰, through discrete, standardized fields in a downloadable format; and,
- b) Update the programme registry functionality to transparently identify the relevant CORSIA compliance period(s) for which units are CORSIA-eligible.

4.2.9 Programmes re-assessed and recommended for eligibility in the pilot phase only

¹⁹ https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/Clarifications_TABs_Criteria_Interpretations.pdf

²⁰ Required fields for reporting emissions unit cancellations: Aeroplane operator in whose name the unit was cancelled {name}; Compliance period {for which units were cancelled}; Quantity of units cancelled {in a given batch}; Start of serial number range {by batch}; End of serial number range {by batch}; Date of cancellation; Name of programme; Unit type {e.g., VER, CRT}; Host country; Methodology {alpha/numeric identifier}; Unit vintage {year}.

4.2.9.1 TAB recommends that the following emissions unit programme should not be approved as eligible for the first phase (2024-2026 compliance period). This programme remains eligible to supply CORSIA Eligible Emissions Units for the pilot phase (2021-2023 compliance period) according to its existing eligibility parameters set out in section I of the ICAO document “CORSIA Eligible Emissions Units”.

4.2.10 **Clean Development Mechanism (CDM)**

General findings

4.2.10.1 TAB recalled paragraph 20 of Assembly resolution 41-22, which states that “emissions units generated from mechanisms established under the UNFCCC and the Paris Agreement are eligible for use in CORSIA, provided that they align with decisions by the Council, with the technical contribution of TAB and CAEP, including on avoiding double counting and on eligible vintage and timeframe.” TAB also recalled paragraph 7 of UNFCCC Decision 2/CMP.16, which states that requests for registration, crediting period renewal and unit issuance may not be submitted under the CDM for mitigation occurring after 31 December 2020, and that such requests may be made under the Article 6.4 mechanism once it becomes operational.²¹ In this regard, TAB found that the CDM does not align with the recommended eligible vintage and timeframe contained in section 4.1.2 of this Report. For this reason in particular, TAB does not recommend the CDM to be approved to supply CORSIA Eligible Emissions Units for the first phase (2024-2026 compliance period).

4.2.10.2 TAB reaffirmed that the CDM remains eligible to supply CORSIA Eligible Emissions Units for the pilot phase (2021-2023 compliance period) according to its existing eligibility parameters set out in section I of the ICAO document “CORSIA Eligible Emissions Units”. TAB also reaffirmed that an assessment of the Article 6.4 mechanism can be undertaken, in line with Assembly Resolution A41-22, once the mechanism is operational, and that the scope of this assessment would include procedures for ongoing CDM activities and methodologies that transition into the Article 6.4 mechanism.

Criteria consistency

4.2.10.3 TAB reaffirmed the findings from its first assessment cycle that the CDM demonstrated technical consistency with some, but not all, contents of the criteria Safeguards System, Identification and tracking, Additionality; Permanence; No net harm; and Are only counted once towards a mitigation obligation. Findings to that effect are further explained in section 4.2.4 of TAB’s January 2020 report to the Council.

4.3 **DISCUSSION ON ELIGIBLE UNIT DATES**

4.3.1 This section summarizes TAB’s discussions regarding eligibility dates and timeframes, including the outcomes of assessments and programme information, which served as a basis for TAB’s recommendations in section 4.1.2 above on general eligibility parameters for the first phase (2024-2026 compliance cycle).

4.3.2 TAB recalled paragraph 6.6.7.2 of its September 2022 Report to the Council, in which TAB “resolved to make recommendations to the 228th Session of the Council on whether to apply a 2021 vintage start date general eligibility parameter for the first phase (2024-2026 compliance period), in addition to the

²¹ See also TAB Report, September 2022, paragraph 6.3.10

existing 2016 crediting start date parameter.” TAB noted that, under such a scenario, many activities that currently generate units eligible for the CORSIA pilot phase (2021-2023 compliance period) could continue to generate CORSIA-eligible emissions units for mitigation that occurs in 2021 onward. However, their units generated for mitigation that occurred from 2016 to 2020 would only be eligible for the pilot phase (2021-2023 compliance period).

4.3.3 Reflecting on this question, TAB recalled its discussion on eligible unit dates in its September 2022 Report to the Council, including the comparison between various dates presented in Table 4 of that Report. TAB also recalled some implications that could result from this decision, which it also identified in its September 2022 Report²²:

- *Market signal*: The development of new emission reduction and removal activities, as well as the continuation of existing activities beyond 31 December 2020, relies in part on market demand for emissions units with post-2020 vintages. Extending the eligibility timeframe for using pre-2021 vintages would not retrospectively increase the amount of mitigation that occurred before 2021.
- *Host country readiness*: The development and continuation of mitigation activities beyond 31 December 2020 also relies in part on host-country authorization decisions. TAB expects that many countries will have such arrangements in place by 31 January 2028, when Aeroplane Operators are required to demonstrate compliance with CORSIA’s first phase (2024-2026 compliance cycle).

4.3.4 In further discussions on this matter during TAB/13 (January 2023), TAB identified the further considerations and implications contained in this section.

4.3.4.1 *Improved consistency with EUCs over time*: TAB recalled its recommendations to temporarily apply flexibility in the application of certain EUC during pilot phase, in order to allow programmes more time to familiarize themselves with the EUC and its implications. Reflecting on its 2022 re-assessment process, TAB noted that most programmes have indeed made significant improvements to their procedures and infrastructure since first being assessed by the TAB. In this regard, TAB recalled para. 5.2.3 of its first report to the Council (January 2020), which states that “Emissions reductions occurring in earlier years, from activities using older methodologies and tools, sometimes differed substantially from the current versions TAB assessed. Divergence between the EUC and the procedures assessed by TAB clearly increases as one goes farther back in time.”

4.3.4.2 *Double-claiming and Article 6*: Reflecting on the eligible unit dates for the pilot phase, TAB recalled para. 4.1.2.2 of its first report to the Council, which states that TAB may recommend an extension of eligible vintage and/or timeframe “where TAB’s analysis identifies that an emissions unit programme is *fully* consistent with *all* of the EUC and guidelines when assessing the eligibility of emissions units with eligibility dates beyond 31 December 2020.” TAB also recalled that it selected this date in particular due to “concerns largely related to additionality and the avoidance of double-counting, where Parties in the UNFCCC have not concluded work on decisions under Article 6 of the Paris Agreement.”²³ In this regard, TAB noted that pending UNFCCC decisions on Article 6 no longer prevent programmes from fully implementing the criterion Only counted once toward a mitigation obligation.

4.3.4.3 *Legal additionality*: The EUC require that eligible emissions units must “exceed GHG reduction or removals required by law, regulation, or legally binding mandate.” This is referred to as ‘legal additionality’ or ‘regulatory additionality’. As noted in section 4.3.3 of its first Report to the Council, TAB

²² Ibid. TAB Report September 2022, para. 6.6.4.5

²³ TAB Report January 2020, para 5.3.1

allowed exceptions to this criterion in order to allow programmes more time to familiarize themselves with the EUC. While some more programmes have since implemented programme-level procedures that are fully consistent with this criterion, the new procedures do not apply retroactively to units from earlier mitigation years.

4.3.4.4 *Additionality relative to business-as-usual:* TAB noted that some emissions unit programmes allow the practice of ‘retroactive registration,’ whereby activities may be newly registered with the programme several years after they actually occurred. While this common practice may have some appropriate applications, in some cases it may significantly increase the risk of inconsistency with the criterion Additionality. For example, it is not possible to retroactively improve on a business-as-usual scenario. Rather, additional mitigation is achieved through the development and implementation of new mitigation activities enabled by the programme.

4.3.4.5 *Forthcoming opportunities to further increase supply:* As noted in section 7.9.2 of TAB’s September 2022 Report to the Council, TAB will launch a new call for applications in early 2023, followed by another call for applications in early 2024, to inform further recommendations to the Council on Eligible Emissions Units for the first phase (2024-2026 compliance period). Previously assessed programmes may also submit procedural updates for TAB’s assessment during that time. TAB notes that these forthcoming assessment cycles provide ample opportunity to identify additional sources of CORSIA Eligible Emissions Units, well before the 31 January 2028 deadline referred to in para. 4.3.3 above.

4.3.4.6 *Preserving the discretion of a future Council:* TAB noted that the Council always retains the option to broaden unit eligibility dates at a later stage, such as in the event of an unexpected unit shortage. It is comparatively difficult to retroactively revoke the eligibility of units that do not fully meet all of the EUC, due to the rules governing the revocation of unit eligibility as well as the economic interests of Airplane Operators that have already purchased such units.

4.3.5 Having carefully considered all of the considerations and implications identified in this section, TAB recommends that the Council apply a 2021 vintage start date general eligibility parameter for the first phase (2024-2026 compliance cycle), in addition to the existing 2016 crediting start date parameter. This recommendation is reflected in the general eligibility parameters contained in section 4.1 above.

4.4 CRITERIA INTERPRETATIONS

4.4.1 The following discussions were undertaken by TAB Members in order to agree on interpretations of a criterion or its Guidelines to be applied for the first phase, in order to find consensus on TAB recommendations, including those presented in Section 4.2 of this report. Where TAB discussed and agreed to specific interpretations in order to apply a criterion or its guidelines to the wide variety of programmes assessed in both its first and second assessment cycles, this section also presents those interpretations.

4.4.2 In its 2022 re-assessment cycle, TAB reaffirmed the applicability of its interpretations, discussions, and any specific expectations for programme procedures contained in Section 4.3 of the TAB Report from its first assessment cycle.²⁴ TAB also reaffirmed the relevance of Criteria interpretations in subsequent TAB Reports, which are compiled into a document entitled *Clarifications of TAB’s Criteria Interpretations Contained in TAB Reports* and published on the TAB website for transparency. These same

²⁴ In reference to the criterion Permanence, a few experts recalled the views expressed in section 4.3.2 of TAB’s January 2020 report to Council regarding the appropriate duration of long-term monitoring of potential reversals.

interpretations and expectations were applied to TAB's assessments during this assessment cycle, except where updated below. Following the decision by the Council in respect of this Report, TAB will also incorporate the amended interpretations into the aforementioned document.

Criterion: Carbon offset credits must be based on a realistic and credible baseline

4.4.3 This criterion states, among other things, that “[t]he baseline is the level of emissions that would have occurred assuming a conservative ‘business as usual’ emissions trajectory”. An associated Guideline states that programmes should have procedures in place to “ensure that methods of developing baselines... use assumptions, methodologies, and values that do not over-estimate mitigation from an activity.”

4.4.4 As part of TAB's considerations and recommendations relating to Article 6 of the Paris Agreement, section 6.5.17 of TAB's September 2022 Report states that, in respect of procedures for baseline emissions estimations involving business-as-usual emissions, TAB will interpret this criterion's reference to “conservative” to mean that procedures should provide for baselines that are set “*in a conservative way and below the business-as-usual emissions projections*”. In this regard, TAB noted that programmes that use non-traditional methods for baseline-setting should have procedures in place that deliver outcomes equivalent to this interpretation, in order to avoid over-estimating mitigation from an activity, per this criterion's Guideline on *Conservative baseline estimation*.

4.4.5 In its assessing Emissions Unit Programmes for eligibility toward the first phase (2024-2024 compliance period), TAB noted that some programmes have incorporated the new language ‘below business-as-usual’ from the COP26 outcomes (December 2021) into their procedures, while others have not. TAB also noted that it remains to be seen what effect this new language might have on programmes' approaches and best practices for baseline-setting. In light of this, TAB requested all programmes to, at the earliest opportunity, but no later than TAB's re-assessment of programmes for eligibility toward the 2027-2029 compliance period, demonstrate that procedures provide for baselines that are set in a conservative way and *below the business-as-usual emissions projections*, noting that non-traditional methods for baseline-setting should deliver equivalent outcomes

4.4.6 Noting that the term ‘below business-as-usual’ was adopted under the Paris Agreement only in December 2021 and first included in TAB's Report in September 2022, TAB agreed that programmes and their stakeholders would benefit from more time to familiarize themselves with this interpretation the EUC. TAB therefore agreed to allow time for these further considerations, as applicable. TAB resolved to assess the implementation of this interpretation as soon as feasible, and no later than when it re-assesses programmes for eligibility toward the 2027-2029 compliance period.

— END —