

CORSIA Eligible Emissions Unit Programme Change Notification Form

Version 2.0; Effective from 10 January 2022

PART A: ABOUT THIS FORM

Once an emissions unit programme is approved by the ICAO Council as eligible to supply CORSIA Eligible Emissions Units, the programme commits to notify the ICAO Secretariat of any “material changes” to its “Scope of Eligibility”, *including any unilateral decision to revoke or invalidate a class of CORSIA- eligible emission units within the programme’s Scope of Eligibility*, for further review¹ by the Technical Advisory Body (TAB) that advises the ICAO Council on the eligibility of emissions units for use in CORSIA.

*TAB Procedures*² defines a “Material Change” as an update to a programme’s *Scope of Eligibility* that would alter the programme’s response(s) to any questions in its application form and further inquiries from the TAB over the course of the programme’s assessment, including programme-initiated unit invalidation and/or revocation. (paragraph 7.3.).

TAB Procedures defines a CORSIA Eligible Emissions Unit Programme’s *Scope of Eligibility* as “the extent and limits of a programme’s eligibility, which is defined, assessed, and granted on the basis of the programme-level governance structures, measures or mechanisms, and procedures that programmes have in place at the time of their initial submission of application materials to the ICAO Secretariat; and any updates to these procedures that are communicated to TAB during the course of its assessment; and as defined in the general or programme-specific eligibility parameters set out in TAB’s recommendations” (paragraph 4.5).

Annually, TAB will indicate deadlines for programmes to notify ICAO of any such material changes. These notifications should be submitted by the next deadline after the material change has occurred; the upcoming deadlines are indicated in the version of the *TAB Work Programme and Timeline* document that is currently effective. This document is available on the CORSIA website³.

Material changes should be disclosed using this form. TAB will then consider the need for any further review, in line with *TAB Procedures*. If TAB identifies that the change is indeed material and should be further assessed, it will invite public comments on the consistency of the proposed revision with the Emissions Unit Criteria (EUC) and *Guidelines for Criteria Interpretation*. The ICAO Secretariat will inform the programme of TAB’s decision to more deeply assess the programme’s modification, or its confirmation that the modification is consistent with the CORSIA EUC. The programme will also be informed of the date by which the review will be completed. The length of the review should be determined by the severity and scale of the material change.

PART B: PROGRAM CHANGE NOTIFICATION(S)

¹ Any unilateral programme-initiated invalidation and/or revocation of a class of CORSIA-eligible emissions units is considered to be a “material change” to the CORSIA-eligible programme’s *Scope of Eligibility*. Such units are regarded as immediately ineligible for use for CORSIA purposes in light of absence of assurance that it will administer the units consistent with its *Terms of Eligibility*. The units will be reflected as exclusions from the programme’s *Scope of Eligibility* in the ICAO Document “CORSIA Eligible Emissions Units” upon Council’s confirmation of the update. Once a programme notifies ICAO that it wishes to exclude a class of units from its eligibility scope, and in order to provide the most accurate and timely information available prior to Council’s confirmation of the update, the ICAO Document “CORSIA Eligible Emissions Units” will identify in a footnote that the programme requested a change to its *Scope of Eligibility* to exclude certain units subject to a decision by the ICAO Council and, if possible, clearly specify the affected class of units. The programme’s *Scope of Eligibility* that is deemed valid by the ICAO Council will be reflected in the ICAO Document titled “CORSIA Eligible Emissions Units” in a timely manner

² In *TAB Procedures*, paragraphs 4.5, 7.3 and 8.2 – 8.6 in particular pertain to the *Scope of Eligibility* and notification and assessment of material changes.

³ The *TAB Work Programme and Timeline* and *TAB Procedures* documents are available here:
<https://www.icao.int/environmental-protection/CORSIA/Pages/TAB.aspx>

The Programme is requested to provide the following information regarding any modification(s) to the programme's *Scope of Eligibility* that could constitute a "material change" as described above. Report each change separately by duplicating (copying and pasting) the table below as needed.

Programme name: **BioCarbon Fund Initiative for Sustainable Forest Landscapes**

| CHANGE 1 PERMANENCE |
|---|
| <p>a. Description of the change (e.g., the addition, modification, deletion undertaken):</p> <p>The ISFL has formally approved and made public the procedures to monitor, mitigate, and ensure full compensation for material reversals of mitigations issued as CORSIA emissions units after the end of the ISFL (31 December 2030). As such, a new version of the ISFL Buffer Requirements has been issued to include the provisions already presented to the TAB during the most recent assessment in June 2022. The section of the Buffer Requirements that was adjusted was section 10. Moreover, section 11 was added to the Requirements. See the changes below:</p> <p>https://www.biocarbonfund-isfl.org/sites/isfl/files/2023-02/ISFL%20Buffer%20Requirements_2023.pdf</p> <p>10. Treatment of Emission Reductions in the Reversal Buffer at the end of the Term of the ISFL ERPA</p> <p>10.1 At the latest one (1) year before the end of the Term of the ISFL ERPA, the ER Program shall have in place a robust Reversal Management Mechanism that addresses the risk of Reversals beyond the Term of the ISFL ERPA and is equivalent to the ER Program ISFL Buffer. A Reversal Management Mechanism is considered to be equivalent to the ER Program ISFL Buffer if:</p> <ul style="list-style-type: none"> a) It is a buffer; b) It covers potential Reversals of the units generated under the ER Program during all ISFL ERPA Phases; c) It allows the transfer of the Buffer ERs from the ER Program ISFL Buffer; d) The Reversal Risk set-aside percentage calculated under the Reversal Management Mechanism is equal to or higher than the actual Reversal Risk set-aside percentage of the ER Program ISFL Buffer⁴; e) It has in place a periodic monitoring and third-party Verification mechanism for a period from the end of the Crediting Period to 31 December 2037 to confirm if there have been Reversals and makes monitoring and verification reports publicly available; and f) The Reversal Management Mechanism is operational and able to address identified Reversals. <p>10.2 If the ER Program has in place a robust Reversal Management Mechanism equivalent to the ER Program ISFL Buffer prior to the end of the Term of the ISFL ERPA, then the Buffer Manager shall, prior to the end of the Term of the ISFL ERPA transfer all Buffer ERs remaining in the Reversal Buffer account in the ER Transaction Registry to such other buffer reserve account</p> |

⁴ The Reversal Risk Set-Aside Percentage calculated under the Post-ISFL ERPA Phase Reversal Management Mechanism and the actual Reversal Risk set-aside percentage of the ER Program ISFL Buffer will be determined for the latest Reporting Period ending before the end of the last ISFL ERPA Phase, and will be verified by the Validation and Verification Body at Verification.

designated and controlled by the ER Program Entity or any other entity designated by the ER Program Entity, and

10.3 If the ER Program does not have in place a Reversal Management Mechanism equivalent to the ER Program ISFL Buffer prior to the end of the Term of the ISFL ERPA, then the Buffer Manager shall, prior to the end of the Term of the ISFL ERPA Cancel all Buffer ERs remaining in the Reversal Buffer account in the ER Transaction Registry. Buffer ERs shall be canceled by removing them from the Reversal account and permanently retiring their associated serial numbers.

11. **CORSIA Eligibility**

11.1 If an ER Program wishes to supply “CORSIA Eligible Emissions Units” (as defined under CORSIA), the ER Program shall have in place a robust Reversal Management Mechanism that addresses the risk of Reversals beyond the Term of the ISFL and is equivalent to the ER ISFL Buffer. A Reversal Management Mechanism is considered to be equivalent to the ER Program ISFL Buffer if:

- a) It is a buffer;
- b) It covers potential reversals of the units generated under the ER Program during the Crediting Period;
- c) It allows the transfer of the Buffer ERs from the ER Program ISFL Buffer;
- d) The reversal risk set-aside percentage calculated under the Reversal Management Mechanism is equal to or higher than the actual reversal risk set-aside percentage of the ER Program ISFL Buffer ;
- e) It has in place a periodic monitoring and third-party Verification mechanism for a period from the end of the Crediting Period to 31 December 2037 to confirm if there have been Reversals and makes monitoring and verification reports publicly available; and
- f) The Reversal Management Mechanism is operational and able to address identified Reversals.

12. The Reversal Management Mechanism shall be continually managed and operated by the ER Program Entity and allows the World Bank, in its capacity as trustee of funds made available from the ISFL for this purpose, to (i) carry out a desk review of the publicly available monitoring and verification reports of the ER Program for Reversals and (ii) inform CORSIA of any Reversals and related compensation (through replacement of the CORSIA Eligible Emissions Units) under the ER Program’s Reversal Management Mechanism, from the end of the Crediting Period through 31 December 2037

The updated Buffer Requirements are consistent with what the ISFL conveyed to the TAB in previous communications in relation to EUC and Guidelines for Criteria Interpretations, with an emphasis on the following:

- Issuance and retirement of credits
- Identification and tracking
- Validation and Verification procedures
- Quantified, monitored, reported and verified
- Assess and mitigate incidences of material leakage
- Are only counted once towards a mitigation obligation

Moreover, during the live discussion with the TAB that took place on August 1st, 2022, the ISFL clarified that the World Bank will continue to monitor the reversal management mechanism through 31 December 2037, instead of 31 December 2045 as such a year was erroneously included in the ISFL application. Therefore, the ISFL would like to clarify that there will be mechanisms in place to monitor for reversals until the end of the CORSIA's implementation period (2037).

b. Rationale for the change:

During the previous submission of the ISFL application to the TAB, a draft version of the reversal management version post-2030 was presented. However, the TAB considered that only until the formal approval and publication of the proposed management mechanism, the ISFL could be labeled as CORSIA compliant.

The ISFL is interested in being accepted by CORSIA. Therefore, in the spirit of complying with the CORSIA requirements, the Fund Management Team of the ISFL proposed the above (see section a) changes to the fund's donors for them to accept and adopt the management of the reversal mechanism after the end of the ISFL. By doing this, the ISFL will ensure that reversals are monitored and accounted for and comply with the requirements set to participate during the CORSIA implementation period.

c. Where the change is reflected in the Programme's documentation or other resource(s)⁵:

The change is reflected in sections 10 and 11 of the ISFL Buffer Requirements. https://www.biocarbonfund-isfl.org/sites/isfl/files/2023-02/ISFL%20Buffer%20Requirements_2023.pdf

d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations provided by the Programme in its Application Form and accompanying materials and/or in response to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme's current eligibility:

The information originally submitted to the TAB is presented below (copied and pasted from the previous application):

"The ISFL term is expected to run to 31 December 2030. Beyond this date, the World Bank will continue to monitor ISFL ER Programs through 31 December 2045 in relation to the Reversal Management Mechanism.

Section 8 and 9 of the ISFL Buffer Requirements specify procedures for reversal management during the term of the ISFL ERPA. For CORSIA The ISFL proposes to:

- I. delete footnote 5 in section 10 of the Buffer Guidelines
- II. Insert section 11 in the Buffer Guidelines as follows: 11. CORSIA Eligibility

If an ER Program wishes to supply "CORSIA Eligible Emissions Units" (as defined under CORSIA), the ER Program shall have in place a robust Reversal Management Mechanism that addresses the risk of Reversals beyond the Term of the ISFL and is equivalent to the ER ISFL Buffer.

A Reversal Management Mechanism is considered to be equivalent to the ER Program ISFL Buffer if:

- a) It is a buffer;

⁵ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

- b) It covers potential reversals of the units generated under the ER Program during the Crediting Period;
- c) It allows the transfer of the Buffer ERs from the ER Program ISFL Buffer;
- d) The reversal risk set-aside percentage calculated under the Reversal Management Mechanism is equal to or higher than the actual reversal risk set-aside percentage of the ER Program ISFL Buffer ;
- e) It has in place a periodic monitoring and third-party Verification mechanism for a period from the end of the Crediting Period to 31 December 2045 to confirm if there have been Reversals and makes monitoring and verification reports publicly available; and
- f) The Reversal Management Mechanism is operational and able to address identified Reversals.

The Reversal Management Mechanism shall be continually managed and operated by the ER Program Entity and allows the World Bank, in its capacity as trustee of funds made available from the ISFL for this purpose, to (i) carry out a desk review of the publicly available monitoring and verification reports of the ER Program for Reversals and (ii) inform CORSIA of any Reversals and related compensation (through replacement of the CORSIA Eligible Emissions Units) under the ER Program’s Reversal Management Mechanism, from the end of the Crediting Period through 31 December 2045.

- III. revise clause 10.1(e) of the Buffer Guidelines to read as follows, in order to achieve consistency: e) It has in place a periodic monitoring and third-party Verification mechanism for a period from the end of the Crediting Period to 31 December 2045 to confirm if there have been Reversals and makes monitoring and verification reports publicly available.”

e. How the information in “d.” would be revised and submitted to any future (re-)assessment process, by updating the information in “d.” to reflect any / all modifications to the Programme’s original information that result from the change:

The ISFL is sharing the updated Buffer Requirements alongside this document for re-assessment by the TAB. The modified Buffer Requirement includes the updates to the information presented in section d.

https://www.biocarbonfund-isfl.org/sites/isfl/files/2023-02/ISFL%20Buffer%20Requirements_2023.pdf

CHANGE 2 ARE ONLY COUNTED ONCE TOWARDS A MITIGATION OBLIGATION.

- a. Description of the change (e.g., the addition, modification, deletion undertaken):

With regards to the provisions or measures to obtain and make publicly available attestations from national governments’ designated agencies that recognize and confirm that the units can be used under CORSIA and, once transferred and retired, won’t be used by any parties to meet other mitigation goals, the ISFL is currently working on the design of an attestation form (letter of assurance and authorization by the host country) that will be required as needed as an attached document prior to any international transfer of ISFL credits and will be published in the ISFL transaction registry (CATS Carbon Assets Tracking System) along with the third-party transaction request by the host country transaction processor. This form will be ready and approved before the end of the World Bank fiscal year (June 30th 2023).

CATS Information and Technology Solution (ITS) team is working in parallel (same deadline) to label those ISFL credits as authorized ISFL credits (for which a corresponding adjustment has been applied).All ISFL Credit retirements and cancellations will be transparently recorded in public reports on CATS Registry (public dashboard and reports to be finalized by June 30th, 2023).

All transfers of ISFL Credits to be used under CORSIA scheme will follow the following general procedures to be included in the updated CATS operational guidelines (same deadline):

- ISFL will only qualify offset credits for CORSIA once the host country attestation (letter of assurance and authorization by the host country) is received and proves that all ISFL and CORSIA requirements are met (to qualify post-2020 ISFL Credits for CORSIA). Those letters signed by the relevant authority in the country detail the REDD+ activity, volume to be issued, authorization to be used by airplane operators to meet offsetting requirements under CORSIA, and the provisions to renouncing to use them to progress towards the country NDCs and assuring that the Corresponding Adjustments will be reflected in the structured summary of the country's biennial transparency reports.
- ISFL will also require (to qualify post-2020 units for CORSIA) the host country to present a mechanism to mitigate the risk of or compensate for double claims of emission reductions units between operators under CORSIA and host countries towards NDC achievement; if the adjustment has not been made (or credible evidence has not been provided) within a year after the adjustment was due. The ISFL is already conducting consultations with different stakeholders in this regard, including the World Bank Multilateral Investment Guarantee Agency (MIGA), and the detailed requirement and process to be followed to mitigate the risk of or compensate for double claims of emission reductions are expected to be finalized by September 30th, 2023.

b. Rationale for the change:

During the [2020 assessment](#), the TAB found that most programmes have not yet put in place procedures, provisions, or measures to obtain and make publicly available attestations from national governments' designated agency contact, which recognize and confirm that the units can be used under CORSIA, and in relation to accounting for the mitigation from the activities that supply these units. Therefore, the TAB requested programs to make publicly available any national government decisions related to accounting for the underlying mitigation associated with units used in ICAO, including the content of host country attestations.

This request was included again on the TAB recommendations issued to the ISFL on September 2022, in addition to finalizing the public-facing elements of the ISFL's Registry System ('CATS').

c. Where the change is reflected in the Programme's documentation or other resource(s)⁶:

Although the ISFL is proactively working towards finalizing the procedures covering public attestation and the public face of CATS, no changes have been applied yet. Changes will be applied before June, 30th 2023, and they will be reflected on the CATS website, CATS terms and conditions and CATS Operational Guidelines.

Regarding the provisions to mitigate the risk of or compensate for double claims of emission reduction units between operators under CORSIA and host countries towards NDC, the ISFL expects to have this clearly defined by September 30th, 2023.

d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations provided by the Programme in its Application Form and accompanying materials and/or in response to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme's current eligibility:

[The below information was taken from the previous application.](#)

⁶ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

| | |
|---|---|
| Does the Programme have procedures in place for the following: (<i>Paragraph 3.7.8</i>) | |
| a) to obtain, or require activity proponents to obtain and provide to the programme, written attestation from the host country's national focal point or focal point's designee? | <input checked="" type="checkbox"/> YES |
| b) for the attestation(s) to specify, and describe any steps taken, to prevent mitigation associated with units used by operators under CORSIA from also being claimed toward a host country's national mitigation target(s) / pledge(s)? | <input checked="" type="checkbox"/> YES |
| c) for Host country attestations to be obtained and made publicly available prior to the use of units from the host country in the CORSIA? | <input checked="" type="checkbox"/> YES |

Summarize and provide evidence of the policies and procedures referred to in a) through c):

a) & b) Terms and Conditions of ER Transaction Registry sections 7.02, 8.02, 11.2 (n,o) and Article XIV section 14.01; include provisions to address the above items. https://cats.worldbank.org/shared/docs/CATS_Knowledge_Terms.pdf Section 7.02 specifies that users in CATS need to submit a transfer request which is assessed by CATS to identify that no prohibited actions are taking place, including a transfer that would result in Double-Counting, Double-Selling or Double-Claiming.

e. How the information in “d.” would be revised and submitted to any future (re-)assessment process, by updating the information in “d.” to reflect any / all modifications to the Programme’s original information that result from the change:

The country attestation form (letter of assurance and authorization by the host country), updated CATS Operational Guidelines (describing the labeling mechanism and procedures and requirements for ISFL Credits to be used under CORSIA scheme) and the link to the CATS public dashboard and reports will be shared with the TAB for further assessment. This information will outline the procedures, provisions or measures to obtain and make publicly available attestations from national governments’ designated agency contact which recognize and confirm that the units can be used under CORSIA.