

4 TAB ASSESSMENTS AND RECOMMENDATIONS

4.1 GENERAL ELIGIBILITY PARAMETERS FOR CORSIA COMPLIANCE PERIODS

CORSIA first phase (2024-2026 compliance period)

4.1.1 At its 228th session in March 2023, the Council approved the general eligibility parameters for application in CORSIA's first phase (2024-2026 compliance period) (C-DEC 228/7), as recommended in section 4.1.2 of TAB's January 2023 report to Council. These general eligibility parameters apply to all CORSIA Eligible Emissions Units that are approved by the ICAO Council for use in the CORSIA first phase (2024-2026 compliance period), 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 *Extension of unit date eligibility:* The date(s) in paragraph 4.1.1 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. In its 2025 re-assessment cycle, TAB will undertake re-assessments of programmes eligible at that time, in order to make recommendations to Council on the extension of their eligibility dates into the 2027-2029 compliance period. 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.

CORSIA pilot phase (2021-2023 compliance period)

4.1.3 At its 219th session in March 2020, the Council approved the general eligibility parameters for application in CORSIA's first phase (2021-2023 compliance period) (C-DEC 219/6), as recommended in section 4.1 of TAB's January 2021 report to Council. In accordance with the TAB Procedures, TAB is no longer inviting new applications for eligibility for the pilot phase only.¹⁰ All programmes assessed for this report to Council continue to be eligible for the pilot phase and otherwise subject to their existing eligibility parameters set out in section I of the ICAO document titled "CORSIA Eligible Emissions Units".

Recommended clarifications in the ICAO document

4.1.4 In order to further clarify these general eligibility parameters in the ICAO document titled "CORSIA Eligible Emissions Units", TAB recommends that the following exclusion should be referenced in the Scope of Eligibility for any programme that has Eligible Unit Dates that extend beyond 31 December 2020:

¹⁰ Paragraph 7.8 of the TAB Procedures sets out the three-year cycle for TAB assessments and re-assessments.

Units issued in respect of emissions reductions that occurred from 1 January 2021 onward and that have not been authorized by the host country for use in CORSIA by way of an attestation to the avoidance of double-claiming.¹¹

4.1.5 For clarity, this recommendation has no supply implications as the use of such non-authorized units toward CORSIA was already prohibited by all eligible programmes through their procedures assessed by TAB.

4.2 TAB RECOMMENDATIONS ON MATERIAL CHANGES AND CONTINUING ASSESSMENTS

4.2.1 TAB's recommendations to Council from its continued 2023 assessment cycle are summarized in this section below. Subsections 4.2.3 to 4.3 then present the full details of each recommendation, including any programme-specific eligibility parameters and further actions requested of each programme.

4.2.2 Programmes recommended for conditional eligibility

4.2.2.1 TAB recommends that the following emissions unit programmes should be approved as conditionally eligible for the first phase (2024-2026 compliance cycle), pending their completion of updated lists of further actions set out for each programme in sections 4.2.3-4.3 of this Report:

- Climate Action Reserve (see details in section 4.2.3)¹²
- Gold Standard (see details in section 4.2.4)¹²
- Verified Carbon Standard (see details in section 4.3.5)¹²

4.2.2.2 For clarity, TAB is not recommending that these programmes be approved to supply CORSIA Eligible Emissions Units at this stage (*i.e.*, immediately added to section II of the ICAO document "CORSIA Eligible Emissions Units"). Rather, TAB will confirm to Council when programme updates meet specified conditions; *then* the programme will be added to the ICAO document "CORSIA Eligible Emissions Units" for the first phase (2024-2026 compliance cycle).

4.2.3 Climate Action Reserve

4.2.3.1 In March 2023, Council accepted TAB's recommendation that Climate Action Reserve should be conditionally eligible to supply CORSIA Eligible Emissions Units for the first phase (2024-2026 compliance cycle), pending the programme's implementation of further actions requested by the Council at that time.

4.2.3.2 In light of the Reserve's procedural updates submitted in August 2023 for assessment in TAB's 2023 material change assessment cycle (MCA/2023), TAB recommends that that Council update the *Further actions requested of the programme* to reflect progress that the Reserve has made in implementing the previously requested actions (Section 4.2.3.12 below).

¹¹ Refers to the "Host country attestation to the avoidance of double-claiming" guideline for interpretation of the "Only counted once towards a mitigation obligation" criterion, in [Application Form Appendix A - Supplementary Information](#), paragraph 3.7.

Background on programme status

4.2.3.3 Climate Action Reserve (“the Reserve”) first applied for assessment by the TAB in July 2019. In March 2020, the Council accepted TAB’s recommendation that the Reserve should be eligible for pilot phase (2021-2023 compliance period).

4.2.3.4 The Reserve applied for re-assessment by the TAB in March 2022. Council approved TAB’s recommendation that the programme be conditionally eligible for the first phase (2024-2026 compliance period) in March 2023, pending programme’s implementation of further actions requested by the Council. As further explained in its January 2023 Report to Council,¹² 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.

4.2.3.5 Also in 2022, TAB 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 Glasgow Climate Conference 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).

4.2.3.6 Following this assessment, the Reserve was requested to take the following actions to satisfy its eligibility conditions, and to provide evidence of such for TAB’s review and recommendation and Council’s consideration, prior to Council finalizing its eligibility for the first phase (2024-2026 compliance period):

- 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*.

4.2.3.7 The Reserve was also requested to undertake these further actions, which did 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;

¹² Paragraph 4.2.6.2 of Appendix B, C228.WP15473.

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}.

- 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

Summary of material procedural updates

4.2.3.8 In August 2023, the Reserve submitted updates (as “material changes”) to programme procedures designed to address some of the further actions requested by Council described in para 4.2.3.6. The Reserve also submitted an updated *Programme Assessment Scope* form with a view to including three more methodologies within its scope of activities generating CORSIA Eligible Emissions Units. TAB’s assessment of these updates informed the *Further actions requested of the programme* recommended in section 4.2.3.12 further down. TAB did not, in the current assessment cycle, undertake any further assessment of the programme’s application materials submitted under prior TAB assessment cycles.

General findings

4.2.3.9 TAB found that the Reserve’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022, supplemented by material changes submitted for TAB’s assessment in August 2023, 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 updated list of *Further actions requested of the programme* recommended in section 4.2.3.12 further down.

Areas for further development

4.2.3.10 TAB found that the Reserve demonstrated technical consistency with some, but not all, contents of the following criteria: Leakage; and Only counted once towards a mitigation obligation. These findings informed the *Further actions requested of the programme* recommended in section 4.2.3.12 further down.

4.2.3.11 TAB also found that the Reserve demonstrated technical consistency with most, but not all, contents of the criteria Additionality and Permanence as they have been interpreted by TAB in its assessments of emissions unit programmes since 2019. In particular, activities developed under the

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)).

Reserve's new *U.S. Soil Enrichment Protocol* that use tonne-year accounting are exempt from requirements relating to long-term monitoring and contribution to the Reserve's reversal buffer pool. TAB recalled its previous discussion measures to mitigate non-permanence, reflected in Section 4.3.2 of its January 2020 Report to Council.¹⁵ TAB re-affirmed its view that a single ten-year crediting and reversal monitoring period is too short for this activity type, noting concerns about additionality as well as monitoring period lengths, and that a reversal compensation mechanism (*e.g.*, buffer pool) is necessary for all activities with a material risk of reversals. TAB also discussed the emerging practice of 'tonne-year accounting', which informed the *Criteria interpretation* in section 4.4 further down. In light of these findings, TAB recommends adding the following exclusions to the Reserve's Scope of Eligibility in Part I of the ICAO document titled "CORSIA Eligible Emissions Units:"

(f) CRTs issued to activities that have a material risk of reversals and have been exempted from the Reserve's buffer pool contribution requirements,

(g) CRTs issued to activities within the category of natural climate solutions that have a material risk of reversals and for which procedures to monitor, mitigate and compensate for reversals are required for less than 20 years.

Further actions requested of the programme

4.2.3.12 TAB recommends that the Reserve undertake the further actions in a) below, which the Reserve is invited to submit for TAB to assess and make recommendations to the Council as necessary to finalize the Reserve's conditional eligibility for the first phase:

- a) 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*. Further actions should address the following:
 - i. Clearly state in the Reserve's procedures that all emissions units representing mitigation that occurred from 1 January 2021 onward and are used in the CORSIA must be appropriately accounted for in line with the relevant and applicable international provisions, as stated in the EUC Guidelines, in particular through corresponding adjustments by the host country consistent with Article 6.2 Guidance under the Paris Agreement, regardless of the sector, gas, activity type or country in which the mitigation occurred;
 - ii. Establish procedures for the programme to respond to changes to the number, scale, and/or scope of host country attestations;
 - iii. Review and update section 2.11.1 of the Reserve Offset Program Manual, in order to ensure that the timing and information sought in different national reports is consistent their respective contents per the Article 6.2 Guidance, so that the Reserve and Project Developers have the correct instructions needed to meet their responsibilities under the Reserve's procedures for comparing unit use against national reporting;

¹⁵ The relevant excerpt is compiled on page 12 of the document *Clarifications of Criteria Interpretations Contained in TAB Reports*, available at <https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB2023/ClarificationsofTABsCriteriaInterpretations.pdf>.

- iv. Provide evidence of the basis by which a Project proponent legally commits to replace double-claimed mitigation in line with section 2.11.1.2 of the Reserve Program Offset Manual, *e.g.*, contract template excerpt; and,
- v. Provide documentation to TAB on the Reserve’s formal procedures for addressing instances where a Project Developer is unwilling or unable to compensate for double-claimed mitigation in line with section 2.11.1.2 of the Reserve Program Offset Manual.

4.2.3.13 In assessing the material changes submitted for TAB’s assessment in August 2023, TAB found that the Reserve has completed item (d) on the list of *Further actions requested* in paragraph 4.2.3.7 above. TAB recommended that Council re-iterate the remaining items on that list. These actions do not need to be taken prior to amending the Reserve’s entry in section II of the ICAO document titled “CORSIA Eligible Emissions Units”.

4.2.4 **Gold Standard (GS)**

4.2.4.1 In March 2023, Council accepted TAB’s recommendation that Gold Standard (GS) should be conditionally eligible to supply CORSIA Eligible Emissions Units for the first phase (2024-2026 compliance cycle), pending the programme’s implementation of further actions requested by the Council at that time.

4.2.4.2 In light of GS’s procedural updates submitted in August 2023 for assessment in TAB’s 2023 material change assessment cycle (MCA/2023), TAB recommends that Council update the *Further actions requested of the programme* to reflect the progress that Gold Standard has made in implementing the previously requested actions (Section 4.2.4.6 below).

Background on programme status

4.2.4.3 Gold Standard first applied for assessment by the TAB in July 2019. In March 2020, the Council accepted TAB’s recommendation that the GS should be eligible for pilot phase (2021-2023 compliance period).

4.2.4.4 GS applied for re-assessment by the TAB in March 2022. Council approved TAB’s recommendation that GS be conditionally eligible for the first phase (2024-2026 compliance period) in March 2023, pending GS’s implementation of further actions requested by the Council. As further explained in its January 2023 Report to Council,¹⁶ 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.

4.2.4.5 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.

4.2.4.6 Following this assessment, GS was requested to take the following actions to satisfy its eligibility conditions, and to provide evidence of such for TAB’s review and recommendation and Council’s consideration, prior to Council finalizing its eligibility for the first phase (2024-2026 compliance period):

¹⁶ Paragraph 4.2.6.2 of Appendix B, C228.WP15473.

- 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*. 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.

4.2.4.7 GS was also requested to undertake these further actions, which did 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, Paragraph 7.10, including for the registry to record cancellation information required in the

CORSIA SARPs Appendix 5, Table A5-7¹⁷, 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.

Summary of material procedural updates

4.2.4.8 In August 2023, GS submitted updates (as “material changes”) to programme procedures designed to address the further actions requested by Council described in para 4.2.4.6. TAB's assessment of these updates informed the *Further actions requested of the programme* recommended in section 4.2.4.14 further down.

4.2.4.9 GS also submitted some other procedural updates which did not relate to the requested further actions above. Prior to TAB/16, TAB members noted that these updates would not adversely impact the alignment of the GS's procedures applicable to activities within the programme's existing Scope of Eligibility. Thus, TAB confirmed that these were positive and/or immaterial updates and did not further assess them in this cycle.

4.2.4.10 TAB did not, in the current assessment cycle, undertake any further assessment of the programme's application materials submitted under prior TAB assessment cycles.

General findings

4.2.4.11 TAB found that the GS's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022, supplemented by material changes submitted for TAB's assessment in August 2023, 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 updated list of *Further actions requested of the programme* recommended in section 4.2.4.14 further down.

¹⁷ 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}.

Areas for further development

4.2.4.12 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. GS's progress toward fully meeting these criteria informed the *Further actions requested of the programme* recommended in section 4.2.4.14 further down.

4.2.4.13 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. This common finding is further discussed in Section 4.4 of TAB's January 2023 Report to Council.

Further actions requested of the programme

4.2.4.14 TAB recommends that Council request Gold Standard to undertake the further actions in a) to c) below, which Gold Standard 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. These requested further actions supersede the further actions requested by Council in March 2023 (see section 4.2.4.6 above):

- a) Complete the process for ISO/IEC 27001 certification for the Gold Standard registry information security management system, or equivalent security enhancements, including procedures for periodic audits;
- b) Clarify in Gold Standard reversal compensation procedures that the programme will ensure that reversals of mitigation issued as CORSIA-eligible emissions units will only be replaced/compensated by emissions units that are also fully eligible for the same CORSIA compliance period;
- 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*. Further actions should address the following:
 - i. 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;
 - ii. Procedures 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;
 - iii. Procedures for *the programme* to verify that the information on host country attestations and reporting is obtained and submitted by project owners, and is accurate and timely; and that the programme will respond to instances of non-responsiveness / inaction / inaccuracies in reports submitted by a project owner in regard to these information requirements;

- iv. Review and update GS's procedures for obtaining evidence of the application of adjustments, in order to ensure that the timing and information sought in different national reports (e.g., Biennial Transparency Reports, Agreed Electronic Format) is consistent their respective contents per the Article 6.2 Guidance, so that GS and project developers have the correct instructions needed to meet their responsibilities under the GS's procedures for comparing unit use against national reporting;
- v. Procedures for *the programme* to ensure that the programme, 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; and
- vi. Provide evidence of the basis by which a Project owner legally commits to replace double-claimed mitigation in line with Gold Standard's requirements, e.g., contract template excerpt.

4.2.4.15 TAB also recommended that Council reiterate the list of *Further actions* referred in section 4.2.4.7 above, which do not need to be taken prior to adding GS to section II of the ICAO document titled "CORSIA Eligible Emissions Units".

4.2.5 **Verified Carbon Standard (VCS)**

4.2.5.1 In March 2023, Council accepted TAB's recommendation that Verified Carbon Standard (VCS) should be conditionally eligible to supply CORSIA Eligible Emissions Units for the first phase (2024-2026 compliance cycle), pending the programme's implementation of further actions requested by the Council at that time.

4.2.5.2 In light of VCS's procedural updates submitted in August 2023 for assessment in TAB's 2023 material change assessment cycle (MCA/2023), TAB recommends that that Council update the *Further actions requested of the programme* to reflect the progress that VCS has made in implementing the previously requested actions (Section 4.2.5.17 below).

Background on programme status

4.2.5.3 VCS first applied for assessment by the TAB in July 2019. In March 2020, the Council accepted TAB's recommendation that the VCS should be eligible for pilot phase (2021-2023 compliance period).

4.2.5.4 VCS applied for re-assessment by the TAB in March 2022. Council approved TAB's recommendation that VCS be conditionally eligible for the first phase (2024-2026 compliance period) in March 2023, pending VCS's implementation of further actions requested by the Council. As further explained in its January 2023 Report to Council,¹⁸ 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.

4.2.5.5 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

¹⁸ Paragraph 4.2.6.2 of Appendix B, C228.WP15473.

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).

4.2.5.6 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 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”.

4.2.5.7 Following this assessment, VCS was requested to take the following actions to satisfy its eligibility conditions, and to provide evidence of such for TAB’s review and recommendation and Council’s consideration, prior to Council finalizing its eligibility for the first phase (2024-2026 compliance period):

- 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*.

4.2.5.8 VCS was also requested to undertake these further actions, which did 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 A5-7¹⁹, 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.

¹⁹ 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}.

Summary of material procedural updates

4.2.5.9 In August 2023, VCS submitted updates (as “material changes”) to programme procedures designed to address the further actions requested by Council described in para 4.2.5.7 above. TAB’s assessment of these updates informed the *Further actions requested of the programme* recommended in section 4.2.5.17 further down.

4.2.5.10 VCS also submitted two new methodologies that it proposes should be exempt from the exclusions to VCS’s existing Scope of Eligibility for the pilot phase (2021-2023), as set out in Part I of the document titled “CORSIA Eligible Emissions Units”. (See discussion in section 4.2.5.7 above.) TAB’s assessment of these updates informed the recommendation in section 4.2.5.17 further down.

4.2.5.11 VCS further submitted some other procedural updates which did not relate to the requested further actions above. Prior to TAB/16, TAB members noted that these updates would not adversely impact the alignment of the VCS’s procedures applicable to activities within the programme’s existing Scope of Eligibility. Thus, TAB confirmed that these were positive and/or immaterial updates and did not further assess them in this cycle.

4.2.5.12 TAB did not, in the current assessment cycle, undertake any further assessment of the programme’s application materials submitted under prior TAB assessment cycles.

General findings

4.2.5.13 TAB found that the VCS’s procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022, supplemented by material changes submitted for TAB’s assessment in August 2023, 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 updated list of *Further actions requested of the programme* recommended in section 4.2.5.17 further down.

Areas for further development

4.2.5.14 TAB again 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 updated list of *Further actions requested of the programme* recommended in section 4.2.5.14 further down.

4.2.5.15 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 4.4 of TAB’s January 2023 Report to Council.

4.2.5.16 TAB again found that the VCS demonstrated technical consistency with some, but not all, contents of the 4.2.5.6 above. TAB re-affirmed the relevance of the exclusions and allowable exceptions on this matter contained in the ICAO document “CORISIA Eligible Emissions Units” and did not recommend to broaden this list. For clarity, both of the two new methodologies submitted by VCS could be used to quantify emissions units from REDD+-relevant activity types in host countries pursuing elements of REDD+.

Further actions requested of the programme

4.2.5.17 TAB recommends that Council request VCS to undertake the further actions in 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. These requested further actions supersede the further actions requested by Council in March 2023 (see section 4.2.5.7 above):

- a) Include in VCS programme documents procedures that VCUs 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,
- b) Provide evidence to TAB that VCS clearly prohibits Project developers and other market actors with access to its registry from double-selling;
- 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*. Further actions should address the following:
 - i. Complete the planned updates to the VCS CORSIA Label Guidance and submit to TAB as a material change for its assessment;
 - ii. Update the functionality of the VCS registry to ensure that, for any unit with the label “Article 6 Authorized – International mitigation purposes”, the registry clearly and transparently shows whether or not that unit is within VCS’s Scope of Eligibility in the document titled “CORISIA Eligible Emissions Units”.
 - iii. Establish procedures for the programme to respond to changes to the number, scale, and/or scope of host country attestations;
 - iv. Put in place procedures for the program, or proponents of the activities it supports, to 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, such that double claiming does not occur between the airline and the host country of the emissions reduction activity.

4.2.5.18 TAB also recommended that Council reiterate the list of *Further actions* referred in section 4.2.5.8 above, which do not need to be taken prior to adding VCS to section II of the ICAO document titled “CORISIA Eligible Emissions Units”.

4.2.6 Programmes invited to re-apply

4.2.6.1 TAB recommends that the following emissions unit programme should be invited to re-apply for eligibility for the first phase (2024-2026 compliance period): SOCIALCARBON. This programme should continue to be eligible for the pilot phase (2021-2023 compliance period) in line with their existing parameters set out in section I of the ICAO document titled “CORSIA Eligible Emissions Units”.

4.2.7 SOCIALCARBON

General findings

4.2.7.1 TAB found that SOCIALCARBON procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2023 were partially 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 for mitigation that occurred from 1 January 2021 through 31 December 2026.

4.2.7.2 TAB found that SOCIALCARBON demonstrated technical consistency with the contents of the following criteria, as TAB applied them in its eligibility (re-)assessments for the first phase (2024-2026 compliance cycle): Legal nature and transfer of units; Safeguards system; Sustainable development criteria; Do no net harm; Offset credit issuance and retirement procedures; Identification and tracking; Validation and verification procedures; Clear and transparent chain of custody; Clear methodologies and protocols, and their development process; Scope considerations; Realistic and credible baselines.

Areas for further development

4.2.7.3 TAB found that SOCIALCARBON demonstrated technical consistency with some, but not all, contents of the criteria Program governance; Carbon offset credits must be quantified, monitored, reported, and verified; Transparency and public participation provisions; Additionality; Permanence and Leakage; and Only counted once towards a mitigation obligation.

4.2.7.4 TAB also found that SOCIALCARBON 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 of TAB’s January 2023 Report to Council.

4.2.7.5 TAB also found that SOCIALCARBON is among several programmes that rely on methodologies, processes and institutions, requirements, and/or tools from the Clean Development Mechanism (CDM) for programme elements relevant to the EUC. This common finding is discussed in a Criteria interpretation in section 4.4 of TAB’s September 2023 Report to Council (C-DEC 230/5)²⁰.

4.2.7.6 TAB further noted that SOCIALCARBON allows large-scale projects to use a baseline-setting approach that boosts crediting in contexts where demand for energy services is suppressed (due to, *e.g.*, under-development) and where this could lead to smaller (and fewer) projects. SOCIALCARBON modifies

²⁰ Also compiled in Clarifications of Criteria Interpretations in TAB Reports, available on the ICAO TAB website: <https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB2023/ClarificationsofTABsCriteriaInterpretations.pdf>.

at least one suppressed demand methodology from the CDM to allow its use in large-scale projects, among other modifications. The original CDM methodology is limited to small-scale uses, given the need for conservative baseline-setting assumptions and sampling methods. TAB recalled the discussion on this matter in its September 2022 Report to Council (section 6.5.13 to 6.5.17) and resolved to continue to monitor ongoing developments relating to the matter, including in the Article 6 context.

4.2.7.7 TAB would like to encourage SOCIALCARBON to remain engaged in TAB's assessment process. TAB will re-assess the programme once changes to the programme procedures are in place and the programme provides such information to TAB in line with a future call for applications.

4.3 OTHER FINDINGS FROM TAB'S ASSESSMENT OF POTENTIAL MATERIAL CHANGES

4.3.1 American Carbon Registry (ACR)

Background on programme status

4.3.1.1 American Carbon Registry (ACR) first applied for assessment by the TAB in July 2019. In March 2020, the Council accepted TAB's recommendation that ACR should be eligible for pilot phase (2021-2023 compliance period).

4.3.1.2 ACR applied for re-assessment by the TAB in March 2022. Council approved TAB's recommendation that ACR be eligible for the first phase (2024-2026 compliance period) in March 2023. TAB also recommended that the Council request ACR to undertake the following further actions, which did 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 A5-7²¹, 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,

²¹ 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}.

- 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.

Summary of material procedural updates

4.3.1.3 In August 2023, ACR submitted updates (as "material changes") to programme procedures, including some changes designed to address the further actions requested by Council described in para 4.3.1.2 (a) and (f) above. TAB assessed these material changes during the second half of its 2023 assessment cycle.

4.3.1.4 ACR also submitted some other procedural updates which did not relate to the requested further actions above. Prior to TAB/16, TAB members screened these updates and noted that they would not adversely impact the alignment of the ACR's procedures applicable to activities within the programme's existing Scope of Eligibility. TAB confirmed that these were positive and/or immaterial updates and thus did not further assess them in this cycle.

4.3.1.5 TAB did not, in the current assessment cycle, undertake any further assessment of the programme's application materials submitted under prior TAB assessment cycles.

General findings

4.3.1.6 TAB found that the ACR's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022, supplemented by material changes submitted for TAB's assessment in August 2023, continue to be 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.

4.3.1.7 In March 2023, TAB did not recommend any exclusions from or limitations to the scope of ACR's eligibility beyond those set out in the general eligibility parameters for the first phase (2024-2026 compliance period).²² At TAB/16 (January 2024), TAB discussed ACR's Scope of Eligibility in light of the need to maintain alignment between the ICAO document titled "CORSIA Eligible Emissions Units" and the scope of emissions units that the programme could potentially make available for use in CORSIA. For example, American Carbon Registry (correctly) has procedures in place to prevent the double-claiming of emissions units between the CORSIA and Nationally Determined Contributions under the Paris Agreement, as well as with units used in the California cap-and-trade system, for which ACR serves as one of several designated compliance offset registries. Emissions units affected by these procedures may not be designated as CORSIA-eligible according to ACR's procedures, even though they fall within the Scope of Eligibility set out in the ICAO document titled "CORSIA Eligible Emissions Units".

²² See section 4.2.2.3 of TAB's January 2023 Report to Council,

4.3.1.8 To prevent confusion, TAB recommends that the Scope of Eligibility under ACR's entries in ICAO document be amended with the following exclusions, in order to clarify the existing *de facto* exclusions of these unit types:

- a) California Registry Offset Credits (ROCs)
- b) California Early Action Offset Credits (EAOCs)
- c) ACR Emission Reduction Tonnes (ERTs) issued to all activities that are developed in REDD+ countries²³ and utilize methodologies in the programme's Sectoral Scope 3 (Land Use, Land Use Change and Forestry) category and are estimated²⁴ to generate greater than 7,000 Emission Reduction Tonnes (ERTs) / annum individually or grouped.
- d) ERTs issued in respect of emissions reductions that occurred from 1 January 2021 onward and that have not been authorized by the host country for use in CORSIA by way of an attestation to the avoidance of double-claiming.²⁵

4.3.1.9 This recommendation has no supply implications as the use of such units toward CORSIA was already prohibited in practice though ACR's existing programme procedures assessed by TAB as well as the regulations of the California cap-and-trade system.

Further actions requested of the programme

4.3.1.10 In assessing the material changes submitted for TAB's assessment in August 2023, TAB found that ACR has completed item (f) on the list of *Further actions requested* in paragraphs 4.3.1.2 above. TAB recommended that Council re-iterate the remaining items on the list as well as request the additional actions set out in paragraphs (f) and (g) below. These actions do not need to be taken prior to amending ACR's entry in section II of the ICAO document titled "CORSIA Eligible Emissions Units":

- f) Establish procedures for the programme to respond to changes to the number, scale, and/or scope of host country attestations;
- g) With respect to units that ACR intends to label as "CORSIA-pending" in its programme registry, ensure that the meaning of this label is transparently disclosed, including the following information (i) units with this label are not CORSIA-eligible, (ii) any future CORSIA eligibility of such units is contingent on their being covered by a host country attestation, and (iii) the probability of any given unit ever obtaining host country authorization is not known. This information must be disclosed fully, prominently, and within visible proximity of the emissions units' "CORSIA-pending" registry label.

²³ Referring to countries that are pursuing elements of REDD+ as defined in key decisions relevant for reducing emissions from deforestation and forest degradation in developing countries (REDD+), including the Warsaw Framework for REDD+.

²⁴ According to estimates specified at the time of activity registration.

²⁵ Refers to the "Host country attestation to the avoidance of double-claiming" guideline for interpretation of the "Only counted once towards a mitigation obligation" criterion, in [Application Form Appendix A - Supplementary Information](#), paragraph 3.7.

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, in order to find consensus on TAB recommendations, including those presented in Section 4 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, this section also presents those interpretations.

4.4.2 TAB reaffirmed the relevance of Criteria interpretations in successive TAB Reports, which are compiled into a document titled *Clarifications of TAB's Criteria Interpretations Contained in TAB Reports* and published on the TAB website for transparency. Reflecting on this work, TAB noted with appreciation that programmes continue to make progress in enhancing their procedures to bring them more clearly in line with the EUC. TAB looks forward to reviewing this continuing progress during its forthcoming assessment cycles.

Criterion: Identification and tracking

4.4.3 The criterion Identification and Tracking and its Guideline on *Unit identification* require that programme registries “be capable of transparently identifying emissions units that are deemed ICAO-eligible, in all account types.” In this context, section 7.3 of the Emissions Unit Programme Registry Attestation requires that each programme registry “identify / label its CORSIA eligible emissions *units* as defined in the ICAO Document ‘CORSIA Eligible Emissions Units.’” (*Emphasis added*).²⁶

4.4.4 TAB recalled its January 2023 Report to Council, which recommended different Scopes of Eligibility for the pilot phase (2021-2023 compliance period) versus the first phase (2024-2026 compliance period). This distinction was necessary to operationalize new *Criteria interpretations* recommended by TAB in its September 2022 Report, reflecting its considerations of the outcomes of the Glasgow Climate Conference (COP26) related to Article 6 of the Paris Agreement, as requested by the 225th Council. To operationalize the distinction in practice, the ICAO document was divided into two parts: Part I (pilot phase) and Part II (first phase).

4.4.5 At TAB/16, TAB members discussed the progress of emissions unit programmes in improving their labelling practices in reaction to the CORSIA EUC, Guidelines and Registry Attestation. In comparing existing practices to the CORSIA requirements, TAB noted that programme-designated registry labels or categories used to identify CORSIA-eligible emissions units should:

- (a) Be applied at the emissions unit level (*i.e.*, not, or not only, at the activity level);
- (b) Clearly distinguish CORSIA-eligible units from those that are not CORSIA-eligible, as well as the applicable Eligibility Timeframe(s), *i.e.*, the CORSIA compliance period(s) for which each unit is eligible; and,
- (c) Be consistent with the programme-specific section of the ICAO Document CORSIA Eligible Emissions Units for the relevant CORSIA compliance period.

4.4.6 For units generated in respect of mitigation that occurred from 2021 onward, TAB noted that the possible eventual eligibility of these units is contingent on authorization and attestation by the host country of its intent not to double-claim. In the meantime, several emissions unit programmes have developed separate labels (*e.g.*, forecasted, pending, *etc.*) to identify emissions units that are otherwise within the programme’s Scope of Eligibility and thus *could* become CORSIA-eligible *if* they were to obtain attestation/authorization. Further, at least one emissions unit programme intends to separately label units

²⁶ C-DEC 220/5 (June 2020).

that are “authorized for international mitigation purposes” under Article 6 of the Paris Agreement, even though CORSIA is currently the only existing “international mitigation purpose” within the meaning of the Article 6.2 Guidance. TAB members discussed the risk of CORSIA-adjacent labels causing confusion, while also acknowledging that the nomenclatures of such labels are tangential to TAB’s core mandate.

4.4.7 Reflecting on these considerations, TAB noted that any programme-designated registry labels, categories, or other information intended to identify such emissions units:

- (a) must not characterize any emissions unit or activity as “CORSIA-eligible” unless all eligibility conditions are met, including host country attestations in the case of post-2020 unit vintages;
- (b) must clearly and transparently disclose the further condition(s) that must be satisfied for the registry to designate these as fully CORSIA-eligible, and do so fully, prominently, and within visible proximity of the emissions units’ registry listing.

Criterion: Permanence

4.4.8 TAB noted that some emissions unit programmes have been consulting on the practice of “tonne-year accounting” for activities involving the risk of reversals. At least one emissions unit programme allows for the practice in certain methodologies as an option in lieu of reversal management measures.

4.4.9 Tonne-year accounting allows crediting for tonnes greenhouse gases kept out of the atmosphere over a given number of years, with quantities then converted into “equivalent” permanent mitigation according to an accounting convention or conversion factor. TAB noted the outcome of the *Fifth meeting of the Article 6.4 mechanism Supervisory Body*²⁷, which acknowledged “persistent concerns and questions raised [about tonne-year accounting], including within the scientific community, regarding its underpinning methods and assumptions, and ecological implications, and insufficient confidence in its suitability for international applications and effectiveness at addressing reversals.” TAB also recalled its discussion on Permanence in the January 2020 Report to Council, which noted that “the programmes assessed take multi-pronged approaches to mitigating reversal risks, many of which are captured in the guidelines, and should be assessed as a package.”²⁸

4.4.10 Reflecting on these considerations, TAB noted that ‘tonne-year accounting’ could be acceptable as part of a multi-pronged approach to addressing reversal risk. However, TAB also emphasized that such multi-pronged approaches must also include “measures to monitor, mitigate, and compensate any material incidence of non-permanence” in line with the EUC on Permanence. In this regard, TAB resolved to continue to apply the EUC in the manner described in its *Criteria interpretations*,²⁹ further clarify these interpretations where appropriate, and monitor ongoing developments, including in the Article 6 context. Regarding these ongoing developments, TAB noted that there are ongoing discussions by the CMA and that the CAEP is scheduled to review the EUC in 2024.

Criterion: Only counted once towards a mitigation obligation

4.4.11 The criterion Only counted once towards a mitigation obligation states, among other things, that “[i]n order to prevent double claiming, eligible programs should require and demonstrate that host countries of emissions reduction activities agree to account for any offset units issued as a result of those

²⁷ See para. 25 of document A6.4-SB0005, available at <https://unfccc.int/sites/default/files/resource/a64-sb005.pdf>

²⁸ See section 4.3.2.4 of TAB’s January 2020 report, which is also compiled on page 13 of *Clarifications of TAB’s Criteria Interpretations Contained in TAB Reports*

²⁹ See section 4.3.2 of TAB’s January 2020 Report to Council. The relevant excerpt is compiled on pages 12 of the document *Clarifications of TAB’s Criteria Interpretations Contained in TAB Reports*.

activities such that double claiming does not occur between the airline and the host country of the emissions reduction activity.” There are several EUC guidelines for this criterion, including on *Double-claiming procedures*, *Transparent communications*, *Comparing unit use against national reporting*, *Program reporting on performance*, and *Reconciliation of double-claimed mitigation*. In successive TAB Reports approved by Council, TAB has communicated further Criteria interpretations to clarify how TAB applies this EUC and Guidelines in its assessments of emissions unit programmes.³⁰

4.4.12 The EUC guideline on *Reconciliation of double-claimed mitigation* states that “[t]he programme should have procedures in place for the programme, or proponents of the activities it supports, to 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.” TAB noted that a programme would need to use these procedures when, in *Comparing unit use against national reporting*, it detects a discrepancy between the host country’s national reporting under the Paris Agreement and the emissions units issued by the programme that the host country has authorized for use by Aeroplane Operators under the CORSIA.

4.4.13 In its assessments to date, TAB has found that two programmes have procedures in place that fully demonstrate this criterion, including its guideline on *Reconciliation of double-claimed mitigation*. TAB has also found that some other programmes only partially demonstrated consistency with this guideline’s requirement to “compensate for, replace, or otherwise reconcile double-claimed mitigation”. In the latter cases, TAB could identify scenarios in which the programme, or the proponents of the activities it supports, could refuse – or be unable – to fully compensate for, replace or otherwise reconcile the double-claimed mitigation. These scenarios would leave the affected Aeroplane Operator liable for replacing units that it had purchased and cancelled in good faith.

4.4.14 In light of these considerations, TAB noted that, for all CORSIA-eligible emissions units generated in respect of mitigation that occurred in 2021 onward, programmes must have procedures in place that:

require clear a commitment by the programme, or the proponents of the activities it supports, to compensate for, replace, or otherwise reconcile any double-claimed mitigation associated with that unit, and

provide reasonable assurance that they have the capability to deliver on that commitment.

4.4.15 Ultimately, emissions unit programmes are the entities accountable to ICAO’s relevant bodies for the integrity of emissions units generated according to their procedures, including their performance on the avoidance of double claiming.

³⁰ See section 3.7 of TAB’s Jan. 2020 Report; section 4.4 of TAB’s Jan. 2021 report; and section 6.4 of TAB’s Sept. 2022 report. The relevant excerpts are compiled on pages 11 to 16 of the document *Clarifications of TAB’s Criteria Interpretations Contained in TAB Reports*.