



Aviation Offsetting: CORSIA, Airports, and the Voluntary Market

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IATA-About us

The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 290 airlines or 82% of total air traffic.

→ **Our Vision**

To be the force for value creation and innovation driving a safe, secure and profitable air transport industry that sustainably connects and enriches our world.

→ **Our Mission**

to represent, lead, and serve the airline industry.





Tackling the climate challenge

814

million tonnes of CO₂ in 2017

2%

of global man-made carbon emissions

Tackling the climate challenge

3 GLOBAL GOALS

4 PILLARS OF CLIMATE ACTION

The industry's targets

GOAL 1

PRE-2020 AMBITION

1.5% ANNUAL
AVERAGE FUEL
EFFICIENCY
IMPROVEMENT
FROM 2009 TO
2020.

T O I

GOAL 2

IN LINE WITH THE NEXT
UNFCCC COMMITMENT PERIOD

STABILISE NET
AVIATION CO₂
EMISSIONS AT
2020 LEVELS
WITH CARBON-
NEUTRAL
GROWTH.

T O I + M

GOAL 3

ON THE 2°C PATHWAY

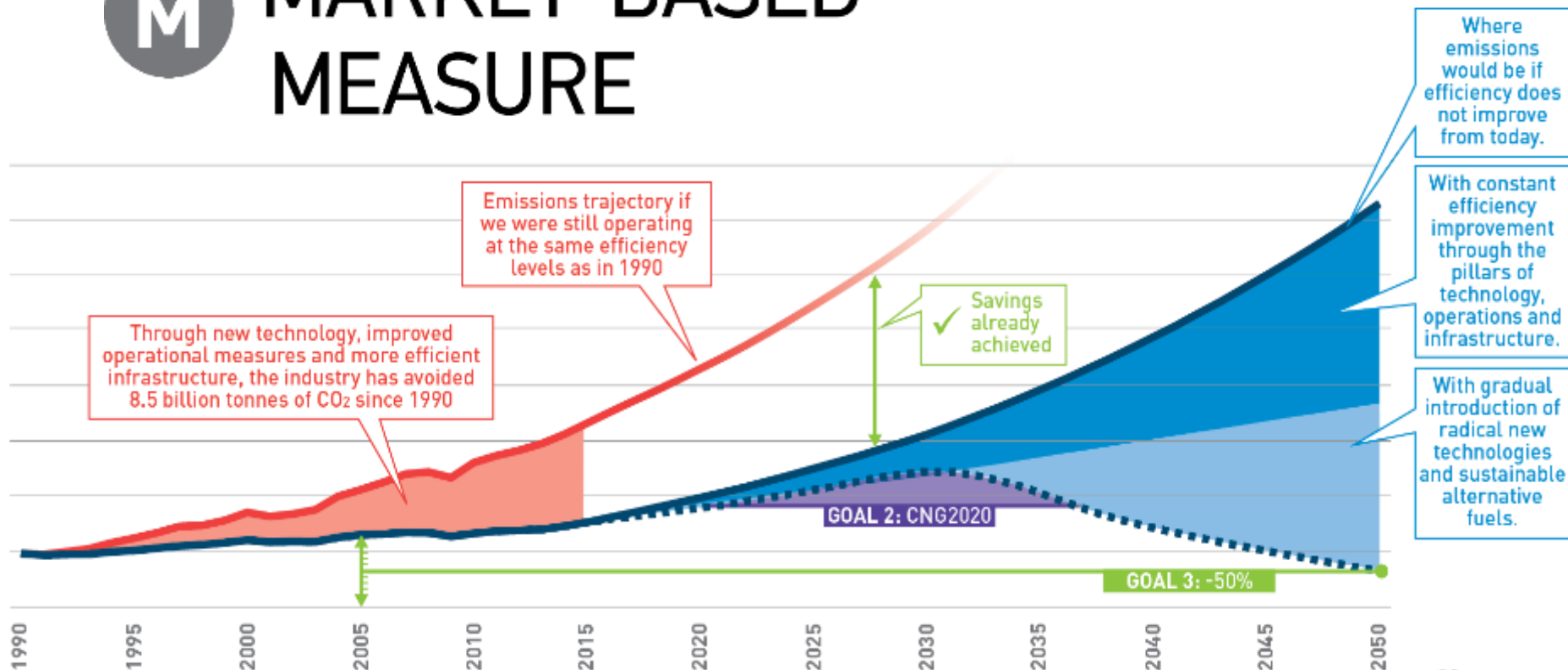
REDUCE
AVIATION'S NET
CO₂ EMISSIONS
TO 50% OF WHAT
THEY WERE IN
2005, BY 2050.

T O I

Tactical improvements across the system

- T** TECHNOLOGY
- O** OPERATIONS
- I** INFRASTRUCTURE
- M** MARKET-BASED MEASURE

M MARKET-BASED MEASURE



ICAO Assembly Resolution A39-3



“Carbon Offsetting and Reduction Scheme for International Aviation” (CORSIA)

- Aim is to address **growth in CO₂ emissions** from international civil aviation above 2020 levels (**CNG2020**)
- Applies to **international flights only**
- Is to be the MBM applying to CO₂ emissions from international aviation



CORSIA Progress

ICAO 214th Council Session

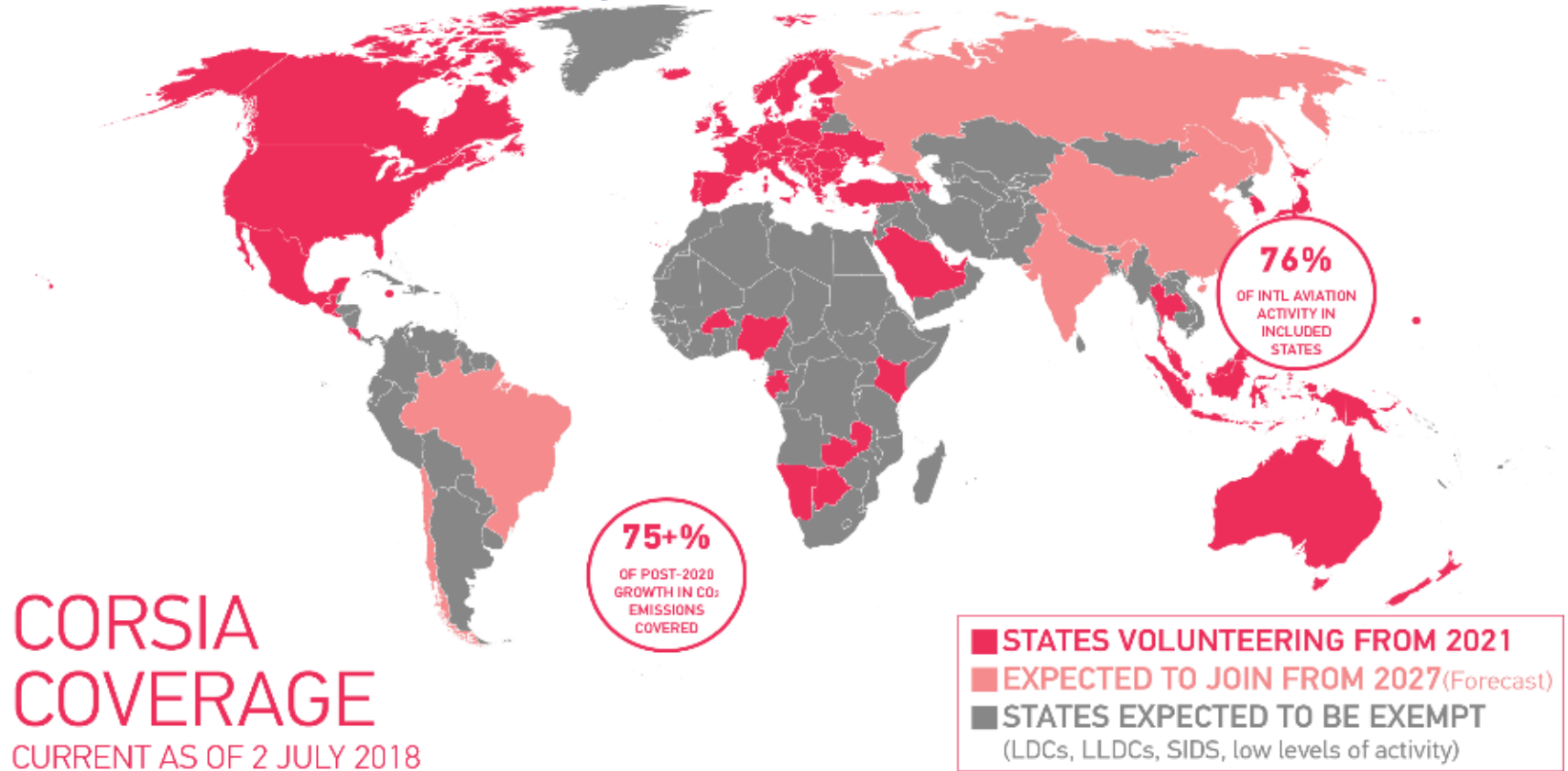
ICAO Council adopted CORSIA SARPs on June 27, 2018, which is now known as the First Edition of Annex 16, Volume IV, to the *Chicago Convention*.

More information about CORSIA-

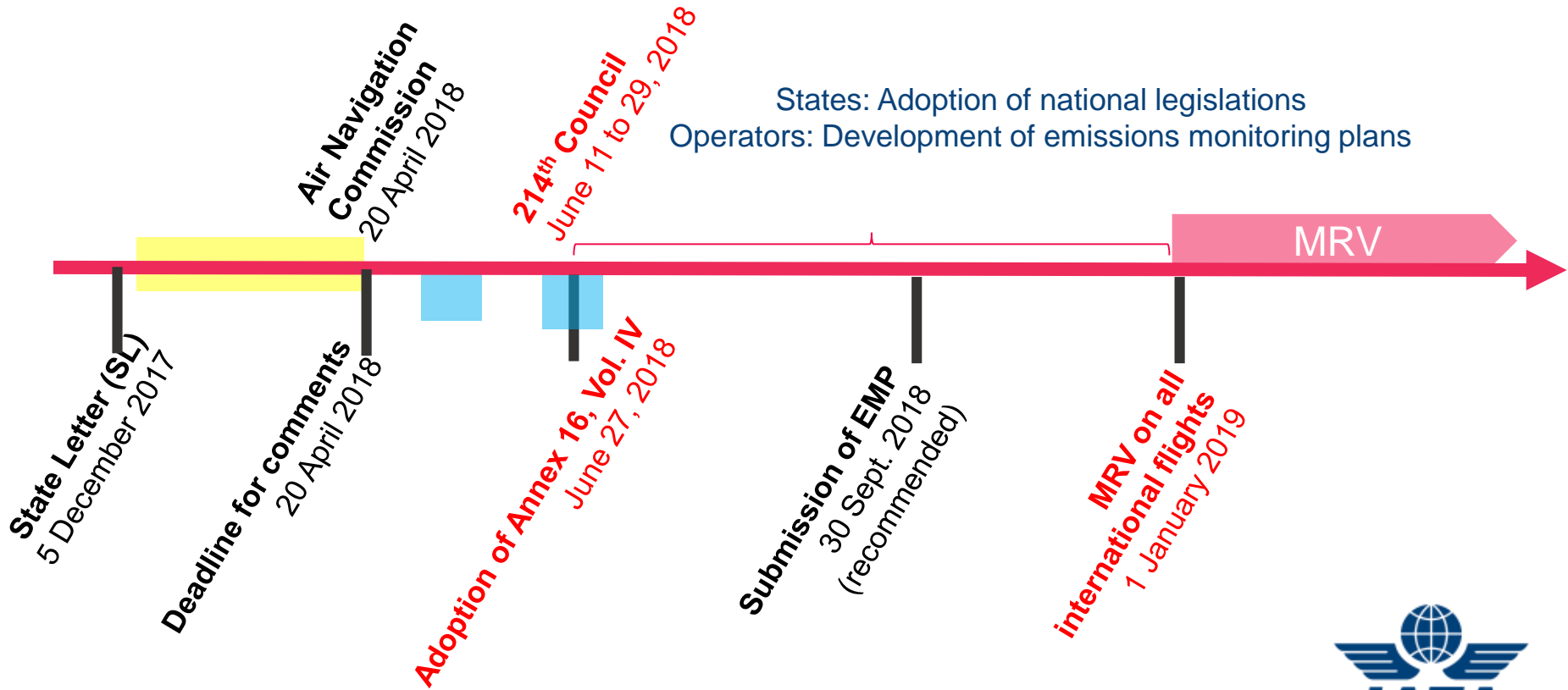
<https://www.icao.int/environmental-protection/CORSIA/Pages/default.aspx>



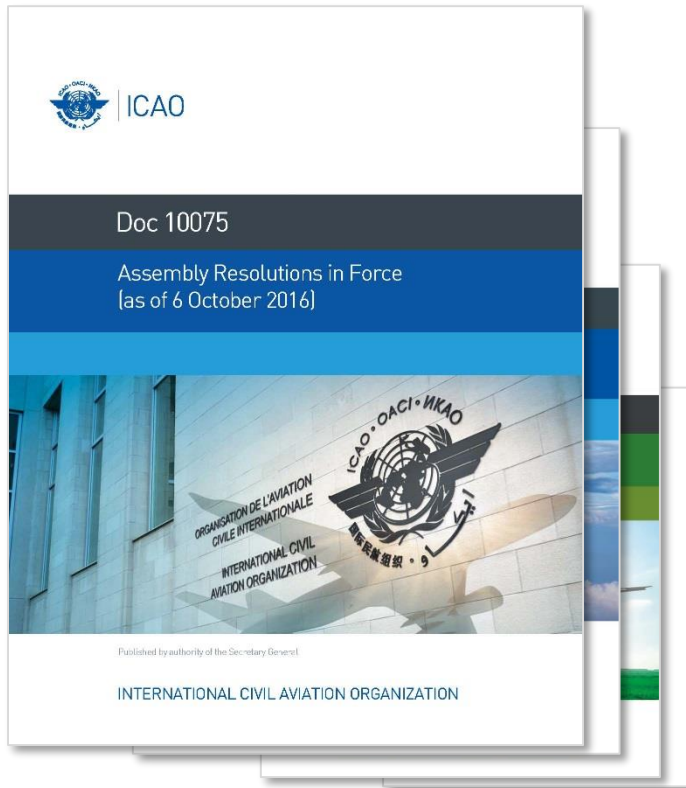
CORSIA Coverage



ICAO PROCESS



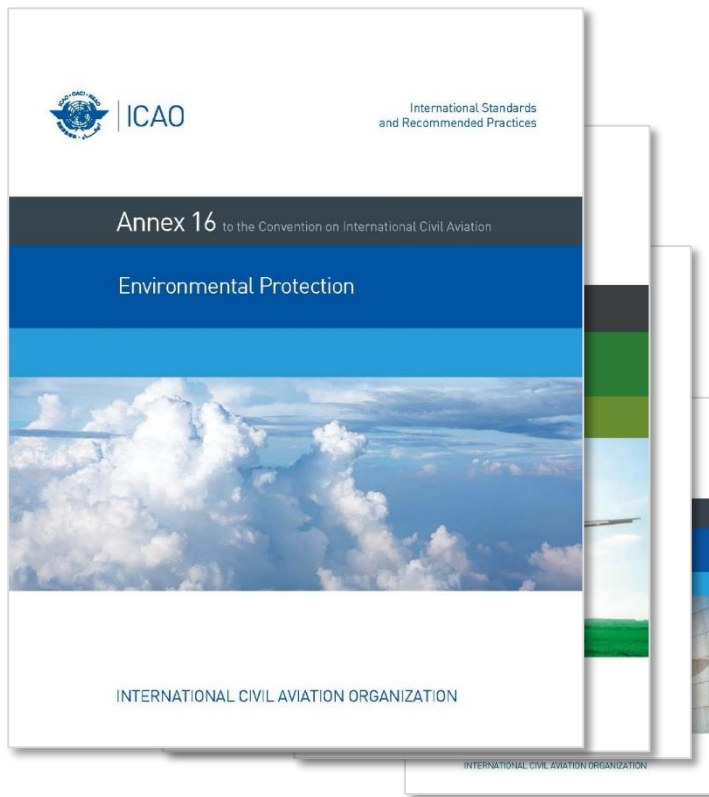
CORSIA: key elements



Assembly Resolution A39-3

- Political agreement
- Establishes core rules

CORSIA: key elements



Annex 16, Volume IV

- International standards and recommended practices (SARPs)
- To be implemented by ICAO member states in accordance with Chicago Convention

CORSIA: key elements



Environmental Technical Manual

→ Guidance for the implementation of Annex 16

CORSIA: key elements

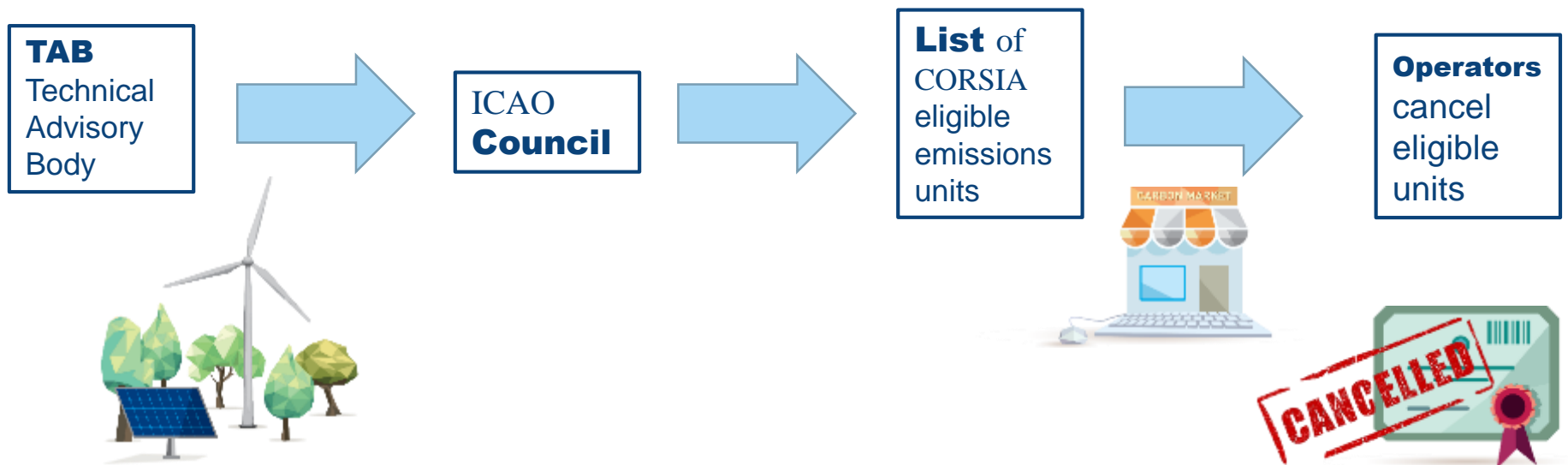
Implementation elements and supporting documents

- Essential for the implementation of CORSIA
- **Contain Emissions Unit Criteria and SAF Sustainability Criteria**
- Remain to be adopted by the ICAO Council




EUC decision making process

- Emissions units programs are assessed by the TAB to ensure they meet the Emissions Unit Eligibility Criteria
- Eligible units are determined by the Council, upon recommendation of the TAB
- Operators meet their offsetting requirements by “cancelling” CORSIA eligible emissions units



Approaching carbon markets under CORSIA



1.94 Gt
CERs
issued by
17 July,
2018



2021-2035
2.6+ Gt



436.8 Mt
Total issuance on voluntary
offset market

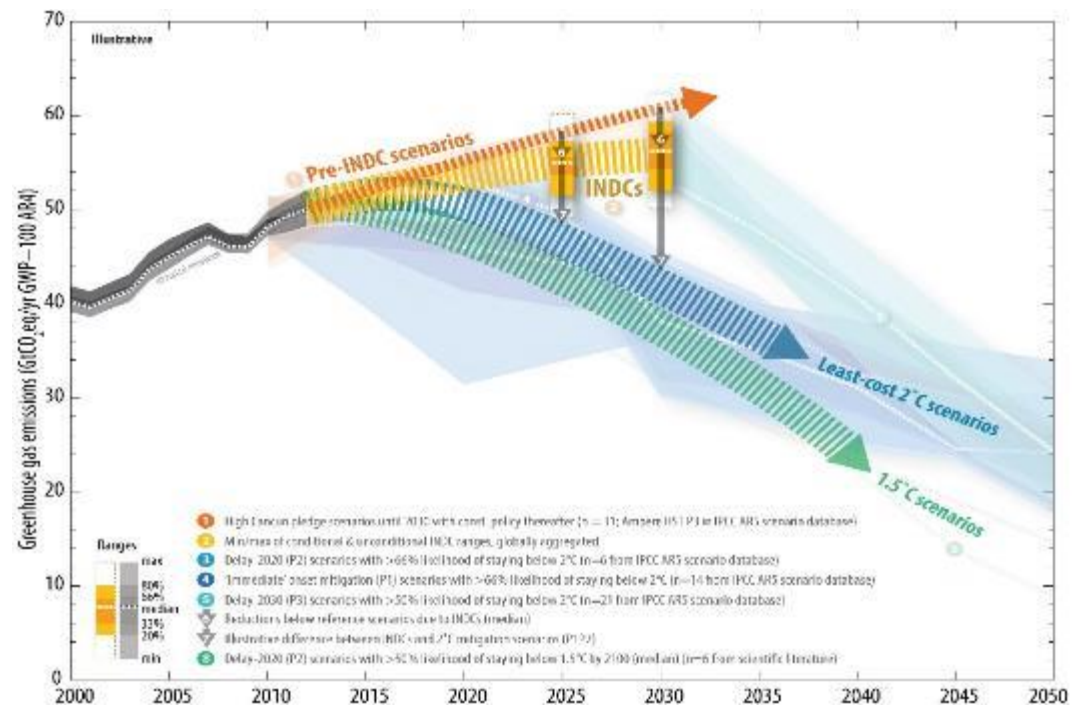
Will carbon markets be ready in time?

- Will the supply in eligible units be sufficient?
- Will markets have time to adapt?



Competing demand?

- NDCs
- Shipping
- Voluntary targets



UNFCCC (2016), *Aggregate effect of the intended nationally determined contributions: an update*

The risk of double counting

Industry's Concern of Double-counting

- Is current supply exposed to double counting? If so, how to properly address the threat?
- Article 6 discussion under Paris Agreement, esp. guidance on Art. 6.2 and Art. 6.4
- Lessons learnt from Voluntary Market

Key Message from the industry

- ICAO remains the **sole authority** of deciding EUC
- Ensuring **environmental integrity** and **sufficient supply**
- All operators should have access to all but only those units approved by the Council, to ensure no market distortion.

To find out more about **CORSIA**

➤ <http://www.iata.org/policy/environment/pages/corsia.aspx>

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