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 CO$_2$ 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.

#### GOAL 2
**In line with the next UNFCCC commitment period**

Stabilise net aviation CO₂ emissions at 2020 levels with carbon-neutral growth.

#### GOAL 3
**On the 2°C pathway**

Reduce aviation’s net CO₂ emissions to 50% of what they were in 2005, by 2050.
Tactical improvements across the system

- TECHNOLOGY
- OPERATIONS
- INFRASTRUCTURE
- MARKET-BASED MEASURE
MARKET-BASED MEASURE

Emissions trajectory if we were still operating at the same efficiency levels as in 1990

Through new technology, improved operational measures and more efficient infrastructure, the industry has avoided 8.5 billion tonnes of CO₂ since 1990

Savings already achieved

GOAL 2: CNG2020

Where emissions would be if efficiency does not improve from today.

With constant efficiency improvement through the pillars of technology, operations and infrastructure.

With gradual introduction of radical new technologies and sustainable alternative fuels.

GOAL 3: -50%
“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

CORSIA COVERAGE
CURRENT AS OF 2 JULY 2018

75+% OF POST-2020 GROWTH IN CO2 EMISSIONS COVERED

76% OF INTL AVIATION ACTIVITY IN INCLUDED STATES

STATES VOLUNTEERING FROM 2021
EXPECTED TO JOIN FROM 2027 (Forecast)
STATES EXPECTED TO BE EXEMPT
(LDCs, LLDCs, SIDS, low levels of activity)
ICAO PROCESS

States: Adoption of national legislations
Operators: Development of emissions monitoring plans

State Letter (SL) 5 December 2017
Deadline for comments 20 April 2018
Air Navigation Commission 20 April 2018
214th Council June 11 to 29, 2018
Adoption of Annex 16, Vol. IV June 27, 2018
Submission of EMP (recommended) 30 Sept. 2018
MRV on all international flights 1 January 2019
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


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