

Common - Follow-up action on Post Paris Agreement/Aviation - Gas emissions: ICAO Council approves carbon emissions unit programmes, eligible under the CORSIA scheme

Andrea Antolini Former Researcher JTTRI

【概要 : Summary】

The aviation sector's GHG emissions are expected to further increase in the next decades, despite of the impact of the currently on-going COVID-19 pandemic. The extent of this further increase will mainly depend on efficiency improvements and new technologies, while the impact of the pandemic can currently not be properly evaluated.

The International Civil Aviation Organization (ICAO) expects that the CO₂ emissions of international aviation will further increase by 300-700% until 2050, if these emissions are not regulated. The ICAO's Carbon Offsetting Scheme for International Aviation (CORSIA), which was agreed on at the ICAO's 39th general assembly in October 2016, addresses the international aviation's environmental impact and intends to reduce GHG emissions from aviation. The CORSIA scheme is scheduled to start in 2021 with a first voluntary pilot phase and will allow airlines to offset their growing CO₂ emissions by means of carbon saving projects outside the aviation industry. The ICAO had to identify offset programmes eligible for the use by airlines under CORSIA to offset their CO₂ emissions. In February 2019, the ICAO's Committee on Aviation Environmental Protection (CAEP) agreed on the requirements for Sustainability Certification Schemes (SCS) and a process to evaluate and recommend a list of eligible SCS. The

CAEP also recommended the rules and procedures for the Technical Advisory Body (TAB), which develops recommendations on the list of eligible emissions unit programmes. On the basis of TAB decisions, the ICAO Council approved the carbon emissions unit programmes eligible under CORSIA. However, the main concern with the carbon-offset programmes is that programmes could be approved that substantially lack environmental integrity. Therefore, environmental groups called on ICAO to limit eligibility to those projects with a start date of 2020 or later, so that only projects implemented as a result of ICAO's decision to establish CORSIA are eligible. The ICAO Council's decision on eligibility will provide the first test of the environmental integrity of the CORSIA scheme. However, it might not be sufficient to convince the EU to discontinue the EU-ETS for aviation within the European Economic Area (EEA).

【記事 : Article】

1. Background to establishing the ICAO's CORSIA scheme

After the ICAO's 39th general assembly reached an agreement to address international aviation's GHG emissions and agreed on imposing some action to reduce GHG emissions in the aviation sector. The ICAO's Carbon Offsetting Scheme for International Aviation (CORSIA) scheme is scheduled to start in

2021 with a first voluntary pilot phase to reduce the aviation sector's increasing GHG emissions. The pilot phase is followed by the voluntary first phase from 2024 to 2027. The mandatory second phase from 2027 to 2035 will be mandatory for most ICAO member states, with only exemptions for some small emitters. In 2032, the ICAO will review the CORSIA scheme and decide whether the scheme should be ended, extended or improved for the period after 2035. While participation is voluntary in the first two stages of CORSIA, the reporting stage for GHG emissions is mandatory for all countries that have decided to join CORSIA at whatever stage. Therefore, in 2019, airlines and business aircraft operators in all ICAO member states that decided to participate in some of the CORSIA stage started to monitoring and reporting their GHG emissions from international flights. This data will form part of the baseline of CO₂ emissions for the CORSIA scheme from which growth can be measured. The baseline from January 2021 will be calculated as the average of 2019 and 2020 emissions. Although there was some criticism by the European Commission regarding the ICAO's CORSIA scheme, it can be expected that the EU will continue to support the CORSIA scheme, because it is the only existing measure at international level. The CORSIA scheme is expected achieve only a carbon natural growth (CNG) in the 2020-2035 period.

2. The CORSIA scheme's carbon offsetting measures

The CORSIA scheme will allow airlines to offset their growing CO₂ emissions by means of carbon saving projects outside the aviation industry. Buying an offset means buying a credit that has been verified as having reduced CO₂ emissions elsewhere. At the end of each three-year phase of CORSIA, participating airlines will be required to buy offsets for their CO₂ emissions growth above 2020 levels for each of the previous three years. Accordingly, airlines will have to offset their emissions from the CORSIA's three-year pilot stage by the end of January 2025.

Some new ICAO measures to address aviation sector's environmental impact globally were agreed at the Committee on Aviation Environmental Protection (CAEP)'s meeting on 15 February 2019. The CAEP agreed on the requirements for Sustainability Certification Schemes (SCS) and a process to evaluate and recommend a list of eligible SCS, which will certify fuels against the CORSIA sustainability criteria. Moreover, the CAEP recommended the rules and procedures for the Technical Advisory Body (TAB), which was set up by the ICAO Council to evaluate the eligibility of emissions units for use under the CORSIA scheme. This TAB has the mandate to recommend to the Council the eligible emissions units for use by the CORSIA. The TAB will develop recommendations on the list of eligible emissions unit programmes (and potentially project types). Emissions units would be eligible based on the emissions units' criteria. Offsetting programmes will apply to ICAO's TAB for consideration of their eligibility under the CORSIA scheme and the TAB recommends to the Council the eligible emissions units for the CORSIA scheme.

The ICAO invited emissions unit programmes to apply for assessment against the CORSIA criteria by the ICAO Council's TAB and to submit their application by 12 July 2019. Then, the TAB assessed the emissions unit programmes (and potentially project types) against the emissions units criteria, based on the CAEP Programme Testing Group's procedures and guidelines. The TAB was due to make the recommendations to the ICAO Council for decision-making on eligible units by February 2020. Eligible offset credit programmes are required to deliver credits that represent emissions reductions, avoidance or sequestration.

3. ICAO Council decision on eligibility of carbon emissions unit programmes

During the ICAO's governing Council's 219th Session starting on 2 March 2020, the Council was expected to make important decisions on the global CORSIA scheme. Most notable was the consideration of

recommendations of the TAB on emissions units, or carbon credits, to be eligible under CORSIA. The TAB evaluated applications from 14 carbon emission programmes for their compliance with a set of the ICAO's sustainability criteria. Out of the 14 evaluated programmes, the TAB recommended six programmes for having fully demonstrated eligibility, with a further two having conditionally demonstrated eligibility pending updates by the programmes to meet specific conditions. The ICAO's TAB recommended two more for re-application in a second round of programme applications. As for the remaining programmes, TAB found them impossible to assess, either because they were not considered to be programmes or they were in an early stage of development.

The NGO Environmental Defense Fund (EDF) and other NGO groups represented at ICAO by the International Coalition for Sustainable Aviation (ICSA) recently sent a letter to the ICAO Council, calling for more transparency on the decision making and for the ICAO to prioritise carbon projects from the least developed countries and Small Island States, as they have the greatest probability of being additional. Furthermore, the broader public would expect airlines to utilise only offsets from countries, which participate in CORSIA. EDF had also called on the EU Member States in the ICAO to keep a united stance during the ICAO's Council meeting and to use their collective diplomatic outreach to safeguard the CORSIA scheme's integrity. Seven of the 36 members of the ICAO Council are from European States and they could influence the ICAO Council's decisions. These EU Member States should show their commitment to stand up for safeguarding the CORSIA scheme's integrity in order to avoid bad quality or double-counted emissions units, which could fundamentally weaken the CORSIA scheme's effectiveness. The main concern with the carbon-offset programmes is that although a substantial majority of credits issued by the UN's Clean Development Mechanism (CDM) lack of environmental integrity, they still could become eligible under

CORSIA. The NGOs also cautioned against accepting projects that retroactively change their start date. Therefore, environmental groups called on ICAO to limit eligibility to those credits from projects with a start date of 2020 or later, so that only projects implemented as a result of ICAO's decision to establish CORSIA scheme are eligible.

The TAB recommended units issued from projects or "activities" that started from 1 January 2016 for emissions reductions that occurred through to 31 December 2020 "end date" should be eligible for compliance use in the CORSIA pilot phase (2021-2023). The end date is intended to deal with inconclusive negotiations at the UNFCCC over Article 6 of the Paris Agreement and concerns over additionality and double counting. Future assessments by the TAB could add units resulting from new emission reduction projects created after 2020, which would incentivise the development of new projects that have the greatest likelihood of CORSIA eligibility compliance. The TAB report highlighted the lack of additionality of several programmes and the risks related to the non-permanence of emission reductions. The TAB report excluded all projects for recommendation, which had not formally reported on their sustainable development benefits.

On 13 March 2020, the ICAO's Council adopted in full the TAB recommendations on the eligible carbon offset programmes. The Council adopted six existing offset programmes eligible for the carbon offset under the CORSIA scheme, once the mechanism will start in 2021. These six approved offset programmes are the Clean Development Mechanism, the China GHG voluntary Emission Reduction Programme, the Verified Carbon Standard Program (VCS), the Gold Standard, the Climate Action Reserve and the American Carbon Registry. The six approved programmes will provide emissions units for use by airlines in the 2021-2023 pilot phase of the CORSIA scheme. The programmes include reforestation and renewable energy projects but they only are eligible if they were set up after 2016.

Furthermore, the Forest Carbon Partnership Facility

and the Global Carbon Council are also recognised with conditional eligibility, pending some further changes to their procedures. The British Columbia Offset Program and the Thailand Voluntary Emission Reduction Program have been invited to re-apply in the next round of applications, while The State Forests of the Republic of Poland, myclimate and REDD.Plus among others were not assessed as they did not meet the key conditions at the time of the TAB' s assessment.

The ICAO Council' s 36 member countries also decided to limit the age of credits used, as well as the type of projects eligible, which can be used by airlines. Under the so-called "vintage restriction", only credits from projects whose first crediting period started on 1st of January 2016 and which represent emission reductions achieved on or before 31 December 2020 can be used. This vintage restriction could reduce the potential supply of credits. However, there still exist several critical points regarding the approved eligible projects and the credits used. The total supply of credits will still be several times larger than demand over the scheme' s pilot phase and the airlines could still use credits from low-quality projects to offset their pollution. Furthermore, it is criticised that a significant part of emission reductions used under CORSIA could still come from low-quality projects under the Clean Development Mechanism (CDM), which is the world' s largest offsetting scheme that dates back to 1997' s Kyoto Protocol. It will still be eligible although billions of credits will be discounted because of their age and in some cases they are linked to human rights violations. Therefore, since the CDM does not meet several of the CORSIA quality criteria, the decision to approve CDM as eligible programme under the CORSIA scheme was criticised by environmental NGOs. Furthermore, CDM does not have adequate safeguards in place, as stated in the TAB report itself.

According to a paper prepared by the German NGO Öko-Institut and others for the German Federal

environment ministry, none of the 14 carbon offsetting programmes that applied for eligibility under ICAO' s CORSIA currently perform well and hardly meet any of the emissions unit criteria (EUC). The report recommended that only programmes should be approved by ICAO that have adopted the necessary standards and procedures of all EUCs. Therefore, while the ICAO Council' s decision seems to have considered the same concerns like in the Öko-Institute' s paper in case of three programmes, the Forest Carbon Partnership Facility was still recognised by the ICAO Council with conditional eligibility. Nevertheless, the Council' s decision on aviation carbon market rules is seen as a step in the right direction, although it seems to have failed to exclude all low-quality credits. Airlines will still be able to buy credits from low-quality projects. Furthermore, the total supply of available credits is still several times larger than the demand in the CORSIA' s pilot phase.

4. Outlook and the EU' s possible measures

Considering the ICAO Council' s decision, concerns remain over how effective the CORSIA scheme could possibly be, considering the approved carbon-offset programmes eligible. Generally, the CORSIA scheme is only seen as a starting point to a really significant long-term reduction of global aviation' s GHG emissions. However, CORSIA is backed by the aviation industry, as it will help to avoid the introduction of other regional or unilateral CO2 emission reduction schemes. However, the criticism with CORSIA scheme, in particular regarding the possible lack of high-quality offsets, remains. The CORSIA offset definition is a crucial aspect to making the scheme a credible and effective tool. If offsets are allowed even when they do not result in genuine and additional emissions reduction, then the CORSIA scheme cannot serve the target of GHG emission reduction in aviation. This will be an important aspect in the European Commission' s evaluation and decision on the future of the EU-ETS for aviation. The Commission is expected to review

the EU-ETS for aviation. Considering the CORSIA scheme's weaknesses and insufficiencies for achieving significant GHG emission reduction in aviation as well as the new European Green Deal's targets, the EU could decide to continue with its EEA internal EU-ETS for aviation in parallel to the CORSIA scheme.

References:

40th Assembly in September 2019 will consider the environmental policies. In:

<https://www.icao.int/Newsroom/Pages/Sustainable-aviation-takes-significant-step-forward-at-ICAO.aspx>, retrieved 23 Sept. 2019

Amaral, Kaisa: ICAO decision on aviation carbon market rules a step in the right direction but fails to exclude all junk credits. In:

<https://carbonmarketwatch.org/2020/03/16/icao-decision-on-aviation-carbon-market-rules-a-step-in-the-right-direction-but-fails-to-exclude-all-junk-credits/>, 16 Mar 2020, retrieved 8 April 2020

Carbon offsetting programme applicants fall short of meeting criteria for CORSIA scheme, finds study. In: <https://www.greenaironline.com/news.php?viewStory=2651>, 9 Dec 2019, 8 April 2020

European Commission welcomes significant progress at ICAO to tackle CO2 emissions in aviation. In: https://ec.europa.eu/transport/modes/air/news/2019-03-07-european-commission-welcomes-significant-progress-icao-tackle-co2_en, 7.3.2019, retrieved 9 July 2019

ICAO Council gathers to consider important decisions on carbon offset eligibility under CORSIA. In: <https://www.greenaironline.com/news.php?viewStory=2673>, 27 February 2020, retrieved 6 April 2020

ICAO Council follows advisory body recommendations and approves CORSIA-eligible carbon programmes. In: <https://www.greenaironline.com/news.php?viewStory=2679>, 16 Mar 2020, retrieved 2 April 2020

ICAO invites applications from emissions unit programmes for CORSIA eligibility assessment. In: <https://www.greenaironline.com/news.php?viewStory=2608>, 14 June 2019, retrieved 9 July 2019

Morgan, Sam: UN aviation body dumps dodgy carbon credits. In: <https://www.euractiv.com/section/aviation/news/un-aviation-body-dumps-dodgy-carbon-credits/>, 16 Mar 2020, retrieved 2 April 2020

Raillant-Clark, William: ICAO Council adopts CORSIA emissions units. In: <https://www.icao.int/Newsroom/Pages/ICAO-Council-adopts-CORSIA-emissions-units.aspx>, 13 March 2020, retrieved 30 March 2020

Sustainable aviation takes significant step forward at ICAO. In: <https://www.icao.int/Newsroom/Pages/Sustainable-aviation-takes-significant-step-forward-at-ICAO.aspx>, retrieved 9 July 2019

Technical Advisory Body: Recommendations on CORSIA eligible emissions units. In: https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/Excerpt_TAB_Report_Jan_2020_final.pdf, retrieved 30 March 2020

TERMS OF REFERENCE (TOR) FOR THE TECHNICAL ADVISORY BODY (TAB). In: <https://www.icao.int/environmental-protection/CORSIA/Documents/TOR%20of%20TAB.pdf>, retrieved 30 March 2020

Understanding the Process: Programme Applications for Assessment by the TAB. In: <https://www.carbonbrief.org/corsia-un-plan-to-offset-growth-in-aviation-emissions-after-2020>, 04.02.2019, retrieved 30 March 2020