

# **CORSIA**

# Fact sheet

In 2016, the International Civil Aviation Organization (ICAO) adopted the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) to address CO<sub>2</sub> emissions from international aviation.

This historic decision marks the first time that a single industry sector has agreed to a global market -based measure in the climate change field. The industry first proposed this approach in 2009 and has supported the ICAO process ever since.

The international standards for the implementation of CORSIA have in the meantime been adopted as an Annex to the Chicago Convention, which all of ICAO's 193 member states must apply from 1 January 2019.

#### CORSIA baseline

Originally, the CORSIA baseline – from which airline offsetting requirements under the agreement are calculated – was agreed to be an average of 2019 and 2020 emissions. However, in 2020 the COVID-19 crisis caused a precipitous drop in demand for air transport to less than half as compared with 2019. For international air traffic in 2020, the RTK is 293,438 million, witnessing a drop of 59.6% from 2019 level. As a result, the CORSIA baseline would have been significantly reduced, imposing an unexpected and severe e conomic burden on an already extremely weakened airline industry and contravening the spirit of the CORSIA framework agreed in 2016. Therefore, in June 2020, the ICAO Council agreed to use 2019 emissions only as CORSIA's baseline for the period of 2021-2023. In October 2022, at its 41st Assembly, ICAO set 85% of 2019 emissions as CORSIA's baseline from 2024 until the end of the scheme in 2035: a significantly more ambitious target than originally planned, which the industry supported.

# Mitigating CO<sub>2</sub> emissions

The aviation sector is committed to advances in technology, operations, and infrastructure to continue to reduce its carbon emissions. Offsetting is not intended to replace these efforts. Nor would CORSIA make fuel efficiency any less of a day-to-day priority. Rather, CORSIA can help the sector achieve its climate targets in the short- and medium-term by complementing emissions reduction initiatives within the sector.

In 2021, airlines committed to reaching net zero carbon emissions by 2050. Governments followed suit at ICAO's 41<sup>st</sup> Assembly by adopting a Long Term Aspirational Goal for aviation. Achieving this ambitious goal will require both in-sector measures, including continued investment in new technologies and strong support mechanisms for the deployment of sustainable aviation fuel, as well as out-of-sector measures, such as offsetting and carbon removals – and supporting policies from governments

Offsetting is an action by a company or individual to compensate for their emissions by financing a reduction in emissions elsewhere. Offsetting and carbon markets are fundamental components of global, regional, and national emissions reduction policies. They have operated for decades for compliance purposes and voluntary emissions reductions and continue to be an effective mechanism to underpin action against climate change, especially for hard-to-abate sectors.



## Environmental integrity

There are several ways to achieve CO<sub>2</sub> reductions that can be used as offsets, many of which bring other social, environmental or economic benefits relevant to sustainable development. Such offsets can be sourced from various types of activities, including, for example, deployment of renewable energy, clean cooking technologies, methane capture, forestry, and other emissions-reducing or avoidance projects.

To ensure the environmental integrity of CORSIA, the ICAO Council has approved a list of eligible emissions units that can be used for compliance. The Council's decision is informed by a recommendation from the Technical Advisory Body and guided by environmental criteria to guarantee that emissions units deliver the required CO<sub>2</sub> reductions.

The criteria are based on principles commonly applied under existing trading mechanisms and well-accepted carbon offset certification standards.

- A key requirement is that the greenhouse gas reduction or removal used as an offset be 'additional' to business-as-usual activity. Offsets must also represent a permanent reduction of emissions that cannot be reversed. Similarly, an activity that generates offsets should not result in unintended increases in emissions elsewhere.
- To quantify the greenhouse gas reduction benefits from an offsetting project, a baseline must be determined to represent what would have happened if the project had not been implemented. Emissions reductions will need to be quantified using accurate measurements, valid protocols, and be audited.
- Programs will need to demonstrate that they have procedures in place to track units and to avoid emissions reductions being counted more than once towards attaining climate change mitigation.
- Emissions units programs will also need to have safeguards in place to address environmental and social risks.



### Reporting of emissions

Under CORSIA, all airline operators with annual emissions greater than 10,000 tonnes of  $CO_2$  are required to report their emissions from international flights on an annual basis since 1 January 2019.

Operators must keep track of their fuel use for each individual flight in order to calculate their CO<sub>2</sub> emissions. They will have to apply one of the five approved fuel use monitoring methods. In certain circumstances, however, operators may be eligible to use simplified monitoring and estimate their emissions using the CO<sub>2</sub> Estimation and Reporting Tool (CERT), developed in ICAO as part of CORSIA.

To guarantee the accuracy of the data reported by operators, annual emissions reports will need to be verified by an impartial third-party verification body, prior to submission to the State. Verification bodies will have to be accredited under ISO/IEC 17029:2019, ISO 14065:2020, and other relevant requirements.

Aggregated emissions will be communicated by states to ICAO, which will publish the total emissions from individual operators, and total emissions by all operators aggregated by each state-pair.

## Offsetting requirements

Offsetting requirements started from 2021. Upon completion of each 3-year compliance period, operators will have to demonstrate that they have met their offsetting requirements by cancelling the appropriate number of emissions units.

Considering the special circumstances and respective capabilities of states, ICAO member states agreed to implement CORSIA offsetting requirements in phases.

- From 2021 until 2026 (pilot phase from 2021 to 2024; and first phase from 2024 to 2026), only flights between states that volunteer to participate in CORSIA will be subject to offsetting requirements.
  CORSIA participating states for 2023 are identified in green on the map below.
- From 2027, all international flights will be subject to offsetting requirements. However, flights to and from Least Developed Countries (LDCs), Small Island Developing States (SIDS), Landlocked Developing Countries (LLDCs) and states which represented less than 0.5% of global international RTK in 2018 will be exempt from offsetting requirements unless these states participate on a voluntary basis. States from/to which flights are expected to remain exempt after 2027 are shown in yellow on the map below.



