BRIEF

Leveraging CORSIA to advance host countries' NDC achievement

Introduction

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the only global market-based solution for addressing CO_2 emissions from international air transport, is an unmissable opportunity for Paris Agreement Parties to advance the implementation and achievement of their Nationally Determined Contributions (NDCs). COP30 is the time to reinforce the visions for climate solutions and sustainable development shared by the International Civil Aviation Organization (ICAO) and the UN Framework Convention on Climate Change (UNFCCC), by CORSIA and NDCs—to realize national climate strategies through access to international carbon markets and investments, and to decarbonize air transport.

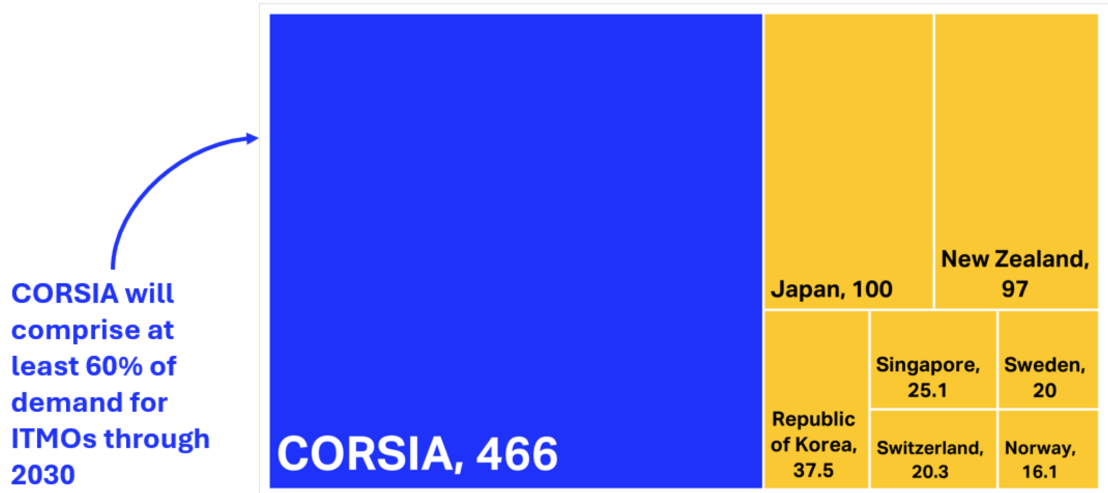
Assured demand and domestic investments

CORSIA was adopted as early as 2016 by ICAO, the UN agency responsible for regulating international aviation emissions. Under CORSIA, airlines must purchase and cancel carbon credits, known as CORSIA Eligible Emissions Units (EEUs), to address CO_2 emissions that exceed the established baseline of the scheme.

In its First Phase (2024-26), airlines are expected to purchase upwards of 200 million credits for cancellation and compliance by late 2027, costing USD 4–5 billion and increasing to nearly 2 billion credits through 2035.

Researchers estimate that the true economic value of high-integrity credits, such as CORSIA EEUs, is greater than the average carbon credit price when accounting for sustainable development benefits.[1] This presents a significant opportunity for countries hosting carbon projects that meet the CORSIA eligibility criteria to benefit from this strong, predictable demand (Chart 1). CORSIA EEUs are essentially Internationally Transferred Mitigation Outcomes (ITMOs) and therefore must satisfy the accounting provisions of Article 6 of the Paris Agreement.

Chart 1: Cumulative demand for ITMOs through 2030 in $MtCO_2$



Sources: CORSIA demand from the "Mid" scenario in 2025 CORSIA Periodic Review, while noting that it is expected to be considerably higher; demand from State parties gathered from public announcements and adapted from analyses by The Nature Conservancy, South Pole, Sylvera Ltd (2025).

Robust sustainability criteria and requirements to avoid double-counting

CORSIA EEUs must conform with carbon credit certification standards that are approved by ICAO's governing Council. They are subjected to several layers of assessment in a multilateral setting—essential requirements that

[1] A recent analysis of specific Gold Standard project types, which may potentially supply CORSIA EEUs, found that their economic value can be 8 to 20 times higher than the average carbon credit price.

reinforce CORSIA's promise of delivering real, additional CO_2 emissions reductions that contribute to the long-term goals of both international aviation and the Paris Agreement. As a result, the credits are highly sought after in the carbon market, attracting demand from a broad range of entities.

CORSIA credits undergo a rigorous multi-year technical review by State-nominated experts to ensure their alignment with stringent criteria for environmental integrity and sustainable development. These include avoiding double-counting, as per the guidance in Article 6.2.

The Paris Agreement enables international cooperation to address climate change and mobilize financial support through Article 6. Under Article 6.2, host countries can authorize and transfer their country's climate mitigation outcomes (which underpin credits or units) for use by other countries or entities. Such "international transfers" attract new investment and technical assistance and foster domestic access to new technologies and markets—all of which support the host country in implementing and achieving its NDC.

A key condition for CORSIA credit eligibility is authorization by the host country, ensuring that a corresponding adjustment is applied. Emissions from international aviation are tracked and regulated under ICAO; they are not included in NDCs, which Parties report on and account for under the Paris Agreement. The corresponding adjustment bridges these two accounting regimes, ensuring that a single credited reduction or removal of emissions is only counted once.

Benefit-sharing creates synergies between NDCs and CORSIA

Host countries that transfer mitigation outcomes for use under CORSIA can incentivize direct investments in their NDC implementation and development priorities that would not otherwise occur. To harness this opportunity, host countries can draw on lessons from decades of experience in other global product markets, including "benefit-sharing" to safeguard domestic priorities by leveraging international markets.

For example, a country focused on national food security but with limited domestic capital might export *a portion of* its grain harvest while retaining the volume necessary to feed its citizens. Absent the international finance linked to the exported portion, the country's grain industry may not be self-sustaining—much less capable of expansion.

Likewise, a host country's emissions target and trends, also its sustainable development priorities, could help inform the portion of emissions reductions it authorizes for CORSIA. A host country whose emissions are trending sharply upward might authorize, e.g., one out of every three credits issued. In this case, two emissions reductions contribute to NDC achievement for every one emission reduction that is subject to a corresponding adjustment.

Easy-to-implement benefit-sharing strategies that can boost both CORSIA and host country NDCs include:

- specify a percentage of credits from a given sector, category, or project, for use toward CORSIA, and retain a percentage for the host country's NDC implementation. The latter can be financed, sold, or used in carbon markets that do not require Article 6.2 authorizations.
- prioritize credits certified by carbon crediting standards that issue credits for only a portion of an activity's total results; for example, by adopting better than business-as-usual baselines or taking very conservative deductions for risk or uncertainty.
- span a manageable time-horizon, e.g., 2-3 years, allowing the host country to refine subsequent authorizations based on lessons learned and NDC progress.
- focus on mitigation outcomes planned to occur in future years, to incentivize investment in new mitigation activities that are not reflected in current national emissions reports.

Benefit-sharing mechanisms such as these demonstrate how CORSIA can expand opportunities for host countries to achieve and even enhance their NDCs. IATA is keen to support host countries in exploring benefit-sharing mechanisms, notably regarding the potential authorization of credits for CORSIA to expand host countries' participation under Article 6 and accelerate NDC progress. We welcome opportunities to share early examples of Parties implementing such mechanisms for their NDCs and to help host Parties assess their own opportunities to adopt similar strategies.