



# Forest Carbon Partnership Facility

## **Carbon Offsetting and Reduction Scheme for International Aviation (CORSI) under the UN International Civil Aviation Organization (ICAO)**

Sixteenth meeting of the Carbon Fund (CF16)

Paris, France

June 19-22, 2017

# Outline of Presentation

- Quick recap from PC23
- ICAO's relationship to the UNFCCC
- What is the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)?
- How will offsets be certified by ICAO and by when?
- How does this affect the FCPF?
- What do we need in order to apply for this Early Action phase?

# Recap from PC23 meeting

- Brad Schallert from WWF US presented to PC23 in March 2017
- Co-Chairs summary:
  - Participants recognized its potential linkages to, and opportunities for, REDD+
  - the PC noted the interest of Participants in exploring a potential role for the FCPF as a program under the CORSIA
  - recognized that there may be future decision points as part of this consideration process
  - take into account the environmental integrity and high standards of FCPF emissions reduction programs

# What is ICAO's relationship to the UNFCCC?

- ICAO creates environmental standards to address emissions from international aviation flights (not domestic flights)
- Domestic aviation emissions dealt with under national inventories so the domain of the UNFCCC and countries' NDCs

# What is the Carbon Offsetting and Reduction Scheme for International Aviation (CORSI A)?

- The first-ever market-based measure adopted by an entire industry sector
- International flight routes included in the scheme must offset their emissions above 2020 levels starting in 2021
- 66 countries participating in the voluntary phases (Pilot Phase [2021-2023]; Phase 1 [2024-2026])
- More countries enter in the “mandatory phase” (Phase 2 [2027-2035])
- ~2.5 billion tons CO<sub>2</sub>e to be offset over the entirety of the scheme (2021-2035)
- ICAO have estimated 7.8 billion tons CO<sub>2</sub>e to be offset up to 2040

# How will offsets be certified by ICAO and by when?

- ICAO's Global Market-Based Measure Technical Task Force (GMTF) developed high-level criteria to assess and screen emissions units
- Approved by the ICAO Council in 2016

# ICAO Programme criteria

Offset programmes should meet a range of design elements covering the need for:

- clear, publicly disclosed, methodologies and protocols;
- considerations of the scope of activities;
- credit issuance and retirement procedures;
- identification and tracking of units;
- the legal nature and transfer of units;
- validation and verification procedures;
- governance;
- transparency and public participation provisions;
- safeguarding systems to address environmental and social risks;
- sustainable development criteria; and
- the avoidance of double counting, issuance and claiming.

Source: Doc 10069, Committee on Aviation Environmental Protection (CAEP), Tenth Meeting

# ICAO Emissions Unit Criteria

Programmes should deliver carbon offset units that represent emissions reductions, avoidance, or sequestration that:

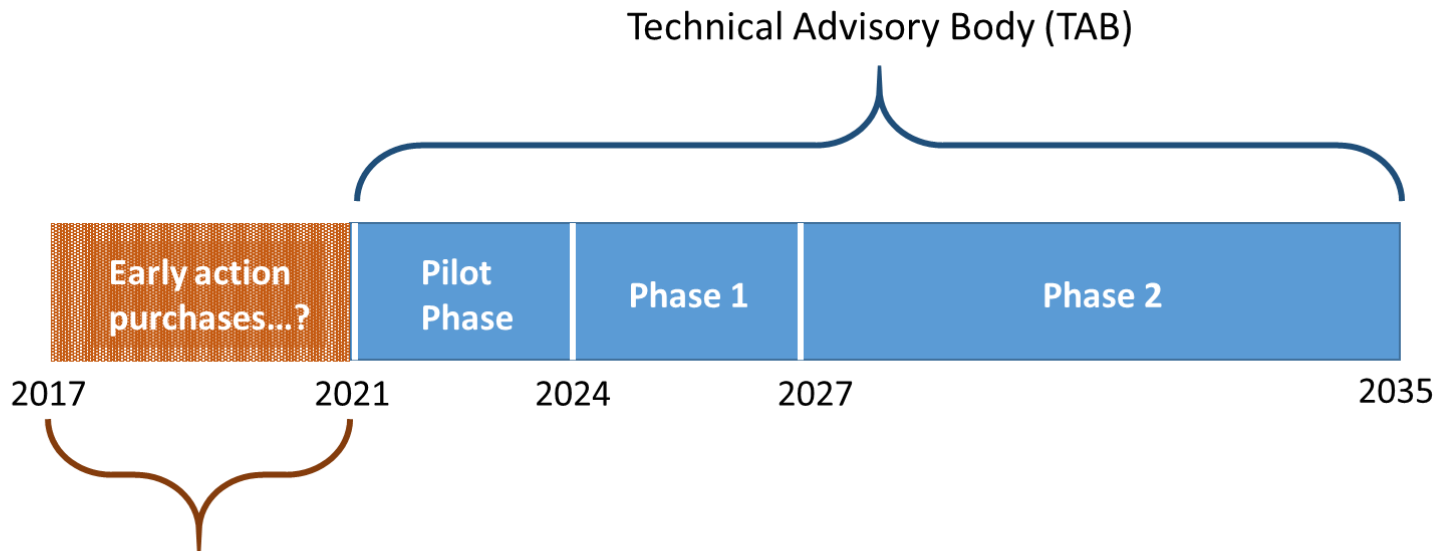
- are additional;
- are based on a realistic and credible baseline;
- are quantified, monitored, reported, and verified;
- have a clear and transparent chain of custody;
- represent permanent emissions reductions;
- assess and mitigate against potential increase in emissions elsewhere;
- are only counted once towards a mitigation obligation; and
- do no net harm.

Source: Doc 10069, Committee on Aviation Environmental Protection (CAEP), Tenth Meeting



# How will offsets be certified by ICAO and by when?

- Technical Advisory Body (TAB) to be developed to apply offset criteria for 2021-2035, but **not operational before 2021**.
- Airlines wanted early action to stimulate carbon markets and gain experience.
- Interim Programme Assessment Group (IPAG) created certify offsets for early action purchase.



Interim Programme Assessment Group (IPAG)

## How does this affect the FCPF?

- FCPF 'emission units' are a potential source of supply to the airlines
- Potential increased demand for FCPF REDD+ credits
- World Bank understanding is that timeline for application for programs to be considered for the Early Action phase is currently unclear but that the window for application could be very short
- Possible lengthy review process

# What do we need in order to apply for this Early Action phase?

- Clear guidance from CFPs whether to proceed with application process (FMT/World Bank decides) at this meeting (with possible conditionality, if any)
- To be recorded in Chair's Summary for this meeting
- Risk of delays and not complying with short application window



THANK YOU!

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