



# Forest Carbon Partnership Facility

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

Seventeenth meeting of the Carbon Fund (CF17)

Paris, France

January 30-February 1, 2018

# Outline of Presentation

- Quick recap of CF16
- ICAO's relationship to the UNFCCC
- What is the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)?
- Programmes and Emissions Unit Criteria
- How does this affect the FCPF?
- ICAO Seminar on Carbon Markets
- Next Steps

# Recap from CF16 meeting

- CFPs were generally supportive of exploring the potential for the FCPF to serve as a program under CORSIA
- Recognized that such engagement is conditional on
  - (i) absence of any adverse impacts on the environmental integrity and high standards of FCPF emissions reduction programs;
  - (ii) does not create any non-voluntary obligations on behalf of REDD+ Countries;
  - (iii) does not pose a reputational risk.
- The FMT will consult with CFPs on the potential application to join CORSIA and any modalities associated with such an application

# 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
- More than 70 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

# Programme and Emissions Unit Criteria

- 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 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

# ICAO Seminar on Carbon Markets

- Montreal next week, 7-9 February, 2018
- Link:  
<https://www.icao.int/Meetings/carbonmarkets/Pages/default.aspx>
- Agenda/Programme available online
- FCPF invited to present on our program in the session on REDD+ and Forestry-related Programmes in Voluntary Markets, alongside NICFI, UNREDD, others
- Simon Whitehouse, Fund Manager, presenting on behalf of FCPF
- CDM presenting in session on Market Mechanisms under UNFCCC, VCS in session on Voluntary Markets

## Next steps

- Do CFPs continue to support exploring the potential for FCPF to serve as a program under CORSIA, with same conditions, or has anything changed?
- FCPF will present at ICAO Carbon Markets Seminar
- Continue to closely observe progress in the development of criteria and acceptance of programs in CORSIA



THANK YOU!

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