

12 February 2020

Letter from the International Coalition for Sustainable Aviation to the Members of the ICAO Council on CORSIA Offset Program Eligibility for the First Round of Emissions Unit Program Applications

Dear Council Members:

The decisions you make next month on emissions unit and emissions unit program eligibility for ICAO'S Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) – and the transparency with which you make these – puts the credibility of aviation's climate efforts in the global spotlight. Aviation is facing unprecedented challenges, with climate change and its various impacts high on the list. Your decisions could show your commitment to stand up CORSIA with integrity so that it supports emission reductions projects and low-carbon economic development. But if you end up putting out the welcome mat for bad quality, double-counted emissions units, you will destroy CORSIA's potential effectiveness, compromise the credibility of ICAO and the world's airlines, and make global climate change worse. For CORSIA and ICAO, the stakes could not be higher.

Start date. Last year, we, the members of the International Coalition for Sustainable Aviation (ICSA), urged you to limit CORSIA-eligible units to those from projects (i.e. activities) with a start date of 2020 or later, so that only projects implemented as a direct result of ICAO's decision to establish CORSIA are eligible. We noted that an overwhelming majority of the credits issued by the Kyoto Protocol's Clean Development Mechanism (CDM) lack environmental credibility. Moreover, we urge you to consider carefully the words you use to establish a CORSIA eligibility "start date." Programs use different terminologies, and the potential for gaming is significant. Some programs allow project proponents to change their "start date" retroactively. Once you have established the CORSIA eligibility "start date," you should make clear that projects that retroactively move older start dates forward will not be eligible for CORSIA.

Double counting. As the ICAO Emissions Units Criteria (EUCs) require, it is imperative that CORSIA bar double-counted credits. Allowing emissions units generated in a host country to be counted both by that country toward its climate commitments and by an airline purchasing the emissions unit toward its CORSIA obligation would vitiate the climate benefit of each. To ensure no double counting, for each unit used in CORSIA, each host country must make a "corresponding adjustment" in its Structured Summary as part of its Biennial Transparency Report under the Paris Agreement. The CORSIA EUCs and associated documents require offset programs to demonstrate, through host country attestations, that the host countries will make the accounting adjustments. In the event the UNFCCC bodies issue more definitive

guidance, the Council can update ICAO procedures. In the meantime, the responsibility lies with the Council, and granting conditional eligibility is the only credible decision that can be taken by the Council. Given the current difficulty of ensuring no double counting, no definitive eligibility decision can be taken.

Transparency. Moving CORSIA forward without transparency would raise deep concerns about CORSIA's value. We urge you to make public the report and recommendations of the Technical Advisory Body (TAB) and the full set of documents before you, including the public comments on the program applications. We recommend you make this publicly available as soon as possible, but at the latest, by the time you decide program eligibility.

Participation. We urge you to prioritize projects from least developed countries and small island states, which have the greatest likelihood of being additional. We also note that the broader public will expect airlines to utilize only offsets from countries which have signed up to participate in CORSIA.

In conclusion, ICAO will experience substantial backlash if CORSIA fails to deliver. Airlines are eager to know which emissions units will be eligible. But the risks to having a CORSIA with low quality emissions units, which are also double counted, are enormous. The Council should not rush to reach a full decision, but should get it right.

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The International Coalition for Sustainable Aviation.

About ICSA:

The International Coalition for Sustainable Aviation (ICSA) works to reduce pollution from air travel. As a network of nonprofit organizations representing millions of members, ICSA is the only environmental civil society group accredited as an observer by the International Civil Aviation Organization (ICAO), the United Nations standard-setting body for international air travel. ICSA member organizations include Aviation Environment Federation, Carbon Market Watch, Environmental Defense Fund, the International Council on Clean Transportation, Transport & Environment, and WWF. For more information, please visit www.icsa-aviation.org.