



February 27<sup>th</sup>, 2019

**Letter from the International Coalition for Sustainable Aviation to the ICAO Council on the adoption of the Emissions Unit Criteria EUCs in order to address double counting and increase CORSIA's transparency.**

Dear ICAO Council Member,

ICAO'S Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is at a critical juncture. Your decisions this week could create a CORSIA with integrity, help international aviation achieve carbon-neutral growth from 2020 and help unleash a global market that drives investment in low-carbon economic development. But if you choose to create a CORSIA that invites bad quality, double-counted emissions credits and secret backroom deals on program eligibility, 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.

Before you this week for decision are (1) the draft CORSIA Emissions Units Criteria (EUCs) and (2) draft operational procedures for the Technical Advisory Body (TAB), which include the guidelines for interpretation of the EUCs as revised by the Program Testing Group (PTG). In 2016, the Member States of the Assembly requested that you adopt EUCs and establish the TAB.<sup>1</sup> The non-governmental organization members of the International Coalition for Sustainable Aviation (ICSA), urge you to:

- *Approve the EUCs with no changes;*
- *Require the TAB to review and submit to Council for approval, the guidelines for interpretation of the EUCs submitted in C.215.WP.14822, to make clear that, as specified in the EUCs, CORSIA will not accept emissions units where the underlying emissions reductions are also claimed by host countries against their climate change mitigation efforts;*
- *Adopt a vintage date restriction on the eligibility of units; and*
- *Reject the operational procedures for the TAB unless the membership of the TAB is made publicly available in advance of the TAB's work, the TAB's processes are made more transparent, and the TAB's recommendations are published well in advance of Council decisions on program eligibility.*

ICAO's members states, civil society and the aviation industry will be following your discussions closely, noting that CORSIA's credibility – and the ability of key ICAO Member States to accept CORSIA – rests on these important decisions. We urge you to:

1. Approve the EUCs with no changes. The EUCs are the product of three years of technical discussions in the Committee on Aviation Environmental Protection (CAEP), including more than a dozen regional aviation dialogues to discuss with broader publics the integrity provisions needed to ensure that emissions unit programs deliver real reductions. The EUCs have been circulated to Member States on several occasions and the overall outline of them has been

posted publicly on ICAO's website. The EUCs form the environmental integrity backbone of CORSIA. Any weakening of the EUCs – particularly with regard to the crucial “avoiding double counting” criterion - could cripple CORSIA's integrity. Approving the EUCs with no changes will send an important signal to stakeholders around the world that ICAO is serious about addressing international aviation's environmental impact. Changing them at this time would call into question ICAO's commitment to the environmental integrity of CORSIA.

2. Require the TAB to review the guidelines for interpretation of the EUCs submitted in C.215.WP.14822<sup>ii</sup> to make clear that, as specified in the EUCs, CORSIA will not accept emissions units where the underlying emissions reductions are also claimed by host countries against their climate change mitigation efforts. For TAB to undertake its work, it requires a solid foundation from which to address programs. This necessitates a formal TAB review of the guidelines for interpretation for consistency and accuracy between the guidelines and the actual criteria. Failure to conduct such a review and submit the reviewed guidelines for interpretation to Council could result in conflicting information and confusion when assessing programs.

Avoiding double claiming is fundamental to the environmental credibility of CORSIA. If aeroplane operators use double claimed units to meet their CORSIA obligations, global emissions will go up, not down. ICAO and airlines will face harsh criticisms if units are double counted in any way, including if the emission reduction associated with a CORSIA eligible unit or alternative fuel is claimed toward another entity's mitigation effort.

The EUC itself states that double claiming occurs if the emissions reduction is counted towards the “climate change mitigation effort of both an airline and the host country of the emissions reduction activity.” The phrase “climate change mitigation effort” applies to all efforts, regardless of whether the reductions arise in a sector covered by a host country's nationally determined contribution (NDC) under the Paris Agreement or arise outside such a sector. Some have suggested that airlines should be allowed to use emissions reductions that originate in sectors outside the scope of the host country's national target, mitigation contribution, or other type of commitment, without accounting for those reductions. Some have suggested, similarly, that there is no need to address double counting of underlying emissions reductions occurring in the life-cycle of alternative fuels. Either result, however, would fundamentally cheat the atmosphere, since it would count one set of reductions twice – once by the host country, and again by airlines. Moreover, it would undermine the ability of host countries to manage their own carbon baselines. ICAO's credibility is on the line: Council must clarify that programs present the proper attestations that specify the application of robust accounting methods for all CORSIA eligible emissions units, whether a national target covers those units or not.

Furthermore, since the United Nations Framework Convention on Climate Change (UNFCCC) did not deliver international rules to address double counting at the 2018 Conference of the Parties (COP) in Katowice, Poland, there are no relevant international provisions with which airlines or programs can comply. While ICAO can look to UNFCCC for signals on this issue, in the absence of clear rules issued by the UNFCCC COP, Council should either require the TAB to adhere to the

EUC provisions on avoiding double counting, or ask CAEP to address the issue of avoiding double counting during the CAEP/12 cycle.

3. Adopt a vintage date restriction on the eligibility of units. Under current market conditions, certain programs will by 2020 have accumulated a large enough supply to cover the full demand of CORSIA from 2021 to 2035. A significant share of those accumulated credits are credits with low environmental quality<sup>iii</sup> and relying on such units to meet CORSIA offsetting obligations would jeopardize the integrity of the mechanism. Adopting a vintage restriction to limit the CORSIA eligible units to those issued from projects with a start date of 2020 or later can prevent this scenario from materializing. This will ensure that only projects implemented as a direct result of the ICAO decision to establish CORSIA will be eligible for support under the mechanism. Failing to agree on a vintage restriction based on project start date would have serious implications on the mechanism's climate impact, and could potentially lead to an increase in overall emissions.
4. Reject the operational procedures for the TAB unless the membership of the TAB is made publicly available in advance of the TAB's work, the TAB's processes are made more transparent, and the TAB's recommendations are published well in advance of Council decisions on program eligibility.
  - a. Publish the membership of the TAB in advance of the TAB's work. On current growth projections, airlines may seek to purchase up to 3 billion tons of carbon credits over CORSIA's fifteen-year span, more if CORSIA is extended and its target made more ambitious. Many millions of dollars are at stake. While we hope that Council will adopt stringent conflict-of-interest requirements for TAB members, those requirements could be easily evaded if TAB membership is secret.
  - b. Make public TAB members' personal avoidance of conflict-of-interest declarations. In keeping with standard practice for decisional bodies of this nature at national and sub-national levels, make public the conflict-of-interest declarations submitted by appointed TAB members. To instill confidence in the public and reassure TAB members do not advocate for any specific program due to personal, financial or other interests, ICAO should publish TAB members' conflict-of-interest declarations. Doing so will promote trust and confidence in TAB's recommendations.
  - c. Open TAB meetings to observation by representatives from member states and observers who are not members of the TAB. It is vital that TAB hold meetings that are open to governmental representatives and observers who are not TAB Members. While TAB members should be the only persons making recommendations to Council on eligible emissions units programs, holding closed meetings would significantly obstruct the transparency of the process, invite secret back-room deals, and undermine Member States' confidence that their offset credit programs are receiving fair hearings in the TAB process.
  - d. Publish TAB recommendations on program eligibility well in advance of Council decisions. A transparent, conflict-of-interest-free, highly expert TAB – as envisioned by the Assembly Member States who approved the 2016 Resolution establishing CORSIA – can probe carefully into the integrity of carbon credit programs and formulate cautious and well-informed recommendations on program eligibility. If the TAB's recommendations are not

made public, and published well in advance of Council meetings to consider them, the resulting secrecy could place undue pressure on individual Council Members to reject certain TAB recommendations. If information about such actions by Council were subsequently divulged, the integrity of individual Council members could be called into question and expose individual Council members to such claims. Sunshine is the best antiseptic to inoculate against these risks. The TAB recommendations should be made public well in advance of Council meetings on program eligibility, and Council decisions to follow or reject TAB recommendations should be explained clearly and publicly in the record of Council decisions.

Approving the EUCs in their current form, ensuring that the EUCs' provisions on avoiding double-counting are respected, and establishing a transparent, free of conflicts-of-interest TAB are crucial steps to make CORSIA a reality. States, airlines and other stakeholders recognize that effective CORSIA implementation requires certainty and clarity on eligible emissions units and programs. Evaluating and recommending programs entails time and in-depth analysis, especially to ensure that only programs with units of high environmental quality are eligible. Approving the EUCs without sufficient follow up to ensure the avoidance of double claiming in CORSIA will undermine the achievement of ICAO's global aspirational goal of carbon neutral growth from 2020. Moving the TAB forward with a lack of transparency will result in an overall deep concern about the value of CORSIA. Council must be aware that ICAO will experience substantial backlash if CORSIA fails to deliver on its promises. While airlines are eager to know as soon as possible which emissions units will be eligible, the risks to CORSIA are enormous. Council should not rush but should get it right.

Sincerely,

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](http://www.icsa-aviation.org).*

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<sup>i</sup> Assembly resolution 39-3 provides, in operative paragraph 20:

*The Assembly:*

20. Requests the following actions be taken, with a view to establishing necessary mechanisms for implementation of the CORSIA from 2020:

Regarding the Emissions Unit Criteria (EUC),

c) the Council to develop, with the technical contribution of CAEP, the SARPs and related guidance material for Emissions Unit Criteria (EUC) to support the purchase of appropriate emissions units

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by aircraft operators under the scheme, taking into account relevant developments in the UNFCCC and Article 6 of the Paris Agreement, for adoption by the Council as soon as possible but not later than 2018;

d) the Council to establish, with the technical contribution of CAEP, a standing technical advisory body on the Emissions Unit Criteria (EUC) to make recommendations to the Council on the eligible emissions units for use by the CORSIA;

<sup>ii</sup> Recommendations concerning the establishment of a Technical Advisory Body and the results of the information testing against the Emissions Units Criteria.

<sup>iii</sup>Warnecke et al. (2019): “Robust eligibility criteria essential for new global scheme to offset aviation emissions”, *Nature Climate Change*, 9, 218-221. Available: [https://www.nature.com/articles/s41558-019-0415-y?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+nclimate%2Frss%2Faop+%28Nature+Climate+Change+-+AOP%29](https://www.nature.com/articles/s41558-019-0415-y?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+nclimate%2Frss%2Faop+%28Nature+Climate+Change+-+AOP%29)