

Agenda item 4.3

Paragraph 14 of the annotated agenda

Market and policy developments

JISC 43

Virtual meeting, 16 October 2020



CORSIA



- **Objective:** Carbon neutral growth post-2020
- **Phases:**
 - Pilot phase (2021-2023)
 - 1st Phase (2024-2026)
 - 2nd Phase (2027-2035)
- **Participating states in pilot phase:** 88 out of 193 member states, representing 38.8% or 45.0% of emissions from international aviation, will participate in the pilot phase. 9 new member states joined and one has withdrawn since JISC 42



CORSIA - 219th ICAO Council Decision

- In March 2020, 219th session of the ICAO Council approved 6 CORSIA eligible emissions unit programmes together with eligible unit date and eligibility timeframe

Decision	Description
CORSIA eligible emissions unit programmes	<ol style="list-style-type: none">1. American Carbon Registry (ACR)2. China GHG Voluntary Emission Reduction Programme (CCER)3. Climate Action Reserve (CAR)4. Clean Development Mechanism (CDM)5. The Gold Standard (GS)6. Verified Carbon Standard Programme (VCS)
Eligible unit date	Emissions reduction occurred up to 31 December 2020 from activities that started their 1 st crediting periods on or after 1 January 2016
Eligibility timeframe	Eligible for cancellation for offset requirements for the pilot phase 2021-2023



CORSIA - 219th ICAO Council Decision


- Decisions specific to CDM

Decision	Description
Programme-designated registry	CDM Registry including its voluntary cancellation Platform. National registries are NOT included.
Scope of eligibility*	CERs except tCERs and ICERs from A/R activities (No impact on CERs supply - No registered A/R CDM activities that started on or after 1 January 2016)

* Any formal decisions that materially modify provisions related to the scope of eligibility should be notified to the ICAO



CORSIA – COVID19 impact on CNG2020 baseline

- CNG2020 baseline emissions = 2019/2020 emissions average

- Unusually low 2020 emissions could increase airlines' offset requirements (air travel demand dropped by 58.4% in 1Q and 2Q of 2020 compared to 2019)
- In June 2020, 220th Council decided to use only 2019 emissions for CNG2020 baseline emissions for the pilot phase (2021-2023)
- 41st Assembly in 2022 will consider whether to extend the 2019-only baseline to 1st phase (2024-26) and 2nd phase (2027-35).



CORSIA – projected demand

- **Projected demand before COVID-19:** The aggregated offset demand from pilot phase (2021-2023) was estimated at 74 or 85 MtCO₂
- IATA (31 July 2020) forecasted that air travel demand will decline by more than 60% in 2020 compared to 2019, with a return to 2019 levels not occurring before 2024 with a wide range of uncertainty.
- **Currently projected demand:** The aggregated offset demand from pilot phase (2021-2023) is estimated at zero to 74 or 85 MtCO₂



Recommendations to the JISC

The JISC may wish to take note of the information supplied in the update and provide guidance as appropriate

