

Trust but Verify Aviation's Climate Deal: CORSIA Registries and Transparency

INTRODUCTION

Carbon markets provide emitters broad flexibility in choosing how to meet emissions mandates – but the proper function and credibility of these markets depends on whether the public has access to three key pieces of information, which must be housed in a registry system:

- ◆ Emissions (i.e., how much pollution did each airline emit including information relating to alternative fuel use);
- ◆ Offset obligations (i.e., by what amount do each airline's emissions exceed its emissions limit);
- ◆ Emissions unit tracking (i.e., are all relevant emissions units – including alternative fuels – transparently and accurately tracked).

Robust registries allow third parties to validate how an entity's offsetting obligation was determined and met, reduce the risk of fraud and double-counting, and improve confidence in a market-based measure.

The credibility of every major market-based compliance instrument is built on these core principles. They are critical to the effective functioning of the U.S. Acid Rain Trading Program, the Kyoto Protocol to the UN Framework Convention on Climate Change, the European Union Emissions Trading System, and the California Cap and Trade System, some of the largest, most sophisticated carbon markets designed to date.

In the context of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the same rules should apply. Access to relevant information is essential, and should be the backbone of the centralized registry required under the Assembly Resolution that established CORSIA.

The public disclosure of this information is essential to maintain the credibility of the market-based measure. Ideally, the UN International Civil Aviation Organization (ICAO) would develop a centralized IT system, including data exchange standards and logs, that can automatically account and check for eligible units, transfers, and cancellations. Whether or not it develops such a system, the underlying information must be easily accessible, for example it should be published on the ICAO website.

A transparent registry allows for an administratively simple, low-cost method of promoting full and fair enforcement of CORSIA. Symmetry of information ensures a level playing field between airline operators and participating countries. Such transparency reflects the guiding principles for market-based measures contained in the [Annex to A39-2](#) (establishing CORSIA), which states that market-based measures "should be transparent and administratively simple."

Here, the International Coalition for Sustainable Aviation (ICSA) identifies the necessary elements of a transparent registry system needed to ensure the credibility of CORSIA.

RECOMMENDATIONS ON REGISTRY AND TRANSPARENCY

Necessary information to determine offset obligations

- ◆ Disclosure of each operator's actual emissions: Each operator's international CO₂ emissions must be published on an annual basis, and include information related to sustainable alternative fuel use (SAF).
- ◆ Disclosure of offsetting obligations and the extent to which the operator has complied: For CORSIA's proper operation and credibility, clear evidence of each operator's compliance with CORSIA must be made available to governments, airlines, offset providers, third-party verifiers, and the broader public.

Information relevant to offset units and sustainable alternative fuel use

- ◆ *Public process to decide eligible units:* Public input into the selection of eligible emissions unit programmes and activities is important for maintaining public confidence in CORSIA, which is necessary to mitigate airlines' and ICAO's reputational risk. The ability for the public to input to the process is also common practice in carbon markets operating on international, national, and subnational levels.
- ◆ *Reporting on surrender of units:* The unique serial numbers of each emissions unit surrendered by an airline operator for compliance with CORSIA must be made publicly available in real time. Additionally, eligible emissions unit programmes must publicly disclose unique serial numbers of all units issued by that programme and their surrender for any purpose, including but not limited to CORSIA compliance. This disclosure is essential to give airlines, governments, and the public confidence that the units have not been used in another market-based measure, and ensures that the underlying reductions are not double-counted in the emissions inventory of the country of origin of the units. Without such disclosure it is simply not possible to ascertain whether a unit has been used twice.
- ◆ *Reporting on the types of units:* Unique serial numbers need to be published so that the public and third-party verifiers can determine whether a unit comes from an activity that meets the ICAO Emissions Unit Criteria. Only with this information is it possible to know if airline operators are using eligible credits, or if those credits have been used before by another airline operator or entity.
- ◆ *Reporting of the SAF benefit claimed:* To ensure proper accounting in the use of SAF, the type of primary feedstock; quantity; fuel producer; country of origin; pathway/production process; lifecycle of GHG emissions and pathway calculation methodology; emission reduction claimed; and evidence of compliance with ICAO's sustainability criteria must be published publicly. This level of detail is needed because the impact of alternative fuels differ from context to context, and because whenever an airline claims a reduction in its offset obligation as a result of SAF, that reduction must also be accounted for properly in the originating country's national greenhouse gas emissions inventory in order to avoid double claiming.

SUMMARY RECOMMENDATIONS

In order for CORSIA to be successful, ICAO must create a transparent, publicly viewable registry system that includes the following information:

- ◆ Annual public disclosure of each operator's actual emissions, including its emissions in the baseline years 2019-2020, and its calculated offset obligation.
- ◆ Annual public disclosure of unique identifiers for each emissions unit (e.g. serialization) that each operator has surrendered and any difference between the compliance obligation and the number of emissions units surrendered.
- ◆ A requirement that each participating emissions unit programme must publish, in real time, the unique serial numbers of all of its units that are surrendered for any purpose to prevent double-claiming.
- ◆ Annual public disclosure of sustainable alternative fuels use, including type of primary feedstock; quantity; fuel producer; country of origin; pathway/production process; lifecycle GHG emissions; emission reduction claimed and methodology used to calculate the reduction; and evidence of compliance with ICAO's sustainability criteria.
- ◆ Transparent development of rules for, and decision-making about, eligibility of emissions units.
- ◆ A provision that both emissions units used to calculate an airline operator's offsetting obligation and emissions units surrendered for compliance with that obligation must be verified by third parties.

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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 UN standard-setting body for international air travel. www.icsa-aviation.org