



WEBINAR:

Updates to the Guidelines for Interpretation of the Emissions Unit Criteria (EUC)

August 6th, 2024

TAB Chairperson and Vice-Chairperson



1) Updates to the Guidelines for Interpretation of the Emissions Unit Criteria (EUC)

- Background
- Overview of updates
- Next steps

2) Q&A

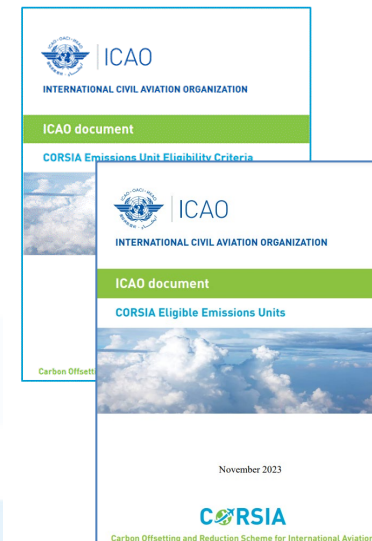


1 Updated EUC Guidelines

ICAO
ENVIRONMENT

- **CORSIA Implementation Element: *CORSIA Eligible Emissions Units***

- Reflected in two ICAO documents referenced in Annex 16, Volume IV:
 1. *CORSIA Emissions Unit Eligibility Criteria*
 2. *CORSIA Eligible Emissions Units*
- Both ICAO documents are approved by the ICAO Council and posted on the ICAO website: <https://www.icao.int/environmental-protection/CORSIA/Pages/CORSIA-Emissions-Units.aspx>
- The Emissions Unit Criteria are unchanged since March 2019 and the list of Eligible Emissions Units is updated regularly.



- **The Technical Advisory Body (TAB) assesses emissions unit programmes, using the CORSIA Emissions Unit Criteria (EUC) and makes recommendations to the ICAO Council on CORSIA Eligible Emissions Units**

Some Emissions Unit Criteria (EUC) are accompanied by **Guidelines for Criteria Interpretation**, prepared by the Committee on Aviation Environmental Protection (CAEP) and approved by the ICAO Council.

The questions in the Application Form are based on both the EUC and the Guidelines.

The TAB makes the EUC and Guidelines publicly available as part of the application package, in the document **Appendix A – Emissions Unit Criteria and Guidelines for Criteria interpretation**.

Appendix A is for information only – nothing for applicants to fill out.

The TAB has also developed the document **Clarifications of TAB's Criteria Interpretations Contained in TAB Reports** that describes how TAB interprets the EUC in light of the Guidelines. This document is continuously updated by the TAB.

The Clarifications of TAB's Criteria Interpretations are not incorporated into Application form.

All documents available at: <https://www.icao.int/environmental-protection/CORSIA/Pages/TAB.aspx>

What are the new Guidelines and when do they apply?

On 13 March 2024, the ICAO Council approved the recommendation of the Committee on Aviation Environmental Protection (CAEP) on proposed **updates to the Guidelines for Interpretation of the Emissions Unit Criteria**. (See ICAO Council decision C-DEC 231/2.)

TAB will apply these updated Guidelines when assessing programmes for eligibility in the **2027-2029 compliance period**:

In 2025, TAB will undertake re-assessments of programmes eligible at that time and make recommendations on the extension of their eligibility timeframes.

In early 2026, TAB will launch a first call for applications for eligibility for the 2027-2029 compliance period.

Programmes that are interested to apply for eligibility for the 2027-2029 compliance period should consider the updated *Guidelines* when preparing to (re-)apply.

The new Guidelines are contained in a **draft 2025 version of Appendix A**, which has been shared as part of this webinar.

What are the implications for TAB's assessments?

- Some updates to the EUC Guidelines are different from the existing Clarifications of TAB's Criteria interpretations.
 - Starting in 2025, TAB will need to adjust its approach to reflect these updated Guidelines.
- Many of the updated EUC Guidelines simply transpose the existing Clarifications of TAB's Criteria interpretations.
 - This formalizes TAB's existing interpretations, allowing for them to be incorporated into a future Application Form.
 - These updates do not substantively change TAB's approach.

• **The updated Guidelines do not affect the ongoing 2024 assessment cycle.**



Overview of updated Guidelines (draft Appendix A)

Legend:

- **Existing text of Criteria and Guidelines (unchanged)**
- **New or updated Guidelines**
- ~~**Deleted text from existing Guidelines**~~

Clarification / update to the Guidelines for Interpretation of Criterion “Offset Credit Issuance and Retirement Procedures”:

- *To include new paragraph 2.3.1*

2.3 Offset Credit Issuance and Retirement Procedures—Programmes should have in place procedures for how offset credits are: (a) issued; (b) retired or cancelled; (c) subject to any discounting; and, (d) the length of the crediting period and whether that period is renewable. These procedures should be publicly disclosed.

2.3.1 Guidelines for interpretation of the “Offset Credit Issuance and Retirement Procedures” criterion

2.3.2 The programme-designated registry’s public-facing elements and reports should provide for all consolidated identified information for cancelled emissions units required in Field 5 of Table A5-7 of the Appendix 5 of the CORSIA Standards and Recommended Practices to be made publicly available at no cost and with no credentials required, and in a format that is machine-readable, and standardized to every possible extent.

Field 5

Consolidated identifying information for cancelled emissions units

For each batch of cancelled emissions units (*batch* defined as a contiguous quantity of serialized emissions units), identify the following:

- 5.a Quantity of emissions units cancelled;
- 5.b Start of serial numbers;
- 5.c End of serial numbers;
- 5.d Date of cancellation;
- 5.e CORSIA Eligible Emissions Unit Programme;
- 5.f Unit type;
- 5.g Host country;
- 5.h Methodology¹;
- 5.i Demonstration of unit date eligibility;
- 5.j Programme-designated registry name;
- 5.k Unique identifier for registry account to which the batch was cancelled;
- 5.l Aeroplane operator in whose name the unit was cancelled; and
- 5.m The unique identifier for the registry account from which the cancellation was initiated.

Clarification / update to the Guidelines for Interpretation of Criterion “Identification and Tracking”:

- *To include a new Footnote to paragraph 2.4.*
- *To include a new Footnote to paragraph 2.4.6.*

2.4 Identification and Tracking - Programmes should have in place procedures that ensure that: (a) units are tracked; (b) units are individually identified through serial numbers; (c) the registry is secure (i.e., robust security provisions are in place); and (d) units have clearly identified owners or holders (e.g., identification requirements of a registry). The programme should also stipulate (e) to which, if any, other registries it is linked; and, (f) whether and which international data exchange standards the registry conforms with². All of the above should be publicly disclosed information

² Requirements (e) and (f) are only applicable to programmes that are technically linked to any other registry(ies) or equivalent tracking systems.

2.4.6 *Registry administrator conflicts of interest*: Programmes should avoid administrator conflicts of interest and should have policies in place that prevent programme registry administrators from having financial, commercial or fiduciary conflicts of interest in the governance or provision of registry services⁴. Where such conflicts arise, and are appropriately declared, programmes should have robust procedures in place to address and isolate the conflict⁵.

⁵ For programmes staffed solely by government officials and employees who are subject to domestic laws and regulations governing conflicts of interest, the TAB will assess these laws and regulations as if they are incorporated as part of the “programme procedures”. 11

Clarification / update to the Guidelines for Interpretation of Criterion “Programme Governance”:

- *To include new paragraph 2.7.2.1.*
- *To include a new Footnote to paragraph 2.7.3.*

2.7.2 *Programme longevity*: The programme should demonstrate that it has been continuously governed and operational for at least the last two years; and that it has in place a plan for the long-term administration of multi-decadal programme elements which includes possible responses to the dissolution of the programme in its current form;

2.7.2.1. A programme will be considered “operational” if it meets the following parameters:

- At the minimum, a programme must provide evidence that methodologies are in place and available for use (i.e., finalized and not in “draft” form);
- The methodologies do not need to have been in place for the last two years; and
- A programme must have been continuously governed for at least the last two years.

2.7.3 *Programme administrator and staff conflicts of interest*: Programmes should avoid administrator and staff conflicts of interest and should have policies in place that prevent programme staff, board members, and management from having financial, commercial or fiduciary conflicts of interest in the governance or provision of programme services. Where such conflicts arise, and are appropriately declared, programmes should have procedures in place to address and isolate the conflict⁶.

⁶For programmes staffed solely by government officials and employees who are subject to domestic laws and regulations governing conflicts of interest, the TAB will assess these laws and regulations as if they are incorporated as part of the “programme procedures”.

Clarification / update to the Guidelines for Interpretation of Criterion “Sustainable Development Criteria”:

- *To include new paragraphs 2.10.1 and 2.10.2*

2.10 Sustainable Development Criteria - Programmes should publicly disclose the sustainable development criteria used, for example, how this contributes to achieving a country’s stated sustainable development priorities, and any provisions for monitoring, reporting and verification.

2.10.1 Guidelines for interpretation of the “Sustainable Development Criteria” criterion

2.10.2 Programme procedures should clearly state that only units that have been or will be issued to activities that report their sustainable development contributions or co-benefits according to criteria identified by the programme, as a list or menu or potential indicators that may, for example, enumerate relevant sustainable development goals (SDG) and, as appropriate, additionally include indicators that are publicly specified by a host country, can be identified as CORSIA Eligible Emissions Units.

Clarification / update to the Guidelines for Interpretation of Criterion “Avoidance of Double Counting, Issuance and Claiming”:

- *To include a new Footnote to paragraph 2.11.*

2.11 Avoidance of Double Counting, Issuance and Claiming - Programmes should provide information on how they address double counting, issuance and claiming in the context of evolving national and international regimes for carbon markets and emissions trading⁷.

⁷ This program design element assesses a programme’s transparency procedures for addressing double-counting, -issuance, and -claiming. The substantive contents of a programme’s procedures to address double-counting, -issuance, and -claiming, are assessed under the criterion “Are only counted once towards a mitigation obligation”.

Clarification / update to the Guidelines for Interpretation of Criterion “Additionality”:

- *To include changes to paragraphs 3.1.2 and 3.1.3.*

3.1 Carbon offset programmes must generate units that represent emissions reductions, avoidance, or removals that are additional — Additionality means that the carbon offset credits represent greenhouse gas emissions reductions or carbon sequestration or removals that exceed any greenhouse gas reduction or removals required by law, regulation, or legally binding mandate, and that exceed any greenhouse gas reductions or removals that would otherwise occur in a conservative, business-as-usual scenario. [...]

Guidelines for interpretation of the “Additionality” criterion

3.1.2 *Additionality analyses/tests*: The programme should have procedures in place to ensure — and to support activities to analyze and demonstrate — that credited mitigation is additional, on the basis of one or more of the following methods, in addition to legal or regulatory additionality as defined in paragraph 3.1, which can be applied at the project- and/or programme- level : (A) Barrier analysis; (B) Common practice / market penetration analysis; (C) Investment, cost, or other financial analysis; (D) Performance standards / benchmarks; ~~(E) Legal or regulatory additionality analysis as defined in paragraph 3.1.~~

3.1.3 *Non-traditional or new analyses/tests*: If programme procedures provide for the use of method(s) not listed above, ~~the GMTF, or other appropriate technical expert body~~ the Technical Advisory Body (TAB) should evaluate and make a recommendation regarding the sufficiency of the approach prior to any final determination of the programme’s eligibility

Clarification / update to the Guidelines for Interpretation of Criterion “Carbon offset credits must be based on a realistic and credible baseline”:

- *To include new paragraph 3.2.4.*

3.2.4 The programme should have procedures in place requiring activities to ensure and demonstrate that emissions baselines are set in a conservative way and below business-as-usual emission projections; programme procedures that support non-traditional baselines should require equivalent outcomes and their demonstration.

Clarification / update to the Guidelines for Interpretation of Criterion “Permanence”:

- *To include new text in paragraph 3.5.4.*

3.5.4 *Extent of compensation provisions:* The programme should have provisions in place to ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA. Procedures must provide for reversal monitoring and compensation requirements to be applied by an activity that generates CORSIA-eligible units for, at the very least, twenty (20) years from the start of their first crediting period, and at least forty (40) years from the start of their first crediting period for activities that start after 31 December 2026; procedures for jurisdiction-scale activities must alternatively ensure that the volume of emissions units contributed by a given activity to a reversal risk pool will, at a minimum, fully compensate for the activity’s reversal risk for the same timeframe.

Clarification / update to the Guidelines for Interpretation of Criterion “A system must have measures in place to assess and mitigate incidences of material leakage”:

- *To include new text in paragraph 3.6.4.*

3.6.4 *Leakage compensation:* The programme should have procedures in place for the activities it supports to deduct from their accounting emissions from any identified leakage that reduces the mitigation benefits of the activities. Programmes should have procedures in place ensuring that, where an activity involves replacing equipment or other physical systems such that these comprise the activity’s baseline, the baseline equipment is demonstrably decommissioned, destroyed, or scrapped, or otherwise demonstrated to no longer be in use, and emissions from its disposal are discretely assessed, mitigated where possible, and deducted from the verified results of the activity; where procedures enable the baseline equipment to potentially be re-sold or otherwise remain in use, equivalent procedures for assessment, mitigation, and accounting deductions should also apply to emissions resulting from its continued use.

Clarification / update to the Guidelines for Interpretation of Criterion “Are only counted once towards a mitigation obligation”:

- *To include changes to paragraphs 3.7.8, including a new Footnote*

3.7.8 *Host country attestation to the avoidance of double-claiming*: Only emissions units originating in countries that have attested to their intention to properly account for the use of the units toward offsetting obligations under the CORSIA, as specified in paragraph (and sub-paragraphs of) 3.7.9, should be eligible for use in the CORSIA. The programme should obtain, or require activity proponents to obtain and provide to the programme, written attestation from the host country’s national focal point or focal point’s designee. The attestation should specify, and describe any steps taken, to prevent mitigation associated with units used by operators under CORSIA from also being claimed toward a host country’s ~~national mitigation target(s) / pledge(s)~~ nationally determined contribution (NDC) communicated by each Party to the Paris Agreement. Host country attestations should be obtained and made publicly available prior to the use of units from the host country in the CORSIA¹¹.

¹¹ For the purpose of this criterion, the terms “agree to account for” and “written attestation” have the same meaning as the terms “authorize” and “the authorization” in Decision 2/CMA.3 Annex I “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”.

Clarification / update to the Guidelines for Interpretation of Criterion “Are only counted once towards a mitigation obligation”:

- *To include new paragraph 3.7.9 (with consequential re-numbering of subsequent paragraphs)*

3.7.9 Host country attestation specifications: Programmes should have in place procedures that guide the contents of host country attestation that, at a minimum, facilitate countries to identify the national point of contact, authorized unit vintages, authorized activity types if applicable, the compliance cycle for which the units are authorized, and the expected timing and processes for applying and reporting adjustments that are informed by the host country’s specified definition of “first transfer” and its chosen accounting method, consistent with the relevant provision of 2/CMA.3 Annex I “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”.

Clarification / update to the Guidelines for Interpretation of Criterion “Are only counted once towards a mitigation obligation”:

- *To delete previous paragraph 3.7.9.1*

3.7.910 *Double-claiming procedures*: The programme should have procedures in place requiring that activities take approach(es) described in these sub-paragraphs to prevent double-claiming, which attestations should confirm:

- ~~• 3.7.9.1 Emissions units are created where mitigation is not also counted toward national target(s) / pledge(s) / mitigation contributions / mitigation commitments.~~
- **3.7.910.21** Mitigation from emissions units used by operators under the CORSIA is appropriately accounted for by the host country when claiming achievement of its target(s) / pledges(s) / mitigation contributions / mitigation commitments, in line with the relevant and applicable international provisions.
- **3.7.910.32** If programme procedures provide for the use of method(s) to avoid double-claiming which are not listed above, ~~the GMTF, or other appropriate technical expert body,~~ the Technical Advisory Body (TAB) should evaluate and make a recommendation regarding the sufficiency of the approach prior to any final determination of the programme’s eligibility.

Clarification / update to the Guidelines for Interpretation of Criterion “Are only counted once towards a mitigation obligation”:

- *To include new text in paragraph 3.7.12 (previous paragraph 3.7.11)*

3.7.12 *Comparing unit use against national reporting*: The programme should have procedures in place to compare countries’ accounting for emissions units in national emissions reports against the volumes of eligible units issued by the programme and used under the CORSIA which the host country’s national reporting focal point or designee otherwise attested to its intention to not double-claim. Such procedures should specify the relevant national reports that contain a given host country’s accounting for emissions units, including each report submitted by the host country in accordance with Section IV (Reporting) of Decision 2/CMA.3 Annex I “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement” and any additional reports specified in relevant future decisions. Procedures should also describe the expected timing and processes by which the programme will compare the host country’s reported information on authorizations in its national reports with the information provided by the country in its attestation, and include publication of all country attestations and related documentation generated by the emissions unit programme.

Clarification / update to the Guidelines for Interpretation of Criterion “Are only counted once towards a mitigation obligation”:

- *To include new text in paragraph 3.7.14 (previous paragraph 3.7.13)*

~~3.7.13~~ **3.7.14** *Reconciliation of double-claimed mitigation*: The programme should have procedures in place for the programme, or proponents of the activities it supports, to compensate for, replace, or otherwise reconcile double-claimed mitigation associated with units used under the CORSIA which the host country’s national accounting focal point or designee otherwise attested to its intention to not double-claim, including in the instance that the attestation is withdrawn.



Next steps

- TAB will update the application package to include the updated EUC Guidelines (application and re-application forms, Appendix A and others as applicable) during the **Fall 2024**.
- Publication of re-application form and appendices for re-assessment: **January 2025**
- Call for applications for 2025 re-assessment on CORSIA eligible emissions units for eligibility beyond first phase: **February 2025**



2 Q & A

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