



Event Report

Bonn Climate Change Conference Side Event 10 May 2017

Aviation and Paris: making climate agreements work

The International Civil Aviation Organisation (ICAO) has created an offsetting measure -the “Carbon Offsetting and Reduction Scheme for International Aviation” (CORSIA)- for the aviation sector which aims to compensate for emissions growth above 2020 levels. ICAO’s Resolution establishing CORSIA references potential eligibility of UNFCCC offset credits, including from the Clean Development Mechanism (CDM), to offset an estimated 2.5 gigatonnes of emissions from 2021 to 2035.

The Paris Agreement requires Parties to avoid double counting when accounting for their Nationally Determined Contributions (NDCs) – but what about climate targets outside of NDCs such as CORSIA?

Carbon Market Watch, Transport & Environment, and Environmental Defense Fund organised an event at the Bonn Climate Change Conference to explore measures to be taken to ensure that a reduction sold to airlines to meet their ICAO target isn’t also counted towards a state’s climate target under the Paris Agreement.

This event contributed to the very topical debate by providing background on ICAO’s climate impact and measures, considering the double counting dilemma for both general reporting and under markets discussions, and presenting recommendations and best practice in carbon markets for transparency and accounting.

Below is a summary of the presentations and discussion:

The debate was moderated by **Aki Kachi, International Policy Director at Carbon Market Watch.**

Mr Andrew Murphy, Transport and Environment gave an [overview of the CORSIA](#), warning that the measure will fall short of its own target of carbon neutral growth due to the voluntary nature and exempted parties.

- CORSIA is an offsetting scheme for aviation consisting of three phases: pilot, voluntary and mandatory from 2027. It covers about 75% of emissions during voluntary phase and aims to offset only 1/3 of total global aviation emissions between 2021-2035.
- CORSIA should expand participation to close the 2020 emissions gap, finalise rules, identify effective enforcement means, support countries, in particular developing states, in implementing CORSIA.
- **With good rules, CORSIA could deliver reductions, with bad rules, it’s useless.**

Ms Christina Hood, International Energy Agency focused on the need to avoid double counting under the Paris Agreement, the current diversity among Nationally Determined Contributions, the

complications of transferable reductions and corresponding threats to environmental integrity to the NDCs:

- The diversity of NDCs, their reliance on target year, when markets function in continuum, as well as the use of different metrics make the task very difficult.

Mr Lambert Schneider, Stockholm Environmental Institute [explained](#) how double-counting is addressed under the Kyoto Protocol, double counting under Cancun pledges, and called for robust accounting of international transfers. Key points of the presentation:

- Quantify targets, track transfers, avoid double counting and non-permanence, ensure consistent metrics.
- Problems: Double issuance, double claiming, double use. Solutions: strong mechanism design and rules.
- Double claiming is a major risk for CORSIA and requires action by CORSIA as well as the UN Framework Convention on Climate Change (UNFCCC).

Mr Alex Hanafi, Environmental Defense Fund [stressed](#) the importance of transparency in making climate agreements work. Other key points:

- The Paris Agreement integrity depends on the integrity of CORSIA. Airlines must report annual emissions, offset obligations and cancellation. ICAO should use open decision making process with meaningful public commenting period.
- Benefits of transparency: Governments and airlines can avoid double claiming, level playing field among airlines, encourages offset programs to engage in CORSIA, **builds public confidence in climate action, CORSIA, and airlines**, improves outcomes.

Ms Angélica Romero, Chilean Delegation [gave](#) a country perspective on CORSIA:

- Key elements: **environmental integrity**: quality, accuracy, real measurable reductions; **avoid double counting** through linkages between systems; **transparency**: methodologies, registries; system to secure tracking
- Monitoring, reporting and verification (MRV) systems must secure tracking of emission units from purchase to transfer, use and surrender.

Ms Kelsey Perlman, Policy Officer – Aviation, Carbon Market Watch [presented](#) recommendations on how to ensure that the roles of the UNFCCC and ICAO are clear and double counting avoided. Highlights of the presentation can be summarised as follows:

- Need to clarify tasks and decide how to share responsibility between ICAO and UNFCCC (credit quality, registries, transparency, ambition).
- **Credit quality**: both seller and buyer responsible. **Registries**: everyone needs to know how they are accounting. **Transparency**: environmental markets without proper oversight and transparency have harmed people and the environment. Transparency of effort and implementation needed to credibly measure ambition.
- **Transparency is the backbone of Paris and the key to achieving 1.5!**

Q&A Session

The discussion addressed among other things double claiming in voluntary standards, the future of the CDM, implications of offsetting permanent emissions with non-permanent ones, and ways to ratchet up ambition.

Resources:

Mr Andrew Murphy, Andrew Murphy, Transport and Environment – [CORSA background](#)

Mr Lambert Schneider, Stockholm Environmental Institute – [Article 6 accounting outside of NDCs](#)

Mr Alex Hanafi, Environmental Defense Fund – [Transparency in carbon markets](#)

Ms Angélica Romero, Chilean Delegation – [Country perspective on CORSA](#)

Ms Kelsey Perlman, Carbon Market Watch – [UNFCCC Paris Rulebook recommendations for CORSA](#)

[Policy Brief](#): Too big to fail? Environmental responsibilities of the UNFCCC and ICAO processes for aviation's new carbon market

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