CORSIA 101

What is CORSIA?

Created by the International Civil Aviation Organization (ICAO), the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is a market-based mechanism to reduce emissions from international aviation. CORSIA complements other ICAO climate measures by offering a way for the aviation sector to offset emissions that may not be otherwise easily reduced:

How does it work?

Aircraft operators in participating jurisdictions purchase “emission units” to compensate for a percentage of their CO2 emissions after 2020. CORSIA has three phases of implementation; the pilot phase (2021-23) and first phase (2024-26) are voluntary, while the second phase (2027-35) will be obligatory for certain member states. Nearly all 191 states represented at ICAO agreed to the introduction of CORSIA and 125 states have already announced their participation as of July 2023. At the 41st session of the ICAO Assembly, the body adopted a long-term aspirational goal (net zero target) and a new CORSIA baseline of 85% of 2019 CO2 emissions from 2024 onwards.

What offsets are eligible for use under CORSIA?

The offsets, or “emission units”, used have to meet the emissions unit eligibility criteria, as laid out by ICAO. The criteria are applied at the programme level and include 11 design elements and eight eligibility criterion. In the pilot phase, the ICAO Council has approved nine Emissions Unit Programmes: the American Carbon Registry; the Architecture for REDD+ Transactions; the China GHG Voluntary Emission Reduction Program; the Clean Development Mechanism; the Climate Action Reserve; the World Bank’s Forest Carbon Partnership Facility; the Global Carbon Council; The Gold Standard; and the Verified Carbon Standard. Emissions units from these programmes (with conditions on methodology and vintage) can be used for compliance under CORSIA for the pilot phase. Programmes are continuing to submit applications for review for Phase 1, which begins in 2024.

Who participates in CORSIA?

Participation is determined by state representatives to ICAO, however the reporting of emissions and purchase of offsets is up to the aircraft operators associated with each participating state. Under the phased implementation, 125 states will participate from 2024 and more will join for the second phase from 2027. Upon completion of each three-year compliance period, operators in states with obligations will have to demonstrate that they have met their offsetting requirements by cancelling the appropriate number of emissions units.

What emissions are covered in each phase?

In practice, for aircraft operators, compliance obligations come into effect when annual emissions exceed the baseline of 85% of 2019 emissions. Only flights between states participating in CORSIA are subject to offsetting requirements.

Airlines, participating states, and the ICAO secretariat all play a role in collecting data and calculating obligations on an annual basis. While predictions vary, it is generally expected that emissions will exceed the baseline during Phase 1. Airlines can retire credits to meet these obligations at any time, but the formal deadline to retire credits for Phase 1 compliance is January 2028.