

TECHNICAL ADVISORY BODY (TAB)

RECOMMENDATIONS ON CORSIA ELIGIBLE EMISSIONS UNITS

The following is an excerpt from the TAB Report of September 2022

4 TAB ASSESSMENT AND RECOMMENDATIONS

4.1 TAB RECOMMENDATIONS ON NEW APPLICATIONS

4.1.1 Programmes recommended for conditional eligibility

4.1.1.1 TAB recommends that the Council's designation of the following emissions unit programme should be approved as conditionally eligible for the pilot phase (2021-2023 compliance cycle), subject to further review by TAB of the programme's updated procedures:

- BioCarbon Fund Initiative for Sustainable Forest Landscapes (see details in Section 4.1.2)
- Joint Crediting Mechanism (JCM) between Japan and Mongolia (see details in Section 4.1.4)
- SOCIALCARBON (see details in Section 4.1.6)

4.1.1.2 TAB does not recommend these programmes to be approved to supply CORSIA Eligible Emissions Units at this stage (i.e. *immediately* added to ICAO document "CORSIA Eligible Emissions Units"). TAB will confirm to Council when programme updates meet specified conditions; *then* the programme will be added to the ICAO document "CORSIA Eligible Emissions Units" for the pilot phase (2021-2023 compliance cycle).

4.1.1.3 In this context, TAB has initiated its re-assessment of eligible emissions unit programmes and will make recommendations to Council at its 228th session on their eligibility for the first phase (2024-2026 compliance cycle). TAB does not, at this time, anticipate undertaking additional re-assessment(s) in respect of the first phase beyond those programmes that are immediately eligible. Should these conditionally eligible programmes wish to seek eligibility for the first phase, after implementing the *Further actions requested*, they may submit a new application to that effect during a future application cycle.

4.1.2 BioCarbon Fund Initiative for Sustainable Forest Landscapes

General findings

4.1.2.1 TAB found that ISFL procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2021 were largely consistent with the contents of the EUC, for emissions units generated under the programme prior to 1 January 2021, pending the completion of the *Further actions requested of the programme* recommended in section 4.1.3 further down.

4.1.2.2 TAB found that ISFL demonstrated technical consistency with some, but not all, contents of the criterion Permanence. This assessment was made on the basis of draft programme revisions shared in writing and discussed with TAB, which have been approved on a preliminary basis by ISFL but are not yet available for use in an updated publicly available format of the programme procedures. In its application, ISFL could confirm that it will be fully operational through 31 December 2030 and proposed draft procedures whereby the World Bank will continue to monitor ISFL activities through 31 December 2045 in relation to the ISFL Reversal Management Mechanism. TAB's assessment of the proposed procedures informed the *Further actions requested of the programme* recommended in section 4.1.2.4 (a) further down.

4.1.2.3 TAB found that the ISFL demonstrated technical consistency with some, but not all, contents of the criterion Are only counted once towards a mitigation obligation. This finding common to many programmes is further discussed in Section 4.3 of TAB's first Report to Council (January 2020) and informed the general eligibility parameters discussed in Sections 4.1 and 4.3 that report, which TAB also recommends should apply to ISFL. It also informed the *Further actions requested of the programme* recommended in section 4.1.2.5 (c) further down.

Further actions requested of the programme

4.1.2.4 TAB recommends that the Council request the ISFL to undertake the further actions in paragraphs (a) below, which ISFL is invited to submit for TAB to assess and make recommendations to Council as necessary to finalize the conditional eligibility of units issued under these programme elements:

- a) to clearly state, in an update to its programme documentation, that units from an ISFL program can only be identified as CORSIA Eligible Emissions Units in the programme registry after ISFL approves the given program's procedures for a Reversal Management Mechanism, including a periodic monitoring and third-party verification mechanism, based on their up-front and continued equivalence to the ER ISFL Buffer, according to 1) ISFL's summary of proposed measures for determining this "equivalence", and 2) the Mechanisms' consistency with the procedures that ISFL conveyed to TAB in its application and all subsequent form(s) and communications with TAB, in respect of all EUC and Guidelines for Criteria Interpretations, with an emphasis on the following:
 - Offset Credit Issuance and Retirement Procedures
 - Identification and Tracking
 - Validation and Verification procedures
 - Quantified, monitored, reported, and verified
 - Permanence
 - Assess and mitigate incidences of material leakage
 - Are only counted once towards a mitigation obligation

4.1.2.5 TAB also recommends that the Council request the ISFL to undertake these further actions, which do not need to be taken prior to updating ISFL's description in the ICAO document titled "CORSIA Eligible Emissions Units":

- b) to finalize the public-facing elements of the ISFL's Registry System ('CATS Registry'), as described in the Registry Attestation Form completed by ISFL, such that 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*¹ are made publicly available at no cost and with no credentials required.

- c) to update, or finalize updates to, programme procedures related to the guidelines for host country attestation and double-claiming procedures, for TAB to assess in respect of future recommendations on the extension of unit eligibility dates beyond 31 December 2020.

4.1.3 Joint Crediting Mechanism between Japan and Mongolia

General findings

4.1.3.1 TAB found that JCM procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2021 were largely consistent with the contents of the EUC, for emissions units generated under the programme prior to 1 January 2021, pending the completion of the *Further actions requested of the programme* recommended in section 4.1.3.4 further down.

4.1.3.2 TAB found that JCM demonstrated technical consistency with some, but not all, contents of the criteria Additionality and Leakage. This finding informed the *Further actions requested of the programme* recommended in section 4.1.3.4 further down.

4.1.3.3 TAB also found that the JCM demonstrated technical consistency with some, but not all, contents of the criterion Are only counted once towards a mitigation obligation. This finding common to many programmes is further discussed in Section 4.3 of TAB's first Report to Council (January 2020) and informed the general eligibility parameters discussed in Sections 4.1 and 4.3 that report, which TAB also recommends should apply to JCM. It also informed the *Further actions requested of the programme* recommended in section 4.1.3.4 further down.

Further actions requested of the programme

4.1.3.4 TAB recommends that the Council request the JCM to undertake the further actions in para. (a) and (b) below, which JCM is invited to submit for TAB to assess and make recommendations to Council as necessary to finalize the conditional eligibility of units issued under these programme elements:

- a) to update programme requirements and procedures related to third-party validation and verification, in order to require that additionality and baseline-setting is assessed by an accredited third-party for all activities that wish to be designated as CORSIA-eligible.
- b) to update programme requirements and procedures related to additionality analyses/tests, in order to require that discrete additionality assessments/tests, in line with the EUC and its Guideline for Criteria Interpretation "Additionality analyses/tests", are specifically applied to all activities that wish to be designated as CORSIA-eligible, and that the results of these assessments/tests are made public.

¹ According to SARPs, "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 Eligible emissions unit programme; 5.f Unit type; 5.g Host country 5.h Methodology; 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" SARPs available [here](#).

4.1.3.5 TAB also recommends that the Council request the JCM to undertake these further actions, which do not need to be taken prior to updating JCM's description in the ICAO document titled "CORSlA Eligible Emissions Units":

- c) to finalize the public-facing elements of the JCM Registry System ('JCM registry of Japan' and 'JCM registry of Mongolia'), as discussed with TAB, such that all *Consolidated identified information for cancelled emissions units* required in Field 5 of Table A5-7 of the Appendix 5 of the *CORSlA Standards and Recommended Practices*¹² are made publicly available at no cost and with no credentials required.
- d) to provide to TAB written evidence of the provisions in place specifically ensuring that the JCM Registry System ('JCM registry of Japan' and 'JCM registry of Mongolia') is periodically subject to an audit or evaluation of the Registry System's compliance with security provisions.
- e) to update programme requirements and procedures relating to Leakage, including to ensure that all emissions from equipment that is re-sold or from disposal of that equipment relating to an activity's implementation are discretely assessed, and where applicable, mitigated and deducted from the verified results of the activity.
- f) to update programme procedures related to the guidelines for double-claiming procedures, for TAB to assess in respect of future recommendations on the extension of unit eligibility dates beyond 31 December 2020.

4.1.4 SOCIALCARBON

General findings

4.1.4.1 TAB found that SOCIALCARBON's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2021 were largely consistent with the contents of the EUC, for emissions units generated under the programme prior to 1 January 2021, pending the completion of the *Further actions requested of the programme* recommended in section 4.1.4.4 further down.

4.1.4.2 TAB found that SOCIALCARBON demonstrated technical consistency with some, but not all, contents of the criteria Validation and Verification procedures; Permanence; and Leakage. These findings informed the *Further actions requested of the programme* recommended in section 4.1.4.4 further down.

4.1.4.3 TAB found that the SOCIALCARBON demonstrated technical consistency with some, but not all, contents of the criterion Are only counted once towards a mitigation obligation. This finding common to many programmes is further discussed in Section 4.3 of TAB's first Report to Council (January 2020) and informed the general eligibility parameters discussed in Sections 4.1 and 4.3 of that report, which TAB also recommends should apply to SOCIALCARBON. This finding informed the *Further actions requested of the programme* recommended in section 4.1.4.4 below.

Further actions requested of the programme

4.1.4.4 TAB recommends that the Council request the SOCIALCARBON to undertake further actions described in para. (a) to (c) below, which SOCIALCARBON is invited to submit for TAB to assess and make recommendations to Council as necessary to finalize the conditional eligibility of units issued under these programme elements:

- a) to update programme requirements and procedures related to the accreditation of validation and verification bodies, in order to require that all validators and verifiers approved by the programme are accredited according to standards, procedures and requirements that are publicly disclosed;
- b) to put in place procedures ensuring the full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA;
- c) to put in place procedures ensuring that REDD+ activities that are registered under the programme and expected to generate more than 7,000 emissions units/annum, individually or grouped, are implemented at national level, or on an interim basis on a subnational level.

4.1.4.5 TAB also recommends that the Council request SOCIALCARBON to undertake these further actions, which do not need to be taken prior to updating SOCIALCARBON description in the ICAO document titled “*CORSIA Eligible Emissions Units*”:

- d) to put in place procedures which ensure that monitoring, measuring, and reporting of both activities and the resulting mitigation is conducted at specified intervals throughout the duration of the crediting period;
- e) to put in place procedures requiring a re-validation of an activity’s baselines, and procedures and assumptions for quantifying, monitoring, and verifying mitigation, including the baseline scenario, applicable to activities that wish to undergo verification but have not done so within the Programme’s allowable number of years between verification events;
- f) to update, or finalize updates to, programme procedures related to the guidelines for host country attestation and double-claiming procedures, for TAB to assess in respect of future recommendations on the extension of unit eligibility dates beyond 31 December 2020.

4.1.5 **Programmes invited to re-apply**

4.1.5.1 TAB recommends that the following emissions unit programmes should be invited to re-apply:

- BioCarbon Registry (see details in Section 4.1.6)
- International Carbon Registry (see details in Section 4.1.7)
- J-Credit (see details in Section 4.1.8)

4.1.5.2 The specific findings by TAB in terms of criteria consistency and areas for further developments are provided below. TAB will consider re-assessing these programmes once changes to the

programme procedures are in place and the programme provides such information to the TAB in line with a future call for applications.

4.1.6 **BioCarbon Registry**

Criteria consistency

4.1.6.1 TAB recommends that eligibility decisions regarding BCR should not be taken at this time. TAB found that BCR's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022 were partially consistent with the contents of the EUC, for emissions units generated under the programme prior to 1 January 2021.

4.1.6.2 TAB found that BCR demonstrated technical consistency with the contents of the following criteria: Legal nature and transfer of units; Transparency and public participation provisions; Validation and verification procedures; and Clear and transparent chain of custody; Identification and tracking; Sustainable development criteria; Clear methodologies and protocols, and their development process; and Offset credit issuance and retirement procedures.

Areas for further development

4.1.6.3 TAB found that BCR demonstrated technical consistency with some, but not all, contents of the following criteria: Program governance; Safeguards system; Do no net harm; Carbon offset credits must be quantified, monitored, reported, and verified; Additionality; Realistic and credible baselines; Permanence; Leakage; Avoidance of double counting, issuance and claiming; and Are only counted once towards a mitigation obligation.

4.1.6.4 TAB would like to encourage BCR to re-engage in TAB's assessment process once it is confident that its procedures are in a steady state and meet all of the EUC. TAB will assess the programme again once changes to the programme procedures are in place and the programme provides such information to TAB in line with a future call for applications.

4.1.7 **International Carbon Registry**

Criteria consistency

4.1.7.1 TAB recommends that eligibility decisions regarding ICR should not be taken at this time. TAB found that ICR's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022 were partially consistent with the contents of the EUC, for emissions units generated under the programme prior to 1 January 2021.

4.1.7.2 TAB found that ICR demonstrated technical consistency with the contents of the following criteria: Transparency and public participation provisions; Validation and verification procedures; and Clear and transparent chain of custody.

Areas for further development

4.1.7.3 TAB found that ICR demonstrated technical consistency with some, but not all, contents of the following criteria: Program governance; Legal nature and transfer of units; Identification and tracking; Carbon offset credits must be quantified, monitored, reported, and verified; Safeguards system; Sustainable development criteria; Do no net harm; Clear methodologies and protocols, and their development process;

Offset credit issuance and retirement procedures; Additionality; Realistic and credible baselines; Permanence; Leakage; Avoidance of double counting, issuance and claiming; and Are only counted once towards a mitigation obligation.

4.1.7.4 TAB would like to encourage ICR to re-engage in TAB's assessment process once it is confident that its procedures are in a steady state and meet all of the EUC. TAB will assess the programme again once changes to the programme procedures are in place and the programme provides such information to TAB in line with a future call for applications.

4.1.8 **J-Credit**

Criteria consistency

4.1.8.1 TAB recommends that eligibility decisions regarding J-Credit should not be taken at this time. TAB found that J-Credit's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2022 were partially consistent with the contents of the EUC, for emissions units generated under the programme prior to 1 January 2021.

4.1.8.2 TAB found that J-Credit demonstrated technical consistency with the contents of the following criteria: Legal nature and transfer of units; Transparency and public participation provisions; Validation and verification procedures; Clear and transparent chain of custody; Clear methodologies and protocols, and their development process; Offset credit issuance and retirement procedures; and Permanence.

Areas for further development

4.1.8.3 TAB found that J-Credit demonstrated technical consistency with some, but not all, contents of the following criteria: Program governance; Safeguards system; Sustainable development criteria; Do no net harm; Identification and tracking; Carbon offset credits must be quantified, monitored, reported, and verified; Additionality; Realistic and credible baselines; Leakage; Avoidance of double counting, issuance and claiming; and Are only counted once towards a mitigation obligation.

4.1.8.4 TAB would like to encourage J-Credit to re-engage in TAB's assessment process once it is confident that it has procedures in place that meet all of the EUC. TAB will assess the programme again once changes to the programme procedures are in place and the programme provides such information to TAB in line with a future call for applications.

4.1.9 **Applicants not possible to assess**

4.1.9.1 TAB was unable to assess the following applicant organization at this stage. Organizations in this category are typically not possible to assess due to either their early stage of development, or because key elements of an emissions units programme, in line with the EUC and TAB's interpretations, were not in place at the time of TAB's assessment:

- CERCARBONO (see further details in Section 4.1.10 below)

4.1.10 **CERCARBONO**

General findings

4.1.10.1 TAB notes from CERCARBONO's application that the applicant plans to create or modify fifteen different programme policies, procedures and documents during the course of the 2022 assessment cycle. These planned modifications implicate several EUC, including: Clear Methodologies and Protocols, and their Development Process; Offset Credit Issuance and Retirement Procedures; Identification and Tracking; Validation and Verification procedures; Programme Governance; Transparency and Public Participation Provisions; Additionality; Quantified, monitored, reported and verified; Permanence; and Are only counted once towards a mitigation obligation. As a result, TAB was unable to fully assess CERCARBONO during the 2022 assessment cycle. TAB invites CERCARBONO to re-apply for assessment once it is confident that its procedures are in a steady state and fully meet all of the EUC.

4.2 TAB RECOMMENDATIONS ON PROCEDURAL UPDATES ASSESSED

4.2.1 TAB recommends updated "Further actions requested of the programme" for one emissions unit programme that was previously approved for conditional eligibility to supply CORSIA Eligible Emissions Units, which tab further assessed in this cycle:

- Forest Carbon Partnership Facility (see further details in section 4.2.2 below)

4.2.2 Forest Carbon Partnership Facility

TAB recommendations based on material procedural updates assessed

4.2.2.1 In March 2020, Council accepted TAB's recommendation that FCPF should be *conditionally eligible* to supply CORSIA Eligible Emissions Units, pending the programme's implementation of further actions requested by the Council at that time. In light of FCPF's procedural updates submitted in March 2022 for assessment in TAB's 2022 material change assessment cycle, TAB recommends that FCPF should be approved as immediately eligible to supply CORSIA eligible emissions units.

4.2.2.2 The eligibility of the emissions units should be subject to the general eligibility parameters set out in Section 4.1 of TAB's Report from its first assessment² and the programme-specific parameters set out for the programme in paragraph 4.2.2.11 of this report, which should be clearly described in the ICAO document titled "*CORSIA Eligible Emissions Units*".

4.2.2.3 TAB also recommends that that Council update the *Further actions requested of the programme* in light of progress that FCPF has made in implementing the previously requested actions (Section 4.2.2.12 below).

Background on programme status

4.2.2.4 FCPF applied for assessment by the TAB in 2019, and Council approved TAB's recommendation that FCPF be conditionally eligible. As further explained in its first Report to Council (January 2020), TAB found that the FCPF demonstrated technical consistency with some, but not all, contents of the criteria for Governance and Permanence. TAB noted that the FCPF could only confirm that it will be fully operational through 2025 and that its implementing partners would therefore only undertake monitoring, reporting, and verification (MRV) through that time. This limited timeframe would be inconsistent with TAB's interpretation of the criteria elements related to the long-term administration of

² Para 4.2.10.5 of first TAB report. Available at <https://www.icao.int/environmental-protection/CORSIA/Pages/TAB2019.aspx>

any “multi-decadal” elements of the programme, and the “full compensation” for the reversal of emissions units used toward CORSIA offsetting obligations.³

4.2.2.5 Following this assessment, FCPF was requested to take the following actions in order to satisfy its eligibility conditions, and to provide evidence of such for TAB’s review and recommendation and Council’s consideration prior to finalizing it eligibility:

- a) “to put in place standards and procedures providing for the validation of activities supported by the programme, by accredited third-parties, and for such accredited third parties to undertake validation of activities supported by the FCPF for those implementing participants that wish to generate CORSIA Eligible Emissions Units”; and,
- b) “to put in place procedures, including any additional governance arrangements, which will ensure monitoring for and compensation of material reversals for a period of time that at the very least exceeds the period of time between when the programmes were assessed (2019) and the end of the CORSIA’s implementation period (2037) for those implementing participants that wish to generate CORSIA Eligible Emissions Units and so commit to the implementation of these procedures.”⁴

4.2.2.6 TAB also identified in its detailed assessments from the first assessment cycle that TAB’s review of any such future updates should also confirm that the FCPF’s Registry System and Registry Guidelines document (in draft form as of January 2020) are fully finalized and available for use.

4.2.2.7 In April 2020, FCPF submitted proposed updates (as “material changes”) to programme procedures designed to address the conditions that Council had defined. During its second assessment cycle in 2020, TAB assessed the updated procedures and identified that they satisfied the first eligibility condition mentioned in paragraph 4.2.2.5.a above, but that the programme was still in the process of taking the requested further actions in respect of paragraph 4.2.2.5.b above. In October 2020, Council approved TAB’s recommendation that the FCPF’s eligibility classification be maintained as “conditionally eligible”, pending the completion of the further actions described in paragraph 4.2.2.5.b.

Summary of material procedural updates

4.2.2.8 In March 2022, FCPF submitted an updated programme procedures reflecting proposed updates (as “material changes”) to programme procedures designed to address the remaining *further action* requested by Council; these procedures would apply to all of the Carbon Fund’s recipient jurisdictional programmes that wish to seek CORSIA eligibility. TAB also sought to confirm the full functioning of the programme-designated registry and its availability for use.

General findings

4.2.2.9 TAB found that the FCPF procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019, supplemented by material changes submitted for TAB’s assessment in April 2020 and in March 2022, were consistent with the EUC, for emissions units generated under the programme representing mitigation that occurred prior to 1 January 2021, within the programme-specific eligibility parameters noted in Section 4.2.2.11 below.

³ Para 4.2.10.3 of first TAB report.

⁴ Para 4.2.10.7 of the TAB Report from its first assessment cycle.

4.2.2.10 TAB did not, in the current assessment cycle, undertake any further assessment of the programme's application materials submitted under prior TAB assessment cycles. In prior assessment cycles, TAB found that FCPF's procedures, standards, and related governance arrangements that were in place and assessed by TAB in 2019 were largely consistent with the contents of the EUC, for emissions units generated under the programme for mitigation prior to 1 January 2021, pending the completion of the *Further actions requested of the programme* recommended in TAB's first report to Council (January 2020).

Programme-specific eligibility parameters

4.2.2.11 *Scope:* The FCPF submitted for TAB's assessment all activity types and scales, unit types, methodologies, and procedural categories supported by FCPF, supplemented by material changes to programme procedures assessed under TAB's 2022 material change assessment cycle. The programme's eligibility scope described in the ICAO document titled "*CORSIA Eligible Emissions Units*" should reflect the exclusions in paragraph (a) below. TAB does not, at this time, recommend any further exclusions from or limitations to the programme's scope of eligibility, beyond those set out in the general eligibility parameters in Section 4.1 of TAB's first report to Council and in these programme-specific eligibility parameters, which include:

- a) the exclusion of all emissions units issued to programs that do not have in place a Reversal Management Mechanism, including a Periodic Monitoring and Third-Party Verification Mechanism, that FCPF approves as demonstrating up-front and continued equivalence to the ER Program CF Buffer through at least 31 December 2037 and ideally longer, according to 1) FCPF's summary of measures for determining this "equivalence", and 2) the Mechanisms' consistency with the procedures that FCPF conveyed to TAB in its application and all subsequent form(s) and communications with TAB, in respect of all EUC and Guidelines for Criteria Interpretations, with an emphasis on the following:
 - Offset Credit Issuance and Retirement Procedures
 - Identification and Tracking
 - Validation and Verification procedures
 - Quantified, monitored, reported, and verified
 - Permanence
 - Assess and mitigate incidences of material leakage
 - Are only counted once towards a mitigation obligation

Further actions requested of the programme

4.2.2.12 TAB recommends that the Council request the FCPF to undertake the actions in paragraphs (a) to (d) below. These actions do not need to be taken prior to updating FCPF's description in the ICAO document titled "*CORSIA Eligible Emissions Units*":

- a) to clearly state, in an update to its programme documentation at the earliest opportunity, that units from an FCPF program can only be identified as CORSIA Eligible Emissions Units in the programme registry after FCPF approves the given program's procedures for the Mechanisms referred to in paragraph 4.2.2.11.a based on their up-front and continued consistency with the FCPF's procedures referred to in that paragraph; and
- b) to update, or finalize updates to, programme procedures related to the guidelines for host country attestation and double-claiming procedures, for TAB to assess in respect of future

recommendations on the extension of the eligibility dates referred to in Section 4.1 of the TAB Report from its first assessment.⁵

- c) to finalize the public-facing elements of the FCPF's Registry System ('CATS Registry'), as described in the Registry Attestation Form completed by FCPF, such that 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*¹² are made publicly available at no cost and with no credentials required, and upon doing so, to update and re-submit a completed Registry Attestation in accordance with form requirements.
- d) to update, or finalize updates to, programme procedures related to the guidelines for host country attestation and double-claiming procedures, for TAB to assess in respect of future recommendations on the extension of unit eligibility dates beyond 31 December 2020.

4.3 CRITERIA INTERPRETATION AND REFERENCE DOCUMENTS

4.3.1 In each assessment cycle, TAB Members confer with one another on how to interpret the EUC and its Guidelines, in order to find consensus on the recommendations, including those presented in Section 4 of this report. Where TAB discussed and agreed to specific interpretations in order to apply a criterion or its guidelines to the wide variety of programmes assessed in successive assessment cycles, these are presented the relevant TAB reports, in sections entitled "Criteria interpretations".

4.3.2 In its fourth assessment cycle, TAB reaffirmed the applicability of its interpretations, discussions, and any specific expectations for programme procedures contained in Section 4.3 of the TAB Report from its first assessment cycle. TAB also reaffirmed the relevance of Criteria interpretations in subsequent TAB Reports, which are compiled into a document entitled *Clarifications of TAB's Criteria Interpretations contained in TAB Reports* and published on the TAB website for transparency.⁶ These same interpretations and expectations were applied to TAB's assessments during this assessment cycle. Following the decision by Council in respect of this Report, TAB will also incorporate its interpretations presented in Section 6 below into the aforementioned document.

4.4 TAB PROGRESS AND NEXT STEPS ON RE-ASSESSMENT FOR ELIGIBILITY BEYOND THE PILOT PHASE

4.4.1 In its Terms of Reference (ToR) adopted by Council, TAB is tasked to "monitor and review the continued eligibility of emissions unit programmes that the Council determines to be eligible under CORSIA."⁷ At its sixth meeting (Aug.-Sept 2020), TAB agreed to undertake a re-assessment of CORSIA eligible emissions unit programmes and make recommendations to Council on the continuing eligibility of

⁵ Para 4.2.10.8 of the TAB Report from its first assessment cycle.

⁶ Available at https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/Clarifications_TABs_Criteria_Interpretations.pdf

⁷ Terms of Reference for the Technical Advisory Body, Version 2.0, para. 2.1.5. Available at https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202020/TOR_of_TAB_2020_Approved_by_Council.pdf

these programmes to supply CORSIA Eligible Emissions Units beyond the pilot phase (2021-2023 compliance cycle).

4.4.2 In line with this approach, TAB launched the application process for re-assessment in January 2022 with the aim of presenting its recommendations on this matter to Council during its 227th session. TAB incorporated the re-assessment in its 2022 *Work Programme and Timeline* (page 7 above) while noting that it could be subject to further changes.

4.4.3 Seven CORSIA eligible emissions unit programmes responded to the call for applications to undergo re-assessment (see Section 3.3 above). TAB has initiated its assessment of these applications and exchanged two rounds of clarification questions with applicants, during which TAB also inquired about their progress in addressing the outcomes of UNFCCC COP26. As noted in Section 7 of this Report, TAB Members have managed a heavy workload in 2022 alongside these re-assessments, including seven new applications, a procedural update submission, and the request from Council for recommendations relating to Article 6 of the Paris Agreement.

4.4.4 Recognizing the need to sequence its work in advance of the 227th Council session, TAB decided to prioritize Council's request for recommendations on Article 6 of the Paris Agreement, as well as TAB's usual assessment cycle for new programme applications and procedural update submissions. After submitting this Report, TAB will continue its re-assessment of CORSIA emissions unit programmes through the fall of 2022 and will report its recommendations on eligibility for the first phase (2024-2026 compliance cycle) to the 228th session of ICAO Council (March 2023).

6 LINKAGES WITH PARIS AGREEMENT ARTICLE 6

6.1 OVERVIEW

6.1.1 In its decision 225/11, paragraph 5(d), the Council requested TAB to “consider the relevant outcomes of negotiations at the UNFCCC COP26 relating to Article 6 of the Paris Agreement, including their linkage and implications to the CORSIA EUC such as the criteria to avoid double-counting, and the COP26 decision to allow the use of CDM credits with vintages from 2013 and to report possible progress to the 226th Session of the Council and to report recommendations to the 227th Session of the Council.”⁸

6.1.2 The following sections describe TAB's considerations and recommendations on these matters, which are summarized in Section 6.2 below. Section 6.3 introduces the relevant outcomes on Article 6 of the Paris Agreement that were adopted during the Glasgow Climate Conference (UNFCCC COP26, November 2021) and describes some general linkages between these decisions and the EUC. Next, Section 6.4 addresses specific linkages to the criteria on double counting and Section 6.5 addresses specific linkages to other relevant criteria. Section 6.6 then considers the decision to allow the use of CDM credits from activities registered from 2013 onward toward NDCs under the Paris Agreement. Where linkages and implications described throughout Section 6 inform recommendations contained elsewhere in this Report, these are indicated by way of textual cross-references.

⁸ Available online at <https://www.icao.int/about-icao/Council/Council%20Documentation/225/C-DEC/C.225.DEC.11.EN.PDF>, page 2.

6.2 SUMMARY OF KEY FINDINGS

6.2.1 TAB's considerations described in this section are largely consistent with TAB's approach to assessing emissions unit programmes during previous assessment cycles and will continue to inform TAB recommendations in future reports to Council. TAB also recommends that Council request CAEP to consider this Section and TAB's other Criteria interpretations⁹, as appropriate, in its forthcoming review of the EUC. The key considerations described in this section include:

- The purchase and cancellation of eligible emissions units by an Aeroplane Operator to meet its offsetting requirements under CORSIA is an “international mitigation purpose” referred to in the Article 6.2 Guidance (Decision 2/CMA.3) adopted at UNFCCC COP26. (Section 6.3)
- Corresponding adjustments are additions and subtractions that a country applies to the annual level of the indicator it uses to track progress and achievement of its nationally determined contribution (NDC), e.g., the country's annual GHG emissions level. (Section 6.4)
 - The application of corresponding adjustments consistent with the Article 6.2 Guidance is required to prevent the same mitigation from being claimed toward both the host country's NDC achievement and the airline's CORSIA obligations, in line with the criterion Are only counted once towards a mitigation obligation.
 - Corresponding adjustments are required for all CORSIA eligible emissions units with vintage years from 2021 onward, whether or not the mitigation outcomes were generated from sectors and GHGs that covered by the host country's NDC. Corresponding adjustments are not required for emissions units with vintage years through 2020, because the Article 6.2 Guidance does not apply to such units.
 - Decision 2/CMA.3 also mandates further work in the UNFCCC process relating to the Article 6.2 Guidance, for which outcomes are expected at COP27, including on formats, infrastructure and procedures for tracking, reporting and review.
- Decision 2/CMP.16 prevents the Clean Development Mechanism (CDM) from issuing units for mitigation that occurred after 31 December 2020. This restriction is consistent with the CDM's Eligible Unit Dates for the CORSIA pilot phase (2021-2023 compliance cycle). Activities currently registered under the CDM or listed as provisional may transition into the Article 6.4 mechanism, subject to a number of conditions with specified timeframes, if they wish to continue crediting beyond 2020. (Section 6.6)
- Decision 3/CMA.3 mandates further work in the UNFCCC process to fully operationalize the Article 6.4 mechanism. For example, the mechanism's Supervisory Body first met in July 2022 and is scheduled to meet two more times by the end of the year. While much of this work is scheduled for completion by UNFCCC COP27 (November 2022), some aspects are expected to extend into 2023 and perhaps beyond. An assessment of the Article 6.4 mechanism's consistency with the EUC, in line with Assembly Resolution A40-19, can take place as soon as the mechanism is operational. (Section 6.3, 6.5)

⁹ These have been communicated in successive TAB reports and compiled into a document entitled *Clarifications of TAB's Criteria Interpretations contained in TAB Reports*, published on the TAB website for transparency: https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/Clarifications_TABs_Criteria_Interpretations.pdf

- There are also linkages between the UNFCCC COP26 outcomes and other emissions unit criteria, including: Safeguards System, Sustainable development criteria and Do no net harm (Para 6.5.1 – 6.5.3); Quantified, monitored, reported, and verified (Para 6.5.4 – 6.5.7); Additionality (Para 6.5.8 - 6.5.12) and Realistic and credible baselines (Para 6.5.13 – 6.5.17).
 - In most cases, the novel language in the Article 6 outcomes is of similar stringency to the EUC and consistent with TAB’s approach during previous assessment cycles, as described in the *Criteria interpretations* conveyed to Council in successive TAB’s reports.¹⁰ TAB will continue to apply the EUC in the manner described in its *Criteria interpretations*, further clarify these interpretations where appropriate, and monitor ongoing developments, including in the Article 6 context.
 - In some cases, the Article 6 outcomes confirm TAB’s previous *Criteria interpretations* and/or allow for more thoroughness and specificity in applying the EUC, and some emissions unit programmes are already considering possible updates to their procedures. TAB will apply these findings to its recommendations relating to Eligible Emissions Units beyond the pilot phase (2021-2023), including in its ongoing re-assessment of CORSIA eligible emissions unit programmes that will inform TAB’s recommendations to the 228th ICAO Council.
- The eligibility date parameters adopted by ICAO Council and at UNFCCC COP26 are different in many respects, including their purpose, applicability, reference date and start date type. On this matter, TAB’s considerations and recommendations in its first Report to Council (January 2020) remain valid following the outcomes of COP26. TAB therefore recommends that Council maintain the existing general eligibility parameter for CORSIA Eligible Emissions Units that Council adopted in March 2020: “*Issued to activities that started their first crediting period from 1 January 2016.*” (Sections 6.6.7)
- The development of new emission reduction and removal activities, as well as the continuation of existing activities beyond 2020, relies in part on market demand for emissions units with post-2020 vintages. (Section 6.6.6)
 - Many countries are putting in place arrangements for authorizing such units and are expected to have finalized them by 31 January 2028, when Aeroplane Operators are required to demonstrate compliance with CORSIA’s first phase (2024-2026 compliance cycle).
 - In light of these developments and the results of its ongoing re-assessment of eligible emissions unit programmes, TAB will make recommendations to the 228th Council on whether to apply a 2021 vintage start date general eligibility parameter for the first phase (2024-2026 compliance cycle), in addition to the 2016 crediting start date parameter. (Section 6.6.7)

6.3 RELEVANT OUTCOMES AT UNFCCC COP26 RELATING TO ARTICLE 6 OF THE PARIS AGREEMENT

6.3.1 TAB noted that the following decisions adopted at UNFCCC COP26 relating to Article 6 of the Paris Agreement are relevant to the EUC:

¹⁰ https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/Clarifications_TABs_Criteria_Interpretations.pdf

Decision 2/CMA.3: Guidance on cooperative approaches referred to in Article 6.2¹¹ contains guidance on accounting and reporting by host countries on internationally transferred mitigation outcomes (ITMOs) under Article 6.2 of the Agreement, including to ensure that double counting is avoided on the basis of a corresponding adjustment for emissions and removals covered by their nationally determined contributions (NDCs).

Decision 3/CMA.3: Rules, modalities and procedures (RMPs) for the mechanism referred to in Article 6.4 of the Paris Agreement¹² contains the foundational programme-level procedures for the new Article 6.4 mechanism; mandates further technical work to make the new mechanism operational; and sets out the conditions for the transition of certain existing CDM methodologies, activities and emissions units into the mechanism.

Decision 2/CMP.16: Guidance relating to the clean development mechanism¹³ contains some references to the transition of CDM methodologies, activities and emissions units into the new Article 6.4 mechanism.

6.3.2 In addition, Parties to the Paris Agreement adopted **Decision 4/CMA.3: Work programme under the framework for non-market approaches referred to in Article 6.8**,¹⁴ which states that non-market approaches under the framework are not reliant on market-based approaches, do not include transactions or *quid pro quo* operations and do not involve the transfer of any mitigation outcomes.¹⁵ TAB noted that these provisions indicate that non-market approaches under the framework do not generate eligible emissions units for use in the CORSIA. TAB therefore concluded that this Decision is not a relevant outcome to the EUC.

General relevance of the Article 6.2 Guidance

6.3.3 The Article 6.2 Guidance states that ITMOs from a cooperative approach are “emissions reductions and removals ... when internationally transferred” and include “[m]itigation outcomes authorized by a participating Party for use for international mitigation purposes other than achievement of an NDC (hereinafter referred to as international mitigation purposes)”.¹⁶

6.3.4 TAB noted that the purchase and cancellation of eligible emissions units by an Aeroplane Operator to meet its offsetting requirements under CORSIA is an “international mitigation purpose” consistent with the Article 6.2 Guidance. TAB also noted that the term “cooperative approach” is undefined in the Article 6.2 Guidance but could include, among other cooperative approaches, a country’s engagement with or authorization for an emissions unit programme to generate and transfer eligible emissions units.

6.3.5 Considering these linkages, TAB noted that the Article 6.2 Guidance is relevant to all CORSIA eligible emissions units issued for mitigation that occurred from 1 January 2021 onward. TAB also noted that these linkages are consistent with TAB’s approach to assessing emissions unit programmes during previous assessment cycles. TAB’s recommendations from this assessment cycle, conveyed in Sections 4 above, continue to take these linkages into account.

¹¹ https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf, page 11.

¹² https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf, page 25.

¹³ https://unfccc.int/sites/default/files/resource/cmp2021_08_add1E.pdf#page=3

¹⁴ https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf, page 41.

¹⁵ Decision 4/CMA.3, Annex, paras. 1(b)(i) and 3(c)

¹⁶ Decision 2/CMA.3, Annex, para. 1(b) and (f)

The Article 6.4 mechanism and Assembly Resolution A40-19

6.3.6 Paragraph 20 of Assembly Resolution A40-19 states that “emissions units generated from mechanisms established under the UNFCCC and the Paris Agreement are eligible for use in CORSIA, provided that they align with decisions by the Council, with the technical contribution of TAB and CAEP, including on avoiding double counting and on eligible vintage and timeframe.”

6.3.7 Decision 3/CMA.3 designates a Supervisory Body for the Article 6.4 mechanism and requests the Body to undertake various tasks. The Supervisory Body first met in July 2022 and is scheduled to meet two more times by the end of the year. The Decision also requests further work by the Subsidiary Body on Scientific and Technological Advice (SBSTA) and the UNFCCC Secretariat to fully operationalize the mechanism. These requests include references to baselines and methodologies; validation and verification procedures; issuance, transfer and cancellation; establishment of a mechanism registry; sustainable development; transparency and public participation; permanence and leakage; and other matters.¹⁷ While much of this work is scheduled for completion by UNFCCC COP27 (November 2022), some aspects are expected to extend into 2023 and perhaps beyond. Thereafter, the Supervisory Body will report on its work annually to the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA), which may adopt further changes to the Article 6.4 mechanism.

6.3.8 The Article 6.2 Guidance states that ITMOs include emissions units issued by the Article 6.4 mechanism (“A6.4ERs”), when these are authorized for use for international mitigation purposes, among other cases.¹⁸ Similarly, the Article 6.4 RMPs state that where a host Party has authorized A6.4ERs for use for international mitigation purposes, it shall apply a corresponding adjustment for the first transfer of all authorized A6.4ERs, consistently with the Article 6.2 Guidance.¹⁹

6.3.9 TAB noted that the Article 6.4 mechanism was established under Paris Agreement and will generate emissions units once it is fully operational. TAB also noted that the ongoing work on the Article 6.4 mechanism (see Section 6.3.7 above) addresses several themes of the EUC and could therefore be relevant to the mechanism’s alignment with decisions by the Council, as per Assembly Resolution A40-19. TAB further noted that the provisions described in the previous paragraph require use of the Article 6.2 Guidance to prevent double-claiming of A6.4ERs. Considering these findings, an assessment of the Article 6.4 mechanism consistency with the EUC can take place as soon as the mechanism is operational, as defined in section 7.13 of the TAB Procedures.²⁰ TAB also concluded that it should monitor future decisions regarding the Article 6.4 mechanism thereafter, in order to assess any material changes resulting from these decisions.

Post-2020 activities under the Clean Development Mechanism (CDM)²¹

6.3.10 The Guidance relating to the CDM adopted at UNFCCC COP26 states that requests for registration, crediting period renewal and unit issuance may not be submitted under the CDM for mitigation occurring after 31 December 2020, and that such requests may be made under the Article 6.4 mechanism once it becomes operational.²² In the meantime, the Decision continues the temporary practice established

¹⁷ Decision 3/CMA.3, paras., 3–14.

¹⁸ Decision 2/CMA.3, Annex, para. 1(g)

¹⁹ Decision 3/CMA.3, Annex, para. 72.

²⁰ https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/TAB_Procedures_January%202022_final.pdf, page 6.

²¹ TAB’s consideration of pre-2020 CDM units is contained in Section 6.6 further down.

²² Decision 2/CMP.16, para. 13.

by the CDM Executive Board of receiving and processing such requests on a provisional basis.²³ The Article 6.4 RMPs state that activities registered under the CDM or listed as provisional may transition into the Article 6.4 mechanism, subject to a number of conditions with specified timeframes, including: (a) submission of a request to transition, (b) host Party approval; (c) compliance with the RMPs, the Article 6.2 Guidance, and other relevant requirements; (d) use of updated methodologies.²⁴

6.3.11 TAB noted that the Decision described above prevents the CDM from issuing units for mitigation that occurred after 31 December 2020. TAB also noted that this restriction is consistent with the CDM's Eligible Unit Dates for the CORSIA pilot phase (2021-2023 compliance cycle), which include "emissions reductions that occurred through December 31, 2020."²⁵ TAB recalled its conclusion in Section 6.3.9 above that an assessment of the Article 6.4 mechanism can be undertaken, in line with Assembly Resolution A40-19, once the mechanism is operational. TAB further noted that the scope of this assessment would include procedures for ongoing CDM activities and methodologies that transition into the Article 6.4 mechanism after 2020.

6.4 LINKAGES WITH THE CRITERIA ON DOUBLE-COUNTING

6.4.1 TAB noted that there are linkages between relevant UNFCCC COP26 decisions (Section 6.3.1 above) and the criterion Are only counted once towards a mitigation obligation. This criterion states, among other things, that: "Measures must be in place to avoid ... [d]ouble claiming (which occurs if the same emissions reduction is counted twice by both the buyer and the seller (*i.e.*, counted towards the climate change mitigation effort of both an airline and the host country of the emissions reduction activity))."

6.4.2 The EUC Guidelines further specify some procedures that a programme should have in place to meet the criterion Are only counted once towards a mitigation obligation, including the following Guidelines on avoiding double-claiming that are discussed in this Section:

- Host country attestation to the avoidance of double-claiming,
- Transparent communications,
- Double-claiming procedures, and,
- Comparing unit use against national reporting,
- Programme reporting on performance, and,
- Reconciliation of double-claimed mitigation.²⁶

Host country attestation and transparent communications

6.4.3 The EUC state that "eligible programmes should require and demonstrate that host countries of emissions reduction activities *agree to account for* any offset units issued as a result of those activities". A related EUC Guideline states that "[t]he programme should obtain ... *written attestation* from the host country's national focal point or focal point's designee..." (Emphases added.) This Guideline further states that each programme should "make publicly available any national government decisions related to

²³ Decision 2/CMP.16, paras. 15. *Note:* The temporary practice considers that requests which have been granted "provisional" status are not "finalized" and requires activity proponents to "acknowledge and accept the risk that it may not be possible for [units] to be issued for the emissions reductions achieved." See CDM Executive Board 108th meeting, para. 7-8. Available [here](#) in PDF format.

²⁴ Decision 3/CMA.3, Annex, paras. 73-74.

²⁵ ICAO document "CORSIA Eligible Emissions Units", page 5.

²⁶ The EUC Guidelines for Criteria Interpretation is available in the *Application Form, Appendix A - Supplementary Information* on the [TAB Website](#).

accounting for units used in ICAO, including the contents of host country attestations ... and update [this] information ... as often as necessary to avoid double-claiming.”

6.4.4 The Article 6.2 Guidance requires that, whenever a host country “*authorizes*” the use of mitigation outcomes for international mitigation purposes, it “shall apply a corresponding adjustment for the first transfer of such mitigation outcomes consistently with this guidance”.²⁷ The Guidance also requires host countries to have “arrangements in place for *authorizing* the use of ITMOs”; to provide “a copy of the *authorization*” for each cooperative approach; and to regularly report “information on *authorization(s)* of ITMOs”, including authorizations for use toward international mitigation purposes.²⁸

6.4.5 TAB noted that NDCs are “national target(s) / pledge(s) / mitigation contributions / mitigation commitments” communicated by each Party to the Paris Agreement. TAB also noted that the terms “agree to account for” and “written / host country attestation” in the EUC and Guidelines, respectively, have the same meaning as the terms “authorize” and “a copy of the authorization” in the Paris Agreement and the Article 6.2 Guidance. TAB also noted that the information on host country attestations that programmes make available (per the EUC Guidelines) should therefore be consistent with the information on authorizations that host countries report (per the Article 6.2 Guidance). TAB further noted that these linkages are consistent with TAB’s approach to assessing this criterion during previous assessment cycles. TAB’s recommendations from this assessment cycle, conveyed in Section 4 above, continue to reflect these linkages.

Double-claiming procedures

6.4.6 The EUC Guidelines state that written attestations from the host country (see Section 6.4.3 above) 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).” To that end, the Guidelines present three approaches for avoiding double-claiming:

- ***Approach 1:*** Emissions units are created where mitigation is not also counted toward national target(s) / pledge(s) / mitigation contributions / mitigation commitments.
- ***Approach 2:*** 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.
- ***Approach 3:*** If programme procedures provide for the use of method(s) to avoid double-claiming which are not listed above, the GMTEF, or other appropriate technical expert body, should evaluate and make a recommendation regarding the sufficiency of the approach prior to any final determination of the programme’s eligibility.

6.4.7 The Article 6.2 Guidance states that ITMOs are “generated in respect of or representing mitigation from 2021 onward”.²⁹ It requires the host country to apply ‘corresponding adjustments’ consistently with the guidance for all ITMOs, whether or not the mitigation outcomes were generated from sectors and GHGs (and/or categories, in some cases³⁰) that covered by the host country’s NDC.³¹ Corresponding adjustments are additions and subtractions that a country applies to the annual level of the

²⁷ Decision 2/CMA.3, Annex, para. 16

²⁸ Decision 2/CMA.3, Annex, para. 16, 18(g), 20(a), 21(c)

²⁹ Decision 2/CMA.3, Annex, para. 1(e).

³⁰ Decision 2/CMA.3, Annex, para. 11.

³¹ Decision 2/CMA.3, Annex, para. 13-14.

indicator it uses to track progress and achievement of its NDC, e.g., the country's annual GHG emissions level.

6.4.8 TAB noted that the application of corresponding adjustments consistent with the Article 6.2 guidance is required to prevent the same mitigation from being claimed toward both the host country's NDC achievement and the airline's CORSIA obligations. In this regard, TAB noted the following linkages between the Article 6.2 Guidance and the three approaches to avoiding double-claiming in the EUC Guidelines (Section 6.4.6 above):

6.4.9 TAB noted that **Approach 1** cannot prevent double-claiming for emissions units with vintage years from 2021 onward, due to the Article 6.2 provisions described in para. 6.4.7 above. TAB further noted that Approach 1 remains valid for emissions units with vintage years through 2020, because the Article 6.2 Guidance does not apply to such units.³²

6.4.10 TAB noted that the Article 6.2 Guidance effectively requires the use of **Approach 2** for emissions units with vintage years from 2021 onward. TAB also noted that this Guidance contains "relevant and applicable international provisions" in line with Approach 2. TAB therefore noted that such emissions units must be "appropriately accounted for" consistent with the Article 6.2 Guidance, including through the host country's application of corresponding adjustments.

6.4.11 Regarding **Approach 3**, TAB noted that the Article 6.2 Guidance does not provide for alternative methods for avoiding double-claiming against NDCs under the Paris Agreement. TAB therefore noted that this provision could potentially accommodate other accounting approaches that might be developed in the future, including in the Article 6 context.

6.4.12 TAB also noted that these linkages described above are consistent with TAB's approach to assessing this criterion during previous assessment cycles, which are described in Criteria interpretations conveyed to Council in TAB's reports of January 2020 and January 2021.³³ TAB's recommendations from this assessment cycle, conveyed in Sections 4 above, continue to reflect these linkages.

Comparing unit use against national reporting

6.4.13 The EUC Guidelines state that "[t]he 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."

6.4.14 Section IV of the Article 6.2 Guidance sets out the reporting requirements for countries' accounting for ITMOs, including mitigation outcomes authorized for international mitigation purposes such as CORSIA (see section 6.3.1 above). The Guidance requires countries to provide copies of its authorizations in its Initial Report, which must be submitted no later than the country's next due Biennial Transparency Report (BTR) and by the end of 2024.³⁴ The Guidance also requires countries to regularly submit quantitative information on the ITMOs they have first transferred, both in the 'structured summary' section of their BTR, as well as on an annual basis for recording in the Article 6 database.³⁵ These

³² Section 6.6.7 further down discusses the eligibility of pre-2021 unit vintages beyond the CORSIA pilot phase.

³³ See January 2020 TAB Report, sections 4.3.5; and January 2021 TAB Report, section 4.4. The relevant sections are also replicated in the document entitled "Clarifications of TAB's Criteria Interpretations Contained in TAB Reports", available on the TAB website at ([Clarifications of TAB's Criteria Interpretations Contained in TAB Reports_final.pdf \(icao.int\)](#)).

³⁴ Decision 2/CMA.3, Annex, para. 18 and 18(g)

³⁵ Decision 2/CMA.3, Annex, para. 20 and 23

obligations are triggered upon the “first transfer” of a mitigation outcome authorized for international mitigation purposes, which the host country may specify as either (1) the authorization, (2) the issuance or (3) the use or cancellation of the mitigation outcome.³⁶ On these matters, Decision 2/CMA.3 also mandates further work in the UNFCCC process relating to the Article 6.2 Guidance, for which outcomes are expected at COP27, including formats, infrastructure and procedures for tracking, reporting and review.

6.4.15 TAB recalled its previous Criteria interpretations for the criterion Are only counted once towards a mitigation obligation, which it conveyed to Council in its reports of January 2020 and January 2021, including need for *thoroughness* and *specificity* in programme procedures.³⁷ TAB noted that these Criteria interpretations remain valid and relevant to comparing unit use against national reporting. Following the COP26 outcomes, TAB will interpret the EUC as indicating that programmes issuing CORSIA Eligible Emissions Units for mitigation that occurred from 2021 onward should incorporate more *thorough* and *specific* references to the Article 6.2 Guidance in future revisions to their procedures. In particular, programmes should have procedures in place to:

1. Specify the relevant “national emissions reports” that contain countries accounting for emissions units, including each report submitted by the host country in accordance with Section IV of the Article 6.2 Guidance;
2. Address the relevant provisions of the Article 6.2 Guidance relating to the trigger and manner of application of corresponding adjustments³⁸; and,
3. Compare the information on authorizations in national reports with the information on host country attestations made public by the emissions unit programme.

6.4.16 TAB will apply this interpretation for its recommendations regarding emissions units that should be eligible for use under CORSIA in years beyond its pilot phase (2021-2023), including in its ongoing re-assessment of Eligible Emissions Unit Programmes, which will inform TAB’s recommendations to the 228th ICAO Council.

Programme reporting on performance and Reconciliation double-claimed mitigation

6.4.17 The EUC Guidelines state that “the programme should be prepared to report to ICAO’s relevant bodies, as requested, *inter alia*, performance information relating to double claiming...” and “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...”. TAB noted that the COP26 outcomes do not directly implicate these two guidelines, but that they remain relevant for clarifying the roles, responsibilities and procedures needed to address instances of double-claiming in line with the EUC.

6.5 LINKAGES WITH OTHER EMISSIONS UNIT CRITERIA

Environmental and social safeguards, Sustainable development and No net harm

³⁶ Decision 2/CMA.3, Annex, para. 2(b)

³⁷ See January 2020 TAB Report, sections 4.3.5; and January 2021 TAB Report, section 4.4. The relevant sections are also replicated in the document entitled “Clarifications of TAB’s Criteria Interpretations Contained in TAB Reports”, available on the TAB website at ([Clarifications of TAB's Criteria Interpretations Contained in TAB Reports final.pdf \(icao.int\)](#)).

³⁸ Decision 2/CMA.3, Annex, paras. 2(b), 8 and 23(d)

6.5.1 TAB noted that there are linkages between the Article 6.2 Guidance³⁹ and the criteria Safeguards System, Sustainable development criteria and Do no net harm. These criteria state, among other things, that programs should have in place and publicly disclose safeguards to address environmental and social risks, sustainable development criteria used and any provisions for monitoring, reporting and verification; not violate any applicable laws or regulations; and publicly disclose which institutions, processes and procedures are used to implement, monitor and enforce such safeguards.

6.5.2 The Article 6.2 Guidance requires countries to “[d]escribe how each cooperative approach will ... minimize and, where possible, avoid negative environmental impacts; reflect the eleventh preambular paragraph of the Paris Agreement (e.g., various rights, Indigenous peoples, people in vulnerable situations, gender equality, etc.); [b]e consistent with the sustainable development objectives of the Party, noting national prerogatives; and apply any safeguards and limits...”⁴⁰ The Article 6.4 RMP also include various references safeguards, tools, requirements, processes and actions relating to these matters, many of which will require further development and implementation by the Supervisory Body in the years to come (see Section 6.3.7 above).

6.5.3 TAB noted that the novel language in the Article 6 outcomes on these matters is of similar stringency to the EUC; it could be interpreted as more stringent in some areas and less stringent in other areas. TAB also noted that some emissions unit programmes already have detailed procedures in place relating to these matters, which have been assessed by the TAB to meet or exceed the EUC, and some programmes are also considering possible updates in light of the COP26 outcomes. TAB resolved to continue to apply the EUC in the manner described in its Criteria interpretations⁴¹, to further clarify these interpretations where appropriate, and to monitor these ongoing developments, including in the Article 6 context.

Quantified, monitored, reported and verified

6.5.4 TAB noted that there are linkages between the Article 6.2 Guidance and the criterion Carbon offset credits must be quantified, monitored, reported, and verified. This criterion states, among other things, that “[o]ffset credits should be based on accurate measurements and quantification methods/protocols.” TAB also noted that measurement and quantification is linked to the criterion Only counted once towards a mitigation obligation.

6.5.5 The Article 6.2 Guidance requires, where mitigation outcomes are measured and transferred in tonnes of carbon dioxide equivalent (tCO₂e), “measurement of mitigation outcomes in accordance with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the CMA.”⁴² The CMA earlier decided that Parties to the Paris Agreement must report on their greenhouse gas emissions using 100-year time-horizon global warming potential (GWP) values from the IPCC Fifth Assessment Report (AR5), or 100-year time-horizon GWP values from a subsequent IPCC assessment report as agreed upon by the CMA.⁴³ This requirement takes effect for national reports that are due at the latest by 31 December 2024.⁴⁴

³⁹ Decision 2/CMA.3, Annex, paras. 18(h)(ii) and 22(b)(ii)

⁴⁰ Decision 2/CMA.3, Annex, paras. 18(i)(i–iv) and 22(f–i)

⁴¹ Clarification of TAB criteria interpretations, available at: https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202022/Clarifications_TABs_Criteria_Interpretations.pdf

⁴² Decision 2/CMA.3, Annex, para. 22(c).

⁴³ Decision 18/CMA.1, Annex, para. 37.

⁴⁴ Decision 18/CMA.1, para. 3.

6.5.6 TAB noted that, to meet the EUC and guidelines on quantification and double-issuance, the quantification of emissions units should be consistent with the quantification of the national emissions reporting of the host country, such that only one unit is issued for one tonne of mitigation. In this regard, TAB noted that some emissions unit programmes have already transitioned to 100-year GWP values from AR5 and that others programmes are planning to do so in the near future. TAB also noted that consistent GWP values are only relevant for units representing mitigation of greenhouse gases other than CO₂ because the GWP value of CO₂ is always, by definition, 1 tCO_{2eq}.

6.5.7 In light of these provisions of the Article 6.2 Guidance, TAB interprets the EUC as requiring all programmes that issue emissions units for the mitigation of non-CO₂ gases to have procedures in place for the quantification of emissions units using 100-year time-horizon global warming potential (GWP) values from the IPCC Fifth Assessment Report (AR5), or 100-year time-horizon GWP values from a subsequent IPCC assessment report as agreed upon by the CMA. These programmes should apply these procedures to all units issued for mitigation that occurred from 1 January 2021 onward. TAB will apply this interpretation for its recommendations regarding emissions units that should be eligible for use under CORSIA in years beyond its pilot phase (2021-2023), including in its ongoing re-assessment of Eligible Emissions Unit Programmes, which will inform TAB's recommendations to the 228th ICAO Council.

Legal/regulatory additionality

6.5.8 TAB noted that there are linkages between the Article 6.2 Guidance and the criterion Carbon offset programmes must generate units that represent emissions reductions, avoidance or removals that are additional, including the requirement that eligible emissions units must “exceed GHG reduction or removals required by law, regulation, or legally binding mandate.” This is referred to as ‘legal additionality’ or ‘regulatory additionality’.

6.5.9 In first Report to Council (January 2020), TAB found that some programmes have procedures in place that demonstrate consistency with this criterion. TAB further noted that some other programmes only partially demonstrate consistency with the criterion's reference to this concept. TAB discussed that the latter approach is common to programmes modelled after the Clean Development Mechanism, which provides accounting for and crediting of “regulatory surplus” – e.g., where there mitigation is required by a law or regulation that is relatively new and/or systematically unenforced. TAB agreed that, given that the EUC were only finalized in 2019, programmes and their stakeholders would benefit from more time to familiarize themselves with this criterion and its implications. TAB recommended that such programmes should therefore be deemed eligible during the pilot phase, in order to allow time for these further considerations, as applicable.⁴⁵

6.5.10 The Article 6.2 Guidance requires countries to “[d]escribe how each cooperative approach in which they participate ensures environmental integrity, including ... baselines set in a conservative way ... (including by taking into account all existing policies...).”⁴⁶ In this context, the Article 6.4 RMP require new activities to apply new methodologies that demonstrate additionality “representing mitigation that exceeds any mitigation that is required by law or regulation.”⁴⁷ However, the RMP also allow ongoing CDM activities that transition to the Article 6.4 mechanism to continue applying their current CDM methodologies “until the earlier of the end of its current crediting period or 31 December 2025.”⁴⁸

⁴⁵ Para 4.3.3.4 of first TAB report. TAB Recommendation available at https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/TAB%202020/TAB_JANUARY_2020_REPORT_EXCERPT_SECTION_4.EN.pdf

⁴⁶ Decision 2/CMA.3, Annex, paras. 18(h)(ii) and 22(b)(ii). Omitted text is discussed in section 6.5.14 below.

⁴⁷ Decision 3/CMA.3, Annex, para. 38.

⁴⁸ Decision 3/CMA.3, Annex, para. 73(d)

6.5.11 TAB noted that programmes and their stakeholders have now had more than three years to familiarize themselves with EUC (March 2019), including the criterion that requires procedures for ensuring legal additionality. TAB further noted that neither the Article 6.2 Guidance nor the Article 6.4 RMP provide a basis to extend the temporary exemption from the EUC described in section 6.5.8 above.

6.5.12 In light of these considerations, TAB will fully apply the EUC relating to legal additionality for Eligible Emissions Units beyond the pilot phase (2021-2023), including in its ongoing re-assessment of CORSIA eligible emissions unit programmes that will inform TAB's recommendations to the 228th ICAO Council.

Realistic and credible baselines

6.5.13 TAB noted that there are linkages between the Article 6.2 Guidance and the criterion Carbon offset credits must be based on a realistic and credible baseline, which states, among other things, that “[t]he baseline is the level of emissions that would have occurred assuming a conservative ‘business as usual’ emissions trajectory...”⁴⁹

6.5.14 The Article 6.2 Guidance requires countries to “[d]escribe how each cooperative approach in which they participate ensures environmental integrity, including: [t]hat there is no net increase in global emissions within and between NDC implementation periods... through conservative reference levels, baselines set in a conservative way and below ‘business as usual’ emission projections...”⁵⁰ The Article 6.4 RMP also makes reference to “below ‘business as usual’” for new methodologies and requires that these methodologies “recognize suppressed demand”.⁵¹

6.5.15 Methodologies that recognize suppressed demand, including some methodologies in use in CORSIA eligible emissions units programmes, typically set baselines slightly above a conservative ‘business as usual’ projection in contexts where emissions are historically low due to underdevelopment, e.g., by using optimistic growth assumptions and/or ‘minimum service levels’ in emissions models. At COP27 (November 2022), Parties to the Paris Agreement will consider recommendations relating to the Article 6.2 guidance on the special circumstances of least developed countries and small island developing states; these may or may not provide further clarity on how to interpret the new baseline provisions in contexts of suppressed demand.

6.5.16 TAB noted that the novel language on baselines in the Article 6 outcomes (e.g., “below business as usual”) is of a similar stringency to the EUC (e.g., “conservative business as usual”). TAB also noted that the Article 6 language could also be interpreted as more stringent than the EUC, or perhaps less stringent in contexts of suppressed demand.

6.5.17 In light of the considerations described in in this section, TAB resolved to continue to apply the EUC in the manner described in its Criteria interpretations, to further clarify these interpretations where appropriate, and to monitor ongoing developments, including in the Article 6 context. In this regard, in respect of procedures for baseline emissions estimations involving business-as-usual emissions, TAB will interpret this criterion’s reference to “conservative” to mean that procedures should provide for baselines that are set “in a conservative way and below the business-as-usual emissions projections”, as referenced in the reporting requirements in the Article 6.2 Guidance.⁵² TAB will also continue to monitor developments under Article 6.4 pertaining to the elaboration and / or implementation of the principles for

⁴⁹ Decision 2/CMA.3, Annex, paras. 18(h)(ii) and 22(b)(ii)

⁵⁰ Decision 2/CMA.3, Annex, paras. 18(h)(i–ii) and 22(b)(i–ii)

⁵¹ Decision 3/CMA.3, Annex, para. 38.

⁵² Decision 2/CMA3, Annex, para 18 (h) (ii)

conservative baselines referred to in that decision.⁵³ TAB will apply these interpretations for Eligible Emissions Units *beyond the pilot phase (2021-2023)*, including in its ongoing re-assessment of CORSIA eligible emissions unit programmes that will inform TAB’s recommendations to the 228th ICAO Council.

— END —

⁵³ Decision 3/CMA3, Annex, para 33