



**CMIA** | Climate Markets &  
Investment Association

Margaret-Ann Splawn  
Executive Director  
CDM and Carbon Offsetting and  
Reduction Scheme for  
International Aviation (CORSA)



Clean Development Mechanism  
Executive Board



CDM and the Carbon Offset and Reduction  
Scheme for International Aviation (CORSA)

CORSA designed to achieve carbon neutral  
growth in international aviation from 2020

- Important Diplomatic Achievement
- Opportunity for ICAO to provide leadership for  
project based investments into the green  
economy
- Aviation sector emissions



## There are no absolute caps

CORSIA :  
many decisions with  
different impacts

### Mechanism Design

- 2021-2023: 'Pilot voluntary phase of countries, 66 States representing 86.5% of air traffic have signed up
- 2022: review of CORSIA to determine if any adjustments to be made
- 2024-2026: First implementation phase, also voluntary
- 2027-2035: Second phase, mandatory
- International only – domestic flights may be dealt with in very different ways
- 65 countries have volunteered to participate in pilot and phase one
- Out of 20 largest aviation markets 18 countries have signed up, the exceptions are India and Russia



## Offsets

- 2.5 GT of demand expected over the scheme
- Criteria – Article 6 of PA evolving
- Early action credits (until 2023) expected to generate demand of 100-200 MT
- Interim Program Assessment Group (IPAG)
- Standing technical advisory body (SARPS)
- CERs issued by CDM have privileged eligibility
- Quality, standards, MRV to still be decided
- Environmental integrity

## CDM

- Projects already established
- Investors know how to work with CDM methodology
- Ability to establish a 'compliance grade' offset
- Secure registry
- Transparent & liquid
- Spot and Futures exchanges for credit procurement and hedging
- Cost vs control

## ICAO

- Use existing infrastructure
- ICAO to control some systems; leverage other existing global systems
- Seek to integrate for consistency and scale
- Seek tools to keep low carbon investment within the sector
- Regularly 'tighten' the system





## CMIA Market Design recommendations

- Eligibility criteria – high environmental integrity, no double counting
- Avoid use of credits that have not reduced emissions i.e. EUA's under free allocations
- Scope & Scale - utilise existing voluntary markets that will meet ICAO's compliance criteria
- Work closely with and build on the experience of the CDM plus established voluntary markets

