



PUBLIC COMMENT ON ICAO EMISSIONS UNIT PROGRAMME REVIEW: MAY 2022

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Inputs to the Technical Advisory Body Public Comment Process

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) first reassessment process represents a significant and positive step in the operationalization of CORSIA. There is great interest and commitment from civil society and across the private sector, non-profit organizations, and governments to see CORSIA's promise fully realized, with environmental integrity.

We applaud the Architecture for REDD+ Transactions, Climate Action Reserve, Global Carbon Council, The Gold Standard, and the Verified Carbon Standard for applying for reassessment. The original submissions and subsequent material updates for each of these standards were assessed and deemed sufficient by the Technical Advisory Body with respect to their ability to meet the CORSIA Emissions Unit Eligibility Criteria (EUCs). For example, the Architecture for REDD+ Transactions' requirements for avoiding double counting, setting conservative baselines, reducing leakage, and ensuring additionality, permanence and strong safeguards are all robust and uphold stringent standards for both environmental and social integrity. Similarly, the Verified Carbon Standard recognized the need to improve on their approach to meet the "do no net harm" criterion and has now clarified pathways for projects to fulfill and report on their sustainable development contributions. The responses provided by the CORSIA Eligible Emissions Unit Programmes to the reassessment process represent further improvements upon already approved standards and their relevant methodologies, indicating their commitment to produce real and robust emissions reductions. As such, **we recommend that these CORSIA Eligible Emissions Unit Programmes remain eligible to supply CORSIA Eligible Emissions Units.**

However, with regards to the American Carbon Registry (ACR), **we recommend that the TAB constrain the eligibility of credits using Carbon Capture and Storage Projects v1.1¹ until ACR provides an assessment and mitigation measures for leakage.** The current version of ACR's methodology for Carbon Capture and Storage Projects applies to enhanced oil and gas recovery projects in which CO₂ is injected to enhance production from hydrocarbon-producing reservoirs or currently non-producing reservoirs in the United States and Canada. In accordance with the EUC, the offset credit programmes should have measures in place to assess and mitigate incidences of material leakage of emissions that may result from the implementation of an offset project. In this context, leakage means emissions increase elsewhere (i.e., either in the production value chain or through market-mediated responses).

ACR has not provided enough evidence supporting the claim that leakage emissions are not significant. First, ACR claims that the methodology encourages the domestic production of oil with a “lower carbon footprint” due to the simultaneous injection and storage of anthropogenic CO₂ that would otherwise be emitted to the atmosphere. Second, ACR claims that any incremental increase in domestic oil production through enhanced oil recovery would offset an equivalent quantity of imported oil that is produced without enhanced oil recovery with CO₂ sequestration. These claims do not consider that (1) upstream and midstream CO₂ emissions associated with the crude oil produced using enhance oil recovery techniques could be significantly larger than those applicable to the crude oils it would replace –resulting in a first source of leakage, and (2) an increase in crude oil production using enhanced oil recovery involving CO₂ sequestration credits could have a significant impact on crude oil prices that lead to higher consumption –resulting in a second source of leakage. Therefore, we would like to highlight the need for the TAB to reassess ACR's methodology for Carbon Capture and Storage Projects v1.1 vis-à-vis that criterion to ensure environmental integrity and proper implementation of the EUC pertaining to the assessment and mitigation of material leakage.

We also note with concern that the Clean Development Mechanism (CDM) is not listed as a programme for re-assessment by the TAB. **Our hope is that this means the CDM is opting not to re-assess for continued eligibility, as no programme should be allowed to bypass public consultation and assessment against the EUCs.** The CDM original submission for inclusion in CORSIA was insufficient, in that the standard did not explain how it met CORSIA EUCs; instead, the CDM [merely submitted an electronic letter](#). As this did not explain how the standard fulfills each emissions unit criterion, it was impossible to fully assess the programme and provide public comment.

Additionally, were the CDM to be re-assessed, the TAB must seriously examine whether the CDM has made any modifications in response to previous concerns highlighted during the original submission. The TAB noted several concerns with the CDM's eligibility against the EUCs, including:

¹ ACR is expanding its methodology to include removals from CO₂ sources such as Direct Air Capture and CO₂ sequestration within depleted reservoirs and saline formations in 2022. Leakage concerns apply to cases of Carbon Capture and Storage involving enhanced oil and gas recovery only, not to sequestration within depleted reservoirs and saline formations.

1. **Safeguard systems and Do no net harm:** *“Under the CDM, social safeguards are considered as a host Party prerogative (not at the programme level).”*
2. **Sustainable development criteria:** *“TAB found that the CDM offers host Parties a Voluntary Sustainable Development co-Benefits Tool enabling proponents to report their projects’ Sustainable Development co-benefits according to a list of co-benefits. TAB noted that, as of the time of TAB’s assessment, the tool had been used by 68 out of 7,817 registered projects and programmes since its 2014 launch.”*
3. **Additionality:** *“The CDM does not have procedures in place to ensure that the credited emissions reductions “...exceed any greenhouse gas reduction or removals required by law, regulation, or legally binding mandate.”*

These are significant concerns that the TAB has raised; **unless the CDM has substantially revised its rules to meet these concerns, we do not recommend that the CDM be included in CORSIA beyond its 2021-2023 pilot phase.**

Furthermore, any re-assessment of the CDM must consider the program governance. At COP 26, negotiators agreed that the CDM Executive Board may continue to operate “until the date when the process for submission of requests to the secretariat to transition the requests and other submissions that have been accorded provisional status to the Article 6, paragraph 4, mechanism becomes operational, as may be specified by the Supervisory Body.”²

Already, the CDM is requiring project developers to sign a [“Risk acknowledgement and acceptance form”](#) that recognizes that, “it is not possible for the project activity or [programme of activities] PoA to be registered, for the [component project activities] CPA(s) to be included, for the crediting period of the project activity or CPA(s) or the PoA period to be renewed, or for certified emission reductions to be issued, under the CDM.”

Since it is unclear which methodologies and/or projects will be eligible to transition into the Article 6.4 mechanism, there is a governance risk for those projects and/or methodologies that are not transitioned, as the CDM Executive Board will essentially lose governance ability and such projects will not be part of 6.4. **Thus, the TAB should not recognize and endorse a programme which is scheduled to end well before the end of CORSIA and does not have a transition plan in place for all elements of current CORSIA-eligible units.**

² 2/CMP.C16 III.15, https://unfccc.int/sites/default/files/resource/cmp2021_8a01_adv.pdf