

# PUBLIC COMMENT ON ICAO EMISSIONS UNIT PROGRAMME REVIEW

May 2021

**Commenter Name:** Maggie Comstock, Senior Director, Climate Policy

**Commenter Organization:** Conservation International

## Introduction

This public comment period represents a significant and positive step towards the operationalization of CORSIA, and the applications show a range of thoughtful responses to the EUCs. 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. In this document, we provide several overarching points regarding these programmes' applications as well as a more detailed analysis of the material changes submitted.

Four greenhouse gas programmes are under consideration for public comment, all of which are material updates to previous assessments. We have analyzed each of the four programmes for their technical merit in fulfilling the Emissions Unit Criteria (EUCs).

## Regarding double claiming

Strong provisions to consistently avoid double counting are fundamental to ensuring the environmental integrity of any emissions units. In the Technical Advisory Body's (TAB) recommendations from March 2020, many programmes were requested "to update, or finalize updates to, programme procedures related to the guidelines for host country attestation, for TAB to assess in respect of future recommendations on the extension of the eligibility dates..." We would like to reiterate the importance of host country attestation to prevent double claiming and to ensure that a corresponding adjustment is made. We recognize the TAB's desire to avoid being prescriptive on this topic; however, guidance on best practices for addressing this situation would help other greenhouse gas programmes eligible under CORSIA ensure the avoidance of double claiming of post-2020 units.

We commend the recent update by Verra and the Architecture for REDD+ Transactions, which follows those by the Gold Standard and American Carbon Registry in providing specific details of how no double counting will be ensured through Letters of Attestation. We encourage the remaining CORSIA-eligible standards to provide these details at their earliest convenience. This is especially urgent as some trading of CORSIA-eligible credits is already occurring through exchanges and over-the-counter transactions.

| Programme Name  | Reference in Programme Application Form | Emissions Unit Criteria reference* | Comment   |
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| <a href="#">American Carbon Registry</a>                        | Commenters' overall summary             |                                    | <p>American Carbon Registry (ACR) submitted two material updates:</p> <ul style="list-style-type: none"> <li>● The primary mailing address of ACR has been changed to the address of Winrock International's (ACR's parent organization) headquarters following Winrock's decision to create a wholly-owned nonprofit subsidiary, Environmental Resources Trust (ERT) to operate ACR.</li> <li>● There has been a change in governance, management and staff of ERT/ACR, which includes a new Board and Management structure and updates to ACR staff, to reflect the status of ACR as a wholly-owned nonprofit subsidiary of Winrock International.</li> </ul>   |
|   |   |                                    |   |
| <a href="#">Architecture for REDD+ Transactions</a> (ART TREES) | Commenters' overall summary             |                                    | <p>In addition to changing its primary mailing address, the Architecture for REDD+ Transactions (ART) also updated requirements for avoiding double counting with ICAO's CORSIA as part of the TREES 2.0 consultation document. <b>These updated requirements, which were added to ensure conformance with Paris Agreement and ICAO CORSIA requirements for avoiding double counting of post 2020 units, are in line with CORSIA EUC requirements and strengthen the ART TREES standard.</b></p> <p>Although these material ICAO-relevant changes were approved by the ART Board resolutions in June and August 2020, at the time of this review, TREES 2.0 has not yet been approved by the Board for publication in May 2021 so these revisions are not yet final. For future updates by any standard, we would encourage that only final changes are submitted for the TAB's review.</p> |

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|   | Change 2                    | Are only counted once towards a mitigation obligation | <p>As part of the TREES 2.0 consultation document, ART has updated the requirements for host country letters of <a href="#">assurance and authorization</a>, reporting of corresponding adjustments to the UNFCCC and compensation for, or replacement of, units used under the CORSIA and also claimed by the Host Country towards meetings its NDC (the “compensation mechanism”).</p> <p>The updated requirements for avoiding double counting with CORSIA do not alter any information submitted to the TAB. Rather, they reflect full implementation of requirements that ART indicated would be put in place in its April 2020 application, namely that “If approved by ICAO to supply emission reductions for the CORSIA, ART [would] include ICAO specific requirements as an annex to TREES and in its legal Terms of Use Agreement.” Such ICAO-specific requirements include:</p> <ul style="list-style-type: none"> <li>● Long-term monitoring, reporting and verification and a commitment to four five-year crediting periods to be eligible to supply units for CORSIA.</li> <li>● Procedures to ensure required Host Country reporting of emissions reductions units used for the CORSIA and application of required adjustments, including the applicable timeline.</li> <li>● Requirements to compensate for, replace or otherwise reconcile instances of units used under the CORSIA and also claimed by the Host Country towards meetings its NDC (“compensation mechanism”).</li> </ul> |
|   |                             |   |   |
| <a href="#">Clean Development Mechanism</a> | Commenters’ overall summary |   | <ul style="list-style-type: none"> <li>● No material changes to the operation of the programme registry were reported, but additional detail was presented on voluntary cancellations, underscoring that these are not reversible.</li> <li>● The main material changes reported in the application respond to COVID 19 constraints for onsite inspections as follows: <ul style="list-style-type: none"> <li>○ Due to COVID, site visits for onsite inspections required by CDM validation and verification standards for project activities or programme activities may be postponed.</li> </ul> </li> </ul>  |

- If the visit cannot be postponed, the Designated Operational Entity (DOE) needs to justify and explain the implications.
- If it cannot be postponed but still is not conducted due to COVID, the DOE may use other standard auditing techniques for validation or verification.
- This has been extended to June 30, 2021.

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| <a href="#">Verified Carbon Standard</a> | Commenters' overall summary   | Verra provided three major updates around: (1) the use of global warming potentials, (2) the requirements for double counting procedures, and (3) the update of the Jurisdictional Nested REDD+ Standard. <b>All three updates are in line with CORSIA EUC requirements and help clarify and/or strengthen Verra's VCS and JNR standards.</b> |  |
|  | Overall methodological update |   | Verra's requirement for projects to use the IPCC Fifth Assessment Report global warming potential (GWP) values for emission reductions occurring on or after 1 January 2021 will ensure that projects will be in line with the latest, most recent scientific understanding of GWP.    |
|  | Double counting               |   | Verra has prepared a revised version of the CORSIA Label Guidance, which includes a requirement for a Letter of Authorization. <b>This meets the EUC requirements.</b>   |
| JNR Update                               | 3.3b                          | Procedures related to the duration and renewal of crediting periods   | The most recent update to the JNR standard requires a minimum of 20 year crediting periods for programmes seeking to sell units in CORSIA, and to clarify the procedures for JNR programmes when updating the crediting periods meet the EUCs. <b>This meets the EUC requirements.</b> |

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|  | 3.6a | Are standards and procedures in place for validation and verification processes | The most recent update to the JNR standard replaces requirements for a JNR expert panel assessment with requirements to include technical expertise on the validation/verification body team. <b>This meets the EUC requirements.</b>   |
|  | 4.2  | Are based on a realistic and credible baseline                                  | The most recent update to the JNR standard includes updated requirements to calculate the historical average of emissions (instead of using a trend-based approach) and requires that programmes set and re-assess reference levels every 4- 6 years, instead of every 8-10. <b>These meet the EUC requirements.</b><br><br>Additionally, Verra references upcoming tools to help projects set their baselines; as with our recommendation in the ART/TREES section above, we recommend that any standards wait to submit updates to the TAB until the updates are finalized. |
|  | 4.3  | Are quantified, monitored, reported, and verified                               | Verra’s JNR standard has updated its requirements for calculating baselines to a period of 4 to 6 years, and now require more frequent monitoring (every 2 years rather than every 5). <b>These updates meet the EUC requirements.</b>  |
|  | 4.5  | Represent permanent emissions reductions  | No major updates have been made with respect to non-permanence, with one minor update around reporting potential loss events within a 6-month timeframe. <b>This meets the EUCs.</b> Regarding upcoming updates, we would recommend that Verra and any other standards refrain from submitting draft updates until such updates are final.  |