

**54th CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGIONS**

*Ulaanbaatar, Mongolia
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AGENDA ITEM 5: AVIATION AND ENVIRONMENT

**TOWARDS IMPLEMENTATION OF THE CARBON OFFSETTING
AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION
(CORSA) – AUSTRALIA’S EXPERIENCE**

(Presented by Australia)

SUMMARY

This paper welcomes the commitments made by 71 Member States, including Australia, representing some 88 per cent of total international aviation activity to join the pilot phase of the CORSIA from 2021. The paper provides a brief overview of Australia’s experience to date which may assist other Asia-Pacific States seeking to progress their CORSIA obligations.

Action: The Conference is invited to:

- a) encourage States to consider the steps and challenges in implementing the CORSIA; and
- b) encourage States to conduct early engagement with key Government and aviation industry stakeholders.

TOWARDS IMPLEMENTATION OF THE CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION (CORSA) – AUSTRALIA’S EXPERIENCE

1. INTRODUCTION

1.1 After extensive discussion over the last six years and sustaining momentum from the United Nations Framework Convention on Climate Change meeting in Paris in 2015, a new global market-based measure scheme covering carbon dioxide (CO₂) emissions from international civil aviation was agreed at the 2016 ICAO Assembly (Resolution A39-3: *Consolidated statement of continuing ICAO policies and practices related to environmental protection – Global Market-based Measure Scheme*).

1.2 To be known as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA), the scheme has been designed to offset the increase in CO₂ emissions resulting from the continuing growth of air transport (i.e. civil aviation flights that depart in one country and arrive in a different country) and contribute to ICAO’s global aspirational goal of carbon neutral growth from 2020.

1.3 The CORSA forms part of a basket of measures including the use of aircraft technology, a new aeroplane CO₂ emissions certification standard, sustainable alternative fuels, operational improvements, and voluntary State action plans on CO₂ emissions reduction activities. These will contribute to ICAO’s global aspirational goals for the international aviation sector of improving fuel efficiency by 2 per cent per annum and keeping the net carbon emissions from 2020 at the same level.

1.4 It is the first time an industry sector has committed to reducing its carbon footprint on a global scale. As at 29 June 2017, 71 Member States, including Australia, representing some 88 per cent of international aviation activity have advised ICAO of their intention to voluntarily participate in the pilot phase of the scheme (from 2021 to 2023), ahead of the voluntary first phase (from 2024 to 2026) and the mandatory second phase (from 2027 to 2035).

1.5 Since the ICAO Assembly, the ICAO Committee on Aviation Environmental Protection and its technical working groups, task forces and sub-groups have continued to progress the technical design elements and governance of the CORSA including the Monitoring, Reporting and Verification system; the recommended criteria for emissions units to be purchased by aircraft operators, and the establishment of the CORSA registry.

1.6 In June 2017, the 211th Session of the ICAO Council considered the status of CORSA preparatory activities including the development of CORSA-related draft Standards and Recommended Practices (SARPs) constituting Volume IV of Annex 16 to the *Convention on International Civil Aviation*, the associated Environmental Technical Manual Volume IV guidance material and other CORSA supporting information. However, the draft SARPs are not scheduled for approval by the ICAO Council until June 2018.

1.7 The ICAO Council has acknowledged the important role of capacity building and assistance activities to support Member States and to ensure the necessary infrastructure is in place for States and aircraft operators to monitor, report and verify CO₂ emissions from 1 January 2019. Recent capacity building has included five regional seminars held in Brazil, Germany, Indonesia, Kenya, and Egypt, followed by a global seminar at ICAO Headquarters in Canada in May 2017.

1.8 The seminars identified the need for regular updates to be provided to States via the Frequently Asked Questions under the ICAO CORSA website, that the CORSA-related requirements should be made available to States in all ICAO languages prior to ICAO convening the next round of regional seminars in 2018, and the opportunity for further outreach to States through regional Directors General of Civil Aviation conferences and other meetings.

2. DISCUSSION

2.1 In many States, including Australia, responsibilities for the implementation of climate change and emissions reduction policies relating to environmental protection involves a number of different Ministerial portfolios. For example, in the lead up to the 2016 ICAO Assembly a set of principles were agreed between the Australian Government Ministers for Infrastructure and Transport, Foreign Affairs and Trade and Environment and Energy, and subsequently approved by the Prime Minister, regarding arrangements for Australia’s participation in the pilot phase of the CORSIA.

2.2 Australia has adopted an inter-governmental coordinated approach to progress its CORSIA obligations which builds on existing expertise within the Department of Infrastructure and Regional Development (including the Bureau of Infrastructure, Transport and Regional Economics), the Department of Foreign Affairs and Trade, and the Department of the Environment and Energy (including the Clean Energy Regulator). The current responsibilities of these departments and agencies are outlined in **Table 1**. In addition, Australia’s approach has sought to minimise regulatory burden including any administrative complexity and unnecessary costs for Government and the aviation industry.

Table 1: Australian Government coordinated approach

| Department/Agency | Existing responsibility |
|--|--|
| Department of Infrastructure and Regional Development | Overarching responsibility for all ICAO aviation environmental protection matters, including the CORSIA obligations |
| Bureau of Infrastructure, Transport and Regional Economics | Responsible for collecting domestic and international aviation activity data and meeting existing ICAO reporting requirements |
| Department of Foreign Affairs and Trade | Policy responsibility for foreign policy including international climate policy (e.g. engagement with the United Nations Framework Convention on Climate Change) |
| Department of the Environment and Energy | Policy responsibility for all domestic climate policy, including emissions reporting (e.g. the <i>National Greenhouse and Energy Reporting Act 2007</i>) and emission unit tracking (e.g. the <i>Australian National Registry of Emissions Units Act 2011</i>) |
| Clean Energy Regulator | Responsible for implementing and administering climate policies and programs, including the National Greenhouse and Energy Reporting Scheme and the Emissions Reduction Fund |

2.3 Australia is also a member of the ICAO Committee on Aviation Environmental Protection (CAEP) and participates in a number of the technical working groups, task forces and sub-groups reporting to CAEP. This includes high-level industry representatives from Australia’s major airline operators, the Qantas Group and Virgin Australia, whose expertise in co-leading and participating in various CAEP groups has been integral to progressing the CORSIA requirements and in Australia’s early preparations for CORSIA implementation in the lead up to the pilot phase.

2.4 More recently, the Government, as part of its inter-governmental coordinated approach, has been able to more actively participate with technical advisors and experts in environment and energy efficiency, climate change analytics, carbon markets, and sustainable alternative fuels. This has enabled Australia to consider the options for possible integration into existing aviation and emissions data collection systems and processes.

2.5 Australia has established a Government and Industry CORSIA Working Group comprised of stakeholders from Government and major airline operators, including the Qantas Group and Virgin Australia. The group meets regularly to share whole of Government policy positions, provide debriefing on CORSIA-related meetings attended, and discuss next steps towards phased implementation. It also considers the other elements of the basket of measures to reduce CO₂ emissions such as aircraft-related technology development, improved air traffic management and

infrastructure, efficient operations, the preparation of the voluntary State Action Plan and the use of sustainable alternative fuels.

2.6 With the CORSIA SARPs to be applicable from 1 January 2019, the 2019-20 monitoring period will be used to establish a baseline level of CO₂ emissions against which future offsetting requirements will be assessed. All stakeholders with roles and responsibilities in implementing CORSIA, for example, States, aircraft operators, verification bodies, and ICAO, will need to make the necessary preparations during 2018. For example, States whose aircraft operators undertake international flights will need to communicate to aircraft operators the monitoring, reporting and verification compliance arrangements, as well as assessing and approving the Emissions Monitoring Plans submitted by aircraft operators. States will also have to submit details of aircraft operators it administers to ICAO.

2.7 Australia is considering a number of options to meet its CORSIA obligations including advantages and disadvantages associated with those options. Considerations include the short timeframe before the 2019-20 monitoring period, and whether CORSIA requirements can be integrated into existing aviation and emissions data collection systems and processes.

2.8 Progressing the CORSIA obligations requires the participation of many stakeholders across ICAO, its Member States and the aviation industry. It is multi-faceted and requires early engagement to ensure all parties have sufficient lead time to progress the necessary measures for implementation whether it relates to domestic policy and legislative changes, operational changes, capacity building and/or technical assistance.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to:

- c) encourage States to consider the steps and challenges in implementing the CORSIA; and
- d) encourage States to conduct early engagement with key Government and aviation industry stakeholders.

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