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Scientists call on UN policy-makers to ensure aviation's flagship regulation delivers for the climate

Cologne/Berlin (Feb. 25, 2019) – Greenhouse gas emissions from international aviation continue to grow rapidly. A major quantitative analysis published today shows that, if policy-makers do not adopt further regulations, the flagship measure of the UN's International Civil Aviation Organisation (ICAO) to address the rise in emissions risks not delivering its goals.

The letter was published in **Nature Climate Change** and is titled *"**Robust eligibility criteria essential for new global scheme to offset aviation emissions**"*. It is the result of a series of research activities conducted by NewClimate Institute, an independent research organisation that analyses climate trends and solutions, and by independent researcher Lambert Schneider, as well as further partners.

The research results are being released ahead of an important ICAO meeting where policy-makers are to decide on which offset credits from climate projects will be available for airplane operators worldwide to comply with ICAO's "Carbon Offsetting and Reduction Scheme for International Aviation" (CORSIA). This new global scheme requires airline operators to purchase offset credits to compensate for the increase in aviation's CO_2 emissions after 2020.

"CORSIA only has an impact on the emission's balance of international aviation if it delivers emission reductions that would not otherwise have been generated", said article co-author Carsten Warnecke, one of the founders of NewClimate Institute. "Without further decisions that restrict the type of offset credits that are eligible, there is a real risk that CORSIA will not achieve its goals."

The letter shows that robust eligibility criteria need to be applied to the use of carbon offset credits. Otherwise, the new demand from CORSIA will not incentivise any further emission reductions and will also not result in market prices that reward previous investments in projects established under the Clean Development Mechanism (CDM), a hope by project developers. If ICAO allows airlines to use any offset credits to compensate for their emissions, then most operators will seek out credits at the lowest possible cost. These credits are most likely to come from projects that would continue reducing emissions even without new demand.

"To address this issue, we recommend that ICAO restricts the types of carbon offset credits that are eligible", stressed Lambert Schneider, co-author of the letter. "If the scheme uses credits from new projects that are developed in response to CORSIA, and existing projects

that are reliant on further financial support to continue emission reduction activities – then it could actually make a contribution to addressing climate change.", he added.

The research looked into projects registered under CDM. It identified that many projects operate and reduce emissions, but do not issue emission reduction credits at the moment, as the market price barely covers the administrative costs associated with requesting them. Credits for these ongoing emission reductions could, however, still be requested and issued in the future in response to new demand such as from CORSIA.

"We find that, without restrictions on offset eligibility, the supply potential from the over 8,000 registered CDM projects alone exceeds the demand from CORSIA, which is estimated to reach between 1.6–3.7 billion tonnes of CO_2 over the scheme's operational period from 2021 to 2035. And the CDM is only one of several possible carbon offset credit sources under consideration by policy makers", Warnecke added.

The findings are critical for ongoing negotiations at both the UN's International Civil Aviation Organization and the United Nations Framework Convention on Climate Change, where some countries propose using carbon offset credits from the CDM to meet their commitments after 2020 under the Paris Agreement. The authors recommend that, when establishing new sources of demand for carbon offset credits, policy makers restrict eligibility to new projects that are developed in direct response to the new demand.

New projects could be promoted through restrictions that only allow credits from projects that were implemented after a certain date, such as 2020. Existing projects that still depend on financial support to continue emission reduction activities could be promoted by limiting eligibility to a list of project types that typically have a high vulnerability to discontinuing GHG abatement.

Emissions from international aviation are not included in national targets under the Kyoto Protocol or mitigation pledges made under the Paris Agreement. Instead, the Kyoto Protocol mandated countries to work through ICAO to address these emissions. In 2010, ICAO adopted an aspirational goal of carbon-neutral growth, meaning that global net carbon dioxide (CO_2) emissions from international aviation should be frozen at their 2020 levels.

Further facts and figures from the research:

- The research shows that 97% of the registered CDM projects were implemented, of which 90% (87% of the total registered) continue the operation of their GHG abatement activities, despite limited or no financial support from CER (Certified Emission Reductions) revenues, based on an analysis of information from an extensive survey of more than 1,300 projects and taking into account regulatory CDM requirements that could limit the ability of projects to issue CERs.
- The supply potential from the over 8,000 registered projects and programmes of activities is estimated to be approximately 4.6 billion CERs for the period 2013–2020, while the demand for CDM offsets is estimated to amount to up to 600 million CERs over the same period.
- The remaining supply potential of about 4 billion offset credits thus exceeds the estimates of demand from CORSIA of 1.6–3.7 billion offset credits, even if no other offsetting

programmes were eligible to supply credits and if no CERs were issued for emission reductions occurring after 2020.

- About 3.8 billion CERs, or 82% of the total CER supply potential, stem from project types that typically have a low vulnerability to discontinuing GHG abatement. The majority of these projects can provide offset credits at a cost below €1.

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The letter in Nature Climate Change, "Robust eligibility criteria essential for new global scheme to offset aviation emissions" is available with the following DOI 10.1038/s41558-019-0415-y. Once the paper is published electronically, the DOI can be used to retrieve the abstract and full text by adding it to the following url: http://dx.doi.org/.

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