PREPARING FOR CORSIA TAKE-OFF

FOLLOWING THE ADOPTION OF A GLOBAL OFFSETTING SCHEME FOR AVIATION LAST YEAR, MICHAEL GILL LOOKS AT WHAT THE SECTOR HAS DONE SO FAR AND THE CHALLENGES THAT LIE AHEAD

Air transport plays a vital role in our society and global sustainable development by bringing people together, supporting trade and enabling other economic activities. Air freight is responsible for transporting nearly 35% of trade by value. More than half of all international tourists travel to their destination by air. And looking at the direct economic impacts of aviation alone, the sector provides 9.9 million jobs and supports economic benefits of over $6.5 billion in global GDP.

These undoubted benefits do, however, come with an environmental cost, and the sector is well aware that it has a responsibility to reconcile its growth with the mitigation of its environmental impact, notably on climate change. In 2009, all sectors of the air transport industry – aircraft operators, manufacturers, airports, air navigation service providers – committed to a set of global emissions reduction goals: an improvement in fuel efficiency by 1.5% per year on average until 2020; capping the net CO2 emissions from flights at 2020 levels through carbon-neutral growth; and a reduction of 50% of its net CO2 emissions by 2050, compared to 2005 levels.

Aviation has several means of reducing its emissions, starting with technology. The CO2 emissions per passenger have been reduced by 80% since the first jet aircraft came into service, with more technological improvements on the way as newer aircraft and more efficient engines are introduced to the global fleet. Sustainable alternative fuels also have the potential to reduce the sector’s climate impact significantly. Today, commercial flights are already operated on a daily basis using fuels which can be up to 80% less carbon intensive over their lifecycle than conventional kerosene. The carbon footprint of flying is also further reduced by measures which optimise the way aircraft are operated, for instance by reducing the time in flight or the weight of on-board equipment.

While these measures have already enabled airlines to decouple CO2 emissions from growth, they are not sufficient in the short and medium term to cap emissions at 2020 levels. To achieve this, a global market-based mechanism is needed. This is why the aviation industry has urged governments working under the auspices of the International Civil Aviation Organization (ICAO) to agree on a global market-based measure for international aviation. This ambition was realised in October 2016 when ICAO, with the full support of the industry, adopted a resolution establishing a Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

CORSIA requires aircraft operators to purchase offsets, or “emissions units”, to account for the growth in CO2 emissions covered by the scheme. CORSIA aims to address any annual increase in total CO2 emissions from international civil aviation above 2020 levels. While offsetting requirements will start from 2021, aircraft operators will be required to start monitoring their emissions in 2019.

While work is well underway in ICAO to finalise the technical rules for CORSIA, the implementation of a carbon offsetting scheme in ICAO’s 191 member states raises a number of challenges. For a global scheme to treat all operators on an equal basis, their emissions will need to be monitored, reported and verified in accordance with harmonised rules. Experience with the EU Emissions Trading System has shown that harmonised rules can be a major problem when they impose procedures which are different from the ones aircraft operators follow on a daily basis. In addition, entities subject to CORSIA will range from commercial airlines with a fleet of several hundreds of aircraft to operators with a handful of regional aircraft.

It is also important to remember that the data sets which will need to be handled are extensive as some commercial airlines operate thousands of flights on a daily basis. The impact of any additional or more detailed data requirement therefore quickly turns into an important increase in workload, complexity and risk of errors. Aircraft operators will not be the only entities having to handle these datasets.
Annual emissions reports will be submitted to national authorities for verification, with some authorities receiving reports covering several thousand aircraft. While some authorities have the expertise and resources to handle such data, others may currently not even have a single person in charge of collecting environmental data from aircraft operators.

Another challenge with the implementation of CORSIA will be for operators to find their way in carbon markets. While some operators have gained experience through their participation in existing emissions trading mechanisms or through the voluntary offset programmes they make available to their customers, none have had to buy carbon offsets or allowances on the scale envisaged by CORSIA.

In order to ensure the success of CORSIA, ICAO will therefore need to make sure that the rules adopted are simple and flexible enough to adapt to the varying degrees of experience, both in industry players and administering authorities. It is essential that ICAO, IATA and their carbon markets counterparts provide capacity-building support to authorities and aircraft operators around the world.

These efforts started in February and March 2016, with IATA and IETA partnering to hold workshops in each of the different regions to provide guidance on the practical implications of CORSIA and familiarise airlines with carbon markets. The four workshops, held in Nairobi, Geneva, Miami, and Singapore, were a success with close to a hundred participants from the airline community. ICAO also conducted a series of regional seminars which provided essential information to Governmental agencies around the world on the upcoming requirements.

However, more joint efforts from the aviation and carbon market community will be necessary to ensure the resources and expertise are ready in time and guarantee that the first global sectoral market-based measure is a success. With the right level of cooperation between all stakeholders, we are confident that the foundations will be laid for the successful implementation of this important environmental measure.

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