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Draft – Council Decision on CORSIA Design Features and COVID-19 Pandemic

(as part of 220th C-DEC text, for C-WP/15053, Section 2 Only)

1. In recognition that:
 - a) COVID-19 has had a significant negative impact on international air transport, with ICAO forecasting global international aviation capacity in 2020 to be down by up to 63 per cent, and airlines losing up to USD400 billion of revenue in 2020;
 - b) the full impact of COVID-19 on international civil aviation is not yet clear, and consequences for States and airlines around the world may differ, but all airlines in all regions of the world are being significantly impacted;
 - c) COVID-19 and the global slowdown of aviation will cause a substantial reduction in CO₂ emissions from aviation in 2020 and, in all likelihood in 2021 as well;
 - d) the use of the average of 2019-2020 emissions as the CORSIA baseline was established with data and forecasts that could not envisage exceptional circumstances such as those deriving from the impact of COVID-19;
 - e) notwithstanding the uncertainty of forecast data for the remaining part of 2020 and for 2021, an offsetting calculation based on the 2019-2020 baseline would generate a substantial unexpected increase in offsetting requirements in 2021 and following years, with negative implications for the recovery of air transport during and after COVID-19;
 - f) CORSIA remains a key part of the basket of measures to achieve the global aspirational goal of carbon neutral growth;
 - g) operative clause 16 of Assembly Resolution A40-19 recalls the need to provide for safeguards in the CORSIA to ensure the sustainable development of the international aviation sector and avoid inappropriate economic burden on international aviation, and requests the Council to decide the basis and criteria for triggering such action and identify possible means to address these issues;
 - h) such decisions taken by the Council to avoid inappropriate economic burden on international aviation will be necessary and essential considerations in the periodic review of CORSIA in accordance with paragraph 17 of Assembly Resolution A40-19; and
 - i) in giving effect to operative clause 16 of Assembly Resolution A40-19, it is desirable that Council address the CORSIA baseline, the reference year for calculating offsetting requirements for the pilot phase, and the new entrant threshold (together, the three CORSIA design features);

2. The Council:

a) agreed that the COVID-19 situation constituted a situation warranting action by the Council to avoid inappropriate economic burden on international aviation;

b) agreed, in order to safeguard against inappropriate economic burden on aeroplane operators, that actual 2020 emissions should not be used for the three CORSIA design features, and decided that during the pilot phase actual 2019 emissions shall be used for 2020 emissions and published in all relevant ICAO CORSIA Documents referenced in Annex 16, Volume IV;

c) agreed that the Council will upon further analysis, consider amendments to Assembly Resolution A40-19 to also use only 2019 emissions for the three CORSIA design features beyond the pilot phase, to be presented to the 41st Session of the Assembly for decision;

d) decided to initiate the process for establishing the 2022 periodic review of CORSIA in accordance with operative clause 17 of Assembly Resolution A40-19, and requested the Secretariat to present a review structure, process and methodology for Council's consideration at its 222nd Session, including a work programme for CAEP's technical and analytical contributions to the review;

e) confirmed that the Council's 2022 periodic review of the implementation of CORSIA, including its impact on the growth of international aviation, will serve as an important basis for the Council to consider whether it is necessary to make adjustments to the next phase or compliance cycle and, as appropriate, to recommend such adjustments to the Assembly for its decision. In the context of this periodic review of CORSIA, the Council will also examine, with the technical contribution of CAEP, the impact of COVID-19 on CORSIA - including inter alia its impact on the baseline beyond the pilot phase, on the different phases of CORSIA implementation, and on the growth factors - in order to contribute to the sustainable development of the international aviation sector and the effectiveness of the scheme, in line with Assembly Resolution A40-19; and

f) requested CAEP to continue to analyse the impact of COVID-19 on CORSIA, drawing upon ICAO's ongoing work to analyse the economic impact of COVID-19 on aviation including the regional breakdown and recovery scenario modelling, and to provide an update for Council's consideration during the 222nd Session, including:

- i. quantification of the volume of CO₂ emissions from international aviation that will not have been emitted due to the reduction in aviation activity compared to forecast activity each year until such time as international aviation fuel burn and emissions equals or exceeds 2019 levels; and
- ii. an analysis of the cost implications of CORSIA offsetting requirements, taking into consideration the current and expected emission unit prices offered by the Emissions Unit Programmes approved for CORSIA by the Council.