Background

- Aviation currently represents 2% of global GHG emissions, and 5% of global warming impact
- 3-4 fold increase of CO2 emissions anticipated by 2040
- Aspirational goal of Carbon Neutral Growth from 2020 through a basket of measures including improvements in technology, operations, increased use of biofuels and a Global Market Based Mechanism.
- Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)
- Resolution adopted on October 7th by the ICAO 39th General Assembly in Montreal
- First Time an entire economic sector decides to regulate its carbon emissions
How it will work?

- Under the CORSIA, airlines will be required to offset any increase in emissions from a 2019-2020 or a 2020 baseline
- Offsets will be collected in States Registries before being surrendered in a centrally managed ICAO registry
- Only flights between two countries included in the mechanism will be required to offset their emissions
- The resolution will be implemented in three phases, starting with a pilot from 2021 to 2023, followed by a voluntary phase until 2026, and a mandatory phase post-2026
- To date 66 states have pledged to voluntarily join the scheme in the pilot or first phase
- The Scheme will be reviewed every three years
- It is estimated that 2.5GtCO2eq in offsets will be needed between 2020 and 2040
Role of the World Bank

Objective: Establish a partnership with ICAO to use WBG experience and expertise to assist ICAO, and ICAO Member States in setting-up necessary infrastructure and capacity building to comply with the CORSIA requirements.

Purpose: Some key design elements of the CORSIA have yet to be developed but ICAO member countries acknowledge the complexity they face in getting ready to comply with the resolution’s requirements, and have expressed their need for capacity building.

Building on the experience gained through the PMR, The World Bank is working towards establishing a partnership with ICAO to support the countries with institutional and technical readiness for carbon market infrastructure and in particular:

1. Registries Requirements
2. MRV Requirements
3. Offsets procurement
The Role of the World Bank

**Activities:** The partnership will undertake three main activities

I. Provide briefings and organize workshops on Capacity building for registries and MRV.

II. Establish a grant making facility to set up carbon market infrastructure (e.g., capital expenditure costs for registries IT hardware & software for registries and MRV) in order to comply with CORSIA.

III. Provide technical briefings and capacity building on offset procurement

**Resources:** The partnership will be backed by contributor funding
Thank you