



# Impact of COVID-19 on CORSIA baseline calculation

The COVID-19 crisis is having a severe impact on air traffic, with airlines experiencing serious declines in demand. Traffic has collapsed, even between countries without major outbreaks of COVID-19. As the current CORSIA provisions call for 2020 emissions to be used in determining the baseline for CORSIA, this reduction in traffic will significantly lower the baseline compared to what was projected as a basis for adopting CORSIA, resulting in significantly higher offsetting requirements and costs for operators further down the line.

CORSIA's baseline must be adjusted to ensure the sustainable development of international aviation and avoid an inappropriate economic burden on the sector

Under CORSIA, aircraft operators will have to offset the increase in CO<sub>2</sub> emissions above baseline emissions. Baseline emissions are defined as the average between emissions in 2019 and 2020. Consequently, any significant reduction in 2020 emissions will have a knock-on effect in increasing offsetting requirements.

IATA is highly concerned that if the cost impacts of CORSIA are higher than forecast, many states may be less inclined to volunteer for the pilot and first phase and, indeed, current volunteers may reconsider their earlier decisions in order to safeguard the interest of their national air transport system and its connectivity. An adjustment to the baseline is also necessary to limit the economic impact of the COVID-19 crisis on aeroplane operators.

IATA recalls that Assembly Resolution A40-19 underlines the "need to provide for safeguards in the CORSIA to ensure the sustainable development of the international aviation sector and against inappropriate economic burden on international aviation" and gives authority to the Council to identify means to address these issues (A40-19, paragraph 16).

There is no doubt that the COVID-19 crisis and its impact on CORSIA's offsetting requirements constitute circumstances which put the sustainable development of the sector at risk and will result in an inappropriate economic burden on international aviation. Therefore, IATA calls on the ICAO Council to exercise the authority received under Assembly Resolution A40-19 to address these issues and agree to amend the baseline for CORSIA.

Instead of using the average of 2019 and 2020 emissions to determine the CORSIA baseline, **IATA recommends that 2019 emissions be used for the determination of CORSIA's baseline emissions.** Allowing the use of 2019 emissions as an alternative would preserve the environmental benefits that were forecast to be achieved through CORSIA as the adjusted baseline would remain more stringent than what the baseline would have been without the COVID-19 crisis.

Therefore, **we request that ICAO reaches a decision on this matter as soon as possible and no later than 30 June 2020.** It should be borne in mind that ICAO member states must notify ICAO, by the end of June 2020, of their decision to participate on a voluntary basis, or to discontinue their voluntary participation in CORSIA's offsetting requirements from 1 January 2021.



## Additional impacts of COVID-19 on CORSIA

Aeroplane operators are expected to submit a verified emissions report for 2019 to their administrating authority by the end of 31 May 2020. However, the travel restrictions and confinement measures in many countries, as well as the economic downturn, have made it impossible for verification bodies to conduct verification activities.

In order to allow the verification process to be conducted in accordance with the requirements of Annex 16, volume IV, **IATA calls on ICAO to urge States to extend the deadline for the submission of the verified emissions report and associated verification report for 2019 until at least 31 October 2020**. Accordingly, the deadline for State to submit information regarding CO<sub>2</sub> emissions for 2019 to ICAO should also be extended to 31 January 2021.