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11 April 2024

TAB@icao.int

Subject: Conditional approval to VERRA, Gold Standard and CAR for CORSIA Phase 1

Dear TAB Team,

The PD-Forum is a collective voice to represent the interests of companies developing greenhouse gas emission reductions and removal projects in international markets, including in the Voluntary Carbon Market, with more than 40 current members from diverse international jurisdictions.

At its meeting of March 2024, ICAO (the International Civil Aviation Organization) and the Technical Advisory Board provided only conditional approval on the grounds of Article 6 rules, to VERRA, Gold Standard and CAR for CORSIA Phase 1 eligibility.

The PD Forum and its members are concerned by ICAO's recommendation that carbon Project Developers should be liable for double counting for two main reasons:

1) It undermines host country governments

Concerns of revocation risk demean the integrity of host parties. As a network of Project Developers working across various jurisdictions, we find host country governments to be committed to the Article 6 process. While there remain some capacity gaps, the progress towards Article 6 operationalisation in many countries, including developing and LDCs has been positive. Members of the PD Forum have already started to receive Letters of Authorisation from countries and carbon regulations are progressing at an admirable rate.

We firmly believe that with full operationalisation of the 6.2 and 6.4 mechanisms under the UNFCCC, host country governments would eventually have the capacity to authorise and thus, correspondingly adjust emission reductions and/or removals.

2) It places undue liability on project developers, which may stifle investment and project development

Many carbon project developers in developing nations are small, with tight margins. Enforcing liability for revocation will impose a high burden of risk and is likely to stifle investment in much-needed carbon projects. At present, insurance options are nascent and if available will add additional costs to each ton of carbon avoided.

We believe it is the duty of the host country to submit its GHG inventory and periodically update the status of achievement of its targets under the NDC. In all these situations, we see that it is ultimately the responsibility of the host country to record the inventory of its GHG emissions appropriately and adequately and correspondingly adjust the reductions that were authorised for use by other countries/parties.

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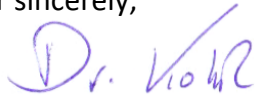office@pd-forum.net
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In a situation where host parties do not follow the rules under the Paris Agreement, the United Nations, via ICAO and UNFCCC, should be responsible for enforcement given their status and responsibility on the global stage. We would hope to see the United Nations take on greater accountability to ensure that host parties carry through all adjustments within the timelines as laid out by UNFCCC.

Working together to find a solution

Members of the PD Forum would be willing to explore alternative solutions with UNFCCC, ICAO, Standards and their registries.

In the meantime, we call for ICAO to extend the deadline for adjusted submissions. The April 15th deadline is too short for registries to consult with stakeholders (including Project Developers) and resubmit applications. With the next TAB meeting scheduled for October 2024, we would hope that an extension of one month, i.e., by mid-May 2024 as a minimum, be granted to all Registries to make the necessary adjustments to their submissions to facilitate approval at the next TAB meeting to increase supply into CORSIA for the benefit of all CORSIA participants and stakeholders.

Your sincerely,

Dr. Sven Kolmetz (on behalf of the members of PD Forum)

- ✓ Will be available on pd-forum.net
- ✓ Will be available to the press