



Complying with CORSIA:

Advisory Services for the Aviation Industry



Towards Carbon Neutral Growth



Aviation has been among the fastest growing sectors globally, both in terms of economic output and emissions. A plan for carbon-neutral growth from 2020 adopted by ICAO in 2016 – known as CORSIA – is confronting the industry and governments with unprecedented challenges.



CORSIA – An ambitious plan is taking shape

Aviation currently accounts for some 2% of global CO₂ emissions, with a strong increase projected for the coming decades. Domestic aviation has been subject to emissions caps in Europe for some five years now.

In addition, IATA, the industry's leading association, announced in 2009 a set of three sequential goals for air transport: (1) a 1.5 % average annual improvement of fuel efficiency from 2009 to 2020, (2) carbon neutral growth from 2020 onwards and (3) a 50% absolute reduction in carbon emissions by 2050.

To further these initiatives, the International Civil Aviation Organization adopted in October 2016 a global market based measure to help achieve carbon neutral growth, known as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

CORSIA provides a framework for offsetting emissions from flights between participating countries above the 2020 baseline. In its first phase from 2021–2026, participation in the scheme will be voluntary, but a significant number of countries have already indicated their intention to engage. From 2027 onwards, participation will be mandatory for most countries.

CORSIA is confronting aircraft operators with demanding questions, including:

- Which flights will be affected?
- What are the requirements for monitoring, reporting and verification?
- Which carbon offsets will be eligible instruments for achieving compliance?
- What is the best strategy for ensuring compliance efficiently?

Our Services

First Climate offers a suite of advisory services to help the aviation industry comply with its emerging obligations under CORSIA.



Corporate MRV Services

Robust procedures for monitoring, reporting and verification (MRV) of CO₂ emissions are a core requirement for cost-effective compliance. First Climate supports aircraft operators with the following MRV products.

MRV 101 and Tool Box

Benefit from our experience and user-friendly materials on:

- Emerging CORSIA rules for MRV
- Review of operators' existing methodologies for quantifying fuel use, including documentation
- Selection of best fuel use methodology for MRV under CORSIA
- Preparation of Emission Monitoring Plan
- Procedures for data collection, quality assurance and quality control
- Industry best practice for fuel use efficiency improvements
- Synergies and pitfalls for verification and reporting

MRV Helpline

Draw on hands-on operational support from our MRV experts as and when required.

Knowledge Products for Aircraft Operators

CORSIA exposes aircraft operators to the complexities of carbon offset projects and carbon markets. With our targeted knowledge products, First Climate supports aircraft operators in understanding these markets.

Carbon Markets 101

- Likely Emission Unit selection criteria for CORSIA
- Carbon markets today and post 2020, including market characteristics (supply, demand, pricing)
- Options for creating an emissions reduction portfolio
- Role of registries

Corporate Strategy Services

CORSIA creates opportunities and risks that need to be addressed strategically. First Climate assists aircraft operators with tailored strategic advice

- Quantifying financial exposure
- Strategic options for ensuring compliance and minimising risks
- Engagement with stakeholders

Offset Sourcing and Project Development Services

Offset sourcing services

- Sourcing from the primary and the secondary carbon offset market
- Support offset sourcing decisions (project selection, due diligence, market analytics)
- Set up the infrastructure and procedures for offset procurement

Project development services

- Support in the selection of suitable offset projects, due diligence
- Develop documentation under a CORSIA compliant standard
- Support in validation, registration, monitoring and verification

Portfolio and risk management services

- Advise on management of project/portfolio risks and deliveries
- Provide volume guarantees (e.g. call options for replacement offsets)
- Provide eligibility guarantees (e.g. exchanging ineligible offsets against eligible ones)



firstclimate² References

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- Developed fuel-based GHG inventories
- Prepared third-party verification of fuel use and GHG inventories
- Reported verified fuel use and GHG emissions to regulators as part of EU ETS compliance, The Climate Registry, a voluntary US registry, and to IATA's Fuel Reporting and Emissions Database (FRED)
- Advised on Monitoring, Reporting and Verification for companies under the European Emissions Trading Scheme
- Designed and implemented voluntary carbon offset programs for aircraft operators as well as for their customers
- Conducted capacity building for developing state members of ICAO in preparation for CORSIA implementation for the World Bank









Staff Roles

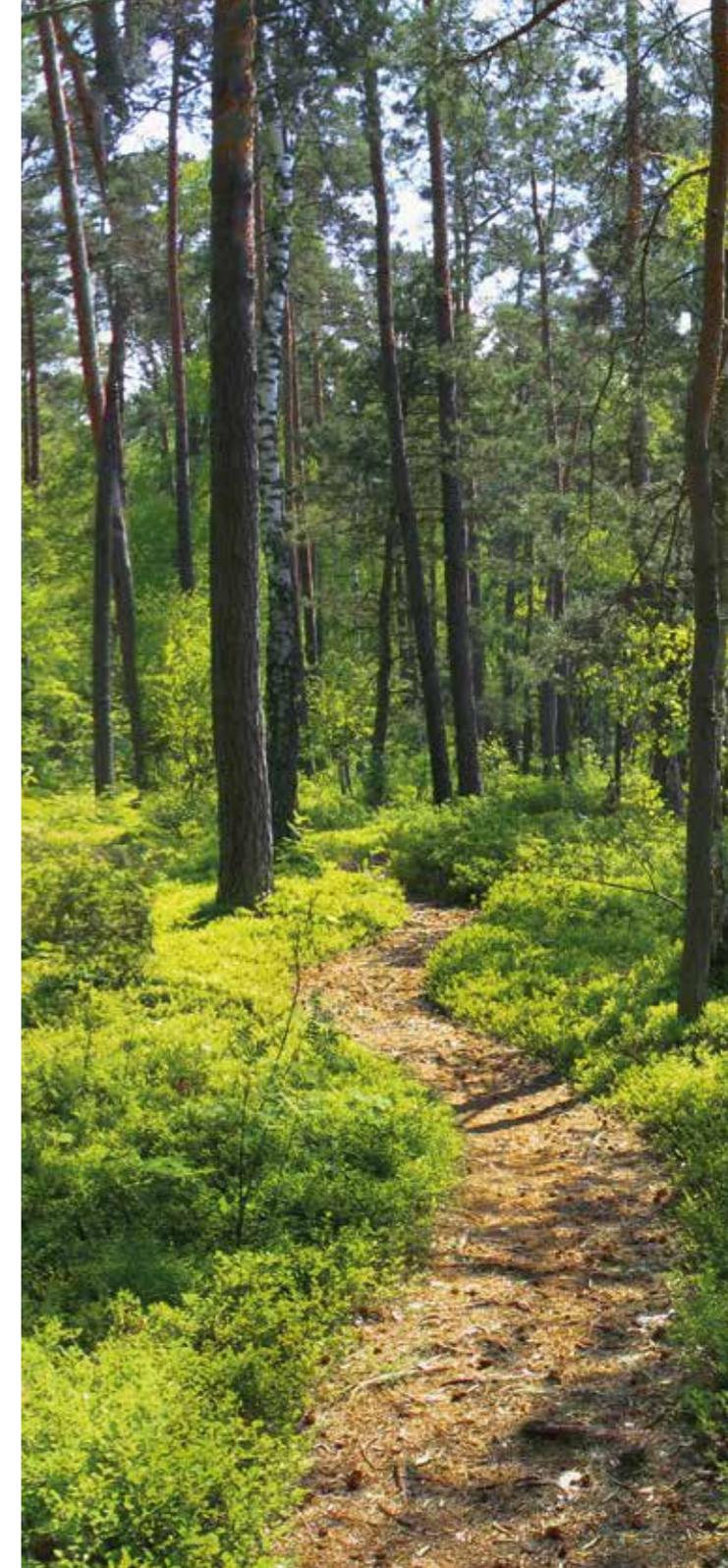
- Vice-Chair/Chair of the Environment Committee (ENCOM) from 2013 to 2015 – ENCOM led the development of the industry strategy for CORSIA
- Member of the **IATA** Delegation to ICAO's Global Market-based Measures Task Force (GMTF) from 2012-2015 focusing on emission units, registries and MRV.



Co-Chair of the International Carbon Reduction and Offset Alliance



Founding Member of Project Developers Forum



firstclimate² Company Profile

Carbon Project Development

- Developed over 60 CDM projects and generated over 30 million tonnes CO₂e in reductions
- Developed various projects under voluntary market standards like VCS and The Gold Standard

Advisory for Carbon Compliance

For over 15 years, First Climate has been supporting businesses throughout the entire compliance cycle under the EU Emissions Trading Scheme and other greenhouse gas regulations, including:

- Understanding the regulatory requirements
- Projecting baseline emissions and allowances
- Assisting monitoring, reporting and verification (MRV)
- Developing emission reduction strategies
- Facilitating access to markets for emissions allowances and carbon offsets
- Ensuring cost-effectiveness

Trading emissions allowances and carbon credits

First Climate is your experienced and reliable partner for transactions in all relevant types of emissions allowances and carbon offsets.

Our experts help you choose the right type of offsets from high-quality emission reduction projects worldwide. We have transacted well above 100 million tonnes of CO₂-equivalent.

Investment Management

First Climate is a leading provider of investment advisory and management services for carbon funds and managed carbon accounts. Since 2007, we have been managing funds and purchasing programs in excess of EUR 250 million for prestigious investors such as the European Investment Bank and Germany's development bank KfW.

In this function, our experts identify and negotiate investments and provide comprehensive portfolio management services for emission reduction projects around the world. Our clients profit from our privileged access to high-quality carbon offsets and our wealth of experience in the global carbon market.

www.firstclimate.com

Your contacts at First Climate



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