

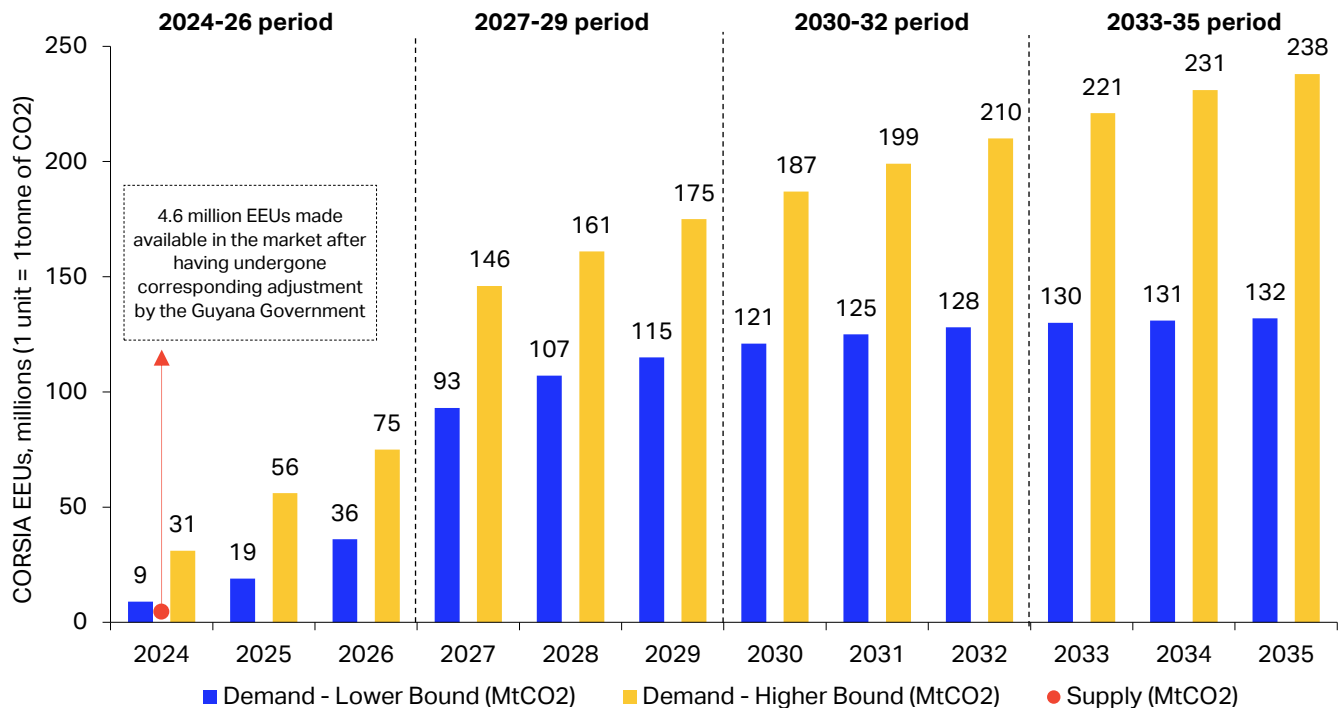


## Chart of the Week

9 August 2024

### Aviation's decarbonization requires more CORSIA credits

#### Demand and supply for CORSIA Eligible Emission Units (EEUs) across compliance periods



- Governments have a role in enabling the market for the [Carbon Offsetting and Reduction Scheme for International Aviation \(CORSIA\)](#)'s carbon credits (known as CORSIA Eligible Emissions Units – “EEUs”) and help the aviation industry on their decarbonization journey.
- In 2024, 126 States volunteered to participate in CORSIA, and in its first phase (2024-26) the estimated demand for EEUs ranges from 64 to 162 million units, depending on traffic forecast scenarios. However, the supply of EEUs currently is extremely limited, with only 4.6 million units issued earlier this year under the [Architecture for REDD+ Transaction](#) program, originating from a project in Guyana.
- The scarcity of EEUs relates to the fact that to qualify as CORSIA-eligible, programs must receive approval from the ICAO Council. As of now, only two programs have received this approval. Moreover, the host countries, where the EEUs originate, must authorize their release from the country's national registry by conducting a “corresponding adjustment” in their [Nationally Determined Contributions \(NDCs\)](#), submitted under the [UNFCCC Paris Agreement](#). The corresponding adjustments prevent double-claiming of emissions reductions between airlines and the host countries.
- The delay in performing the corresponding adjustments by the host countries imperils airline's ability to comply with CORSIA in addressing CO<sub>2</sub> emissions from international aviation.

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