



CORSIA AND ARTICLE 6 A CRUCIAL INTERSECTION IN INTERNATIONAL CLIMATE POLICY

This paper considers the interrelationship between CORSIA and Article 6 of the Paris Agreement and identifies potential issues arising from gaps in alignment between the two schemes. We propose mitigation to address these gaps as a way forward given the opportunities afforded by both markets to address the challenges of climate change.

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“Participating Parties should ideally be incentivized to revise their NDC in 2025 for the post-2030 period until 2035 to facilitate the continued interrelationship between CORSIA and the Article 6.2 markets.”

Executive Summary

Interrelationship between the Article 6.2 market and CORSIA

The agreement of the *Guidance on cooperative approaches referred to in Article 6.2 of the Paris Agreement (Article 6.2 Rules)* in 2021, resulted in an important and internationally recognized interrelationship between Article 6.2 projects and the Carbon Offsetting and Reduction Scheme for International Aviation (**CORSIA**) developed by the International Civil Aviation Organization (**ICAO**).

The Article 6.2 Rules provide for the development of mitigation outcomes that generate units known as Internationally Transferred Mitigation Outcomes (**ITMOs**) through a cooperative approach. Mitigation outcomes must be authorized for use for a purpose. Aside from use towards meeting a Nationally Determined Contribution (**NDC**) of a participating Party to the Paris Agreement (**Party**), mitigation outcomes may be authorized by a participating Party for use for:

- (a) International mitigation purposes other than the achievement of an NDC (**International Mitigation Purposes**); or

- (b) Other purposes as determined by the first transferring Party (**Other Purposes**).

International Mitigation Purposes and Other Purposes are referred to in combination as **Other International Mitigation Purposes** under the Article 6.2 Rules. Such Other International Mitigation Purposes may include the use of ITMOs for the purposes of complying with voluntary or mandatory requirements of CORSIA.

Furthermore, CORSIA is subject to rules developed by the ICAO. Those rules include CORSIA Emissions Unit Eligibility Criteria (**CORSIA EUC**) which require the avoidance of double counting, issuance and claiming by way of a specific attestation from a Host Country.

In practice, this is also known as ‘authorization’ under Article 6 of the Paris Agreement,¹ and encompasses the application of the accounting mechanism known as a ‘corresponding adjustment’.

In essence, the ICAO has adopted a component of the Article 6 rules in respect of corresponding adjustments. A corresponding adjustment for the purposes of CORSIA ensures that the

Host Country does not count or otherwise claim the ITMO (or other unit) towards its NDC if it is being transferred to an Acquiring Country or other permitted purchaser for the purposes of CORSIA compliance.

It is noted as an aside that the discussion of separate questions such as how corresponding adjustments are applied to Article 6 projects other than projects for CORSIA compliance, unilateral Article 6.2 approaches and secondary trades are respectively beyond the scope of this paper.

CORSIA also limits carbon offset units to those listed as CORSIA Eligible Emissions Units (**CORSIA EEUs**). For the 2024-2026 compliance period (**First Phase**), CORSIA EEUs by program currently comprise specific American Carbon Registry (**ACR**) and Architecture for REDD+ Transactions (**ART**) units. In the case of both ACR and ART, CORSIA EEUs exclude units not authorized by the Host Country for use in CORSIA.²

As of the date of this article, it is understood that further international units are being considered for acceptance as CORSIA EEUs.³

ITMOs and CORSIA EEUs are not synonymous in all cases. CORSIA

1 ICAO, CORSIA Frequently Asked Questions, [Frequently Asked Questions \(icao.int\)](#), 4.31 Which measures are put in place to avoid double claiming in relation to CORSIA Eligible Emissions Units? (accessed 28 June 2024)

2 ICAO document, CORSIA Eligible Emissions Units, March 2024, [CORSIA Eligible Emissions Units_March 2024.pdf \(icao.int\)](#) (accessed 28 June 2024)

3 ICAO, Technical Advisory Body, [2024 Assessment Cycle, Technical Advisory Body \(TAB\) \(icao.int\)](#) (accessed 4 September 2024)

EEUs will only be an ITMO if the unit meets the other requirements regarding ITMOs under the Article 6.2 Rules or in the future, the rules for an Article 6.4 Emission Reduction.

Accordingly, it is open to Host Countries, voluntary carbon standards, intermediaries and airline operators to develop or otherwise identify other units for consideration as CORSIA Eligible Units which meet the CORSIA EUC but perhaps not all the requirements for an ITMO. For example, subject to determination by the ICAO, the units could be a voluntary carbon market unit issued following the requisite attestation by the Host Country as to the avoidance of double counting and with a corresponding adjustment applied by the Host Country. By way of further example, Ghana's Framework on International Carbon Markets and Non-Market Approaches facilitates voluntary carbon offset projects that are not eligible as ITMOs with the option to seek a corresponding adjustment from the Host Country. The eligibility for such units under CORSIA will be a matter for further consideration by ICAO, having regard to the views of Host Countries and carbon market participants.

Developments in the Article 6.2 and CORSIA markets

Since 2021, there have been a series of developments regarding the Article 6.2 markets and the market for CORSIA EEUs. Modelling of the Article 6 markets (including the Article 6.4 mechanism) estimates potential transactions to surpass US\$100 billion per year by 2030.⁴ Under this modelling, the costs of implementing NDCs cooperatively is lower than the costs of independent implementation of NDCs and *'if the savings from cooperative implementation of NDCs using Article 6 were reinvested in increased ambition, emissions mitigation could be more than doubled.'*⁵

Furthermore, the market for CORSIA EEUs is expected to grow with

estimates of demand exceeding 100 Mt CO₂-eq per annum before 2030.⁶

In June 2024, the Singapore-based global carbon exchange, Climate Impact X (**CIX**) launched new daily price benchmarks for the spot price of CORSIA EEUs.⁷

The Integrity Council for the Voluntary Carbon Market (**ICVCM**) has also recognized the eligibility requirements for CORSIA EEUs in the context of the new Core Carbon Principle (**CCP**) label. The ICVCM has included a streamlined process for standards that are already CORSIA-eligible.⁸

Current slower trajectory for developments between the Article 6.2 markets and CORSIA

Meanwhile, the development of continuing alignments between the Article 6.2 Rules and CORSIA has had a slower trajectory. The introduction of the need for CORSIA EEUs with corresponding adjustments is a positive development which has been recognized as *'...likely to result in a large volume of ITMO demand leading up to the compliance deadline for the first phase (31 January 2028), before the end of the first NDC period for countries (2030).'*⁹

However, further developments are anticipated to be needed to address the differential timeframes between the First and Second Phases of CORSIA and the NDC implementation periods of countries, particularly given the ongoing need for global climate mitigation post-2030. For example, in terms of addressing a potential misalignment during the Second Phase of CORSIA between 2027 and 2035, when most NDC implementation periods will end in 2030.

This paper identifies risks for Host Countries, Acquiring Countries and other market participants during the Second Phase of CORSIA if there is to be a gap between NDC implementation periods. We identify mitigation to address

these risks for contracting parties proposing to purchase ITMOs for the purposes of CORSIA.

There is a risk that airline operators may not be able to secure corresponding adjustments for CORSIA EEUs during the years 2030 to 2035 of the Second Phase unless the Host Country has a new NDC for the corresponding period. Projects for the purposes of CORSIA can commence, but there is a risk that the uncertainty created by any potential misalignment between the Second Phase of CORSIA and the NDC implementation periods under the Paris Agreement creates project risk that could slow investments at a time when investments are required to increase at scale and pace to address the challenges of climate change.

If participating Parties to the Paris Agreement prepare their updated NDCs to bridge the gap between NDC implementation periods and the CORSIA Phases, this would be of material assistance in mitigating these risks. For example, participating Parties should ideally be incentivized to revise their NDC in 2025 for the post-2030 period until 2035 to facilitate the continued interrelationship between CORSIA and the Article 6.2 markets. While this is already occurring, providing a trajectory to 2040 (whilst acknowledging that five yearly updates will still be required) may also be of assistance.

Ideally, any subsequent CORSIA phases should be aligned with the NDC implementation periods to avoid potential future misalignment. While this article considers the possibility of amending the CORSIA phases, such as extending the Second Phase to commence in 2030 rather than 2027, we are of the view that the important signal to the market of commencing the compliance period in 2027 warrants retention.

ICAO submitted to the Subsidiary Body for Scientific and Technological Advice (**SBSTA**) Sixtieth session

4 International Emissions Trading Association (IETA), Modelling the Economics of Article 6: A Capstone Report, 2023, [IETAA6_CapstoneReport_2023.pdf \(b-cdn.net\)](#) (accessed 4 September 2024) at p 8

5 Note 4 above at p 9

6 OECD, [The interplay between voluntary and compliance carbon markets: Implications for environmental integrity](#), 7 June 2024, [pdf \(oecd.org\)](#) (accessed 28 June 2024) at p 25 citing CFP Energy, Navigating the Aviation Industry's transition to CORSIA Phase 1, 2024

7 Climate Impact X, Market Notice: CIX launches screen-supported CORSIA price benchmarks, 13 June 2024, [666a55eb180bc6df27b4339a_CIX Market Notice - 2024-19 - CIX launches screen-supported CORSIA price benchmarks.pdf \(website-files.com\)](#) (accessed 4 September 2024)

8 The Integrity Council for the Voluntary Carbon Market (ICVCM), [How we assess carbon-crediting programs, 2024](#), (accessed 8 August 2024)

9 OECD, note 6 above at p 26



in Bonn that it would continue to monitor recent developments under Article 6 of the Paris Agreement.¹⁰ It is recommended that both ICAO and the Article 6.2 negotiators continue to work together to foster and enhance the mutuality between both markets.

Furthermore, there may be opportunities for greater dialogue between Host Countries, ICAO and airline operators on any transitional arrangements for managing post-2030 corresponding adjustments for CORSIA purposes until the CORSIA phases and NDC implementation periods are aligned if necessary (assuming both ICAO and the Parties to the Paris Agreement are in agreement on the need for alignment).

We are of the view that both markets can continue to grow in the absence of alignment between the CORSIA phases and NDC implementation periods. However, this article seeks to highlight material benefits to both markets if those timeframes are aligned.

We set out the background regarding CORSIA and Article 6.2 of the Paris Agreement, followed by a discussion of the potential risk of misalignment between the Second Phase of CORSIA and post-2030 NDC implementation. We also provide suggested guidance for developing post-2030 NDCs, amongst other mitigants, to facilitate future alignment between CORSIA and the Article 6.2 Rules.

Background

CORSIA

CORSIA is an international market-based measure developed by ICAO which seeks to facilitate the use of carbon offsetting of increases in CO₂ emissions above the CORSIA baseline where emissions in the aviation sector are unable to be reduced through technology, operational improvements or the use of sustainable aviation fuels.

Under CORSIA, CORSIA EEUs are purchased and cancelled. The cancelling of units is important

because this represents ‘...the permanent removal and single use of an emissions unit so that the same emissions unit cannot be used more than once’.¹¹

The CORSIA baseline is determined as follows:

- the CO₂ emissions from international aviation covered by CORSIA for the year 2019 (for the Pilot Phase in years 2021-2023); and
- 85% of the CO₂ emissions from international aviation covered by CORSIA for the year 2019 (for the First and Second Phases in years 2024-2035) (**CORSIA Baseline**).¹²

The CO₂ emissions covered by CORSIA that exceed the CORSIA Baseline determine the total offsetting requirement for the international aviation sector. CORSIA has developed a mechanism for the calculation of the specific offsetting requirements of each aeroplane operator subject to CORSIA.

¹⁰ ICAO, Submission to the Subsidiary Body for Scientific and Technological Advice Sixtieth session (SBSTA60), Agenda item 14(b): Emissions from fuel used for international aviation and maritime transport, June 2024, [202405311044---ICAO submission to SBSTA 60.pdf \(unfccc.int\)](#) (accessed 28 June 2024) at p11

¹¹ Note 1 above, 2.14 *What is offsetting and how does it work, in general?*

¹² Note 1 above, 2.17 *What are CORSIA's baseline emissions?*

Offsetting CO2 emissions is voluntary for the Pilot Phase (from 2021 to 2023) and the First Phase (2024 to 2026). The requirements under the Second Phase (from 2027 to 2035) are based on the State's 'Revenue Tonne Kilometers' (**RTK**) level in 2018, subject to exemptions, including for Least Developed Countries, Small Island Developing States, and Landlocked Developing Countries.

The RTK is the *'...utilised (or sold) capacity for passengers and cargo expressed in metric tonnes, multiplied by the distance flown. In other words, the volume of air transport activity...A State's RTK represents the total RTK levels of all aeroplane operators registered to that State.'*¹³

The CORSIA EUC provides clear definitions and broad requirements concerning the need to avoid double issuance, double use and double claiming of eligible emission units as follows:

'7. Eligibility Criterion: Are only counted once towards a mitigation obligation. Measures must be in place to avoid:

- (a) Double issuance (which occurs if more than one unit is issued for the same emissions or emissions reduction).*
- (b) Double use (which occurs when the same issued unit is used twice, for example, if a unit is duplicated in registries).*
- (c) Double claiming (which occurs if the same emissions reduction is counted twice by both the buyer and the seller (i.e., counted towards the climate change mitigation effort of both an airline and the host country of the emissions reduction activity)). In order to prevent double claiming, eligible programs should require and demonstrate that host countries of emissions reduction activities agree to account for any offset units issued as a result of those activities such*

*that double claiming does not occur between the airline and the host country of the emissions reduction activity.'*¹⁴

The primary means by which double claiming can be avoided is by way of obtaining authorization from the Host Country for the use of ITMOs for Other International Mitigation Purposes, namely CORSIA, and a corresponding adjustment such that the ITMO is not counted towards the NDC of the Host Country.

Under CORSIA, 30 April 2025 is the first deadline for reporting emissions unit cancellations.¹⁵

Article 6.2 of the Paris Agreement

The Paris Agreement is an international treaty on climate change adopted by 196 Parties on 12 December 2015 and entered into force on 4 November 2016.

Paragraph 2 of Article 6 of the Paris Agreement states:

'Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of [ITMOs] towards [NDCs], promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with the guidance adopted by the Conference of the Parties serving as the Meeting of the Parties to this Agreement.'

The Article 6.2 Rules were adopted by the Conference of the Parties, serving as the Meeting of the Parties at COP26 in Glasgow, Scotland 2021.¹⁶

The Article 6.2 Rules were developed further the subsequent year at COP27 in Sharm el-Sheikh, Egypt 2022.¹⁷

The Article 6.2 Rules were not changed at COP28 in Dubai in 2023. The COP will reconvene in Azerbaijan in November 2024 for further multilateral negotiations on the development of the Article 6.2 Rules.

While the Paris Agreement predates the CORSIA phases, the Article 6.2 Rules were developed contemporaneously. Importantly, as set out above, the broad concept of Other International Mitigation Purposes contains sufficient flexibility to encompass the use of ITMOs for the purposes of voluntary or mandatory compliance with CORSIA.

Article 4, paragraphs 2 and 3 of the Paris Agreement provides that:

'Each Party shall prepare, communicate and maintain successive [NDCs] that it intends to achieve. Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.'

Each Party's successive [NDC] will represent a progression beyond the Party's then current [NDC] and reflect its highest possible ambition, reflecting its common but differentiated responsibilities and respective capabilities, in light of different national circumstances.'

Furthermore, pursuant to paragraph 11 of Article 4, 'A Party may at any time adjust its existing [NDC] with a view to enhancing its level of ambition, in accordance with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.'

According to the United Nations, NDCs were required to be submitted by 2020 (whether new or updated) and every five years thereafter, regardless of the respective Party's implementation timeframe for that NDC.¹⁸ The cut-off date for the first submission was extended to 12 October 2021. For example, for some Parties, the NDC submission dates are 2020, 2025 and 2030. For other Parties, the submission dates may vary provided it is at five yearly intervals and acknowledging that adjustments may occur in accordance with paragraph 11 of Article 4 extracted above.

¹³ Note 1 above, 2.5 *What is a "RTK"?*

¹⁴ ICAO document, CORSIA Emissions Unit Eligibility Criteria, Carbon Offsetting and Reduction Scheme for International Aviation, [Microsoft Word - ICAO document 09_Main body.docx](#) (accessed 28 June 2024)

¹⁵ Note 1 above, 3.84 *What will be the process of reporting of emissions unit cancellations?*

¹⁶ UNFCCC, Decision 2/CMA.3 Guidance on cooperative approaches referred to in Article 6, paragraph 2 of the Paris Agreement

¹⁷ UNFCCC, Decision 6/CMA.4 Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

¹⁸ United Nations Climate Change, Nationally Determined Contributions (NDCs), The Paris Agreement and NDCs, [Nationally Determined Contributions \(NDCs\) | UNFCCC](#) (accessed 28 June 2024)

No.	CORSIA	Article 6.2 Cooperative Approaches
1	Pilot Phase – 2021 to 2023	NDC implementation period – current to 2030 (for 93% of NDCs)
2	First Phase – 2024 to 2026	
3	Second Phase – 2027 – 2035	The overlap with current NDC periods is predominantly only up to 2030.

The UN 2023 synthesis report records the status of NDCs as of 25 September 2023, based on 168 NDCs communicated by 195 Parties (**2023 Synthesis Report**).¹⁹ According to the 2023 Synthesis Report, the following start dates were identified for NDC implementation:

- 1 January 2021 (54% of the Parties)
- In or before 2020 (30%)
- In 2022 (5%)

Furthermore, the majority of Parties (93%) communicated an NDC implementation period until 2030. The remaining 7 percent communicated an NDC implementation period of 2025, 2035, 2040 or 2050.²⁰

The effect of the above is that Parties with existing NDC commitments are approaching the next period for submission of an updated NDC. The next NDC targets and implementation periods are expected to extend beyond 2030. These NDC implementation periods are anticipated to be defined for up to 2035 or 2040. For example, the Australian Climate Change Authority is preparing advice on 2035 emissions reductions targets for Australia's NDC.²¹

It is noted for completeness that ITMOs for the purposes of the Paris Agreement are required to be generated in respect of mitigation from 2021 onwards.²²

Potential misalignment between CORSIA Phase II and post-2030 NDC implementation

The table above summarizes the relevant phases regarding CORSIA

and cooperative approaches under the Article 6.2 Rules. As can be seen, the phases do not mirror each other.

As a result, if a Host Country does not submit a new or updated NDC approximately in or around 2025 and is not able to guarantee that the same project type and project baseline remains eligible for ITMO generation or other CORSIA EEUs beyond 2030, there is a risk that corresponding adjustments may not be able to be obtained for the time interval during the Second Phase of CORSIA (i.e. between 2030 to 2035) before a Host Country determines its next NDC implementation period.

Ensuring that the same project type and baseline remain eligible for ITMO and CORSIA EEU generation beyond 2030 is crucial for maintaining investor confidence and fostering continuous private sector investment in ITMO-crediting projects. Certainty in eligibility criteria provides a stable regulatory environment, which is important for long-term planning and financial modelling.

Investors require predictability to allocate capital effectively and mitigate risks associated with policy changes. Without this assurance, there is a risk of investment withdrawal or hesitation, potentially stalling the development of crucial climate projects – which require multi-year implementation and revenues from carbon finance. Alignment in ITMO generation and CORSIA requirements is thus central for mobilizing private sector resources to develop ITMO-crediting projects for CORSIA compliance purposes.

There remains strong potential for Host Countries to update their NDCs in or about 2025 to remove any gap between NDC implementation periods for CORSIA purposes and Article 6.2 projects more broadly.

A lack of alignment between the Second Phase and the next series of NDC implementation periods, would raise the following potential issues:

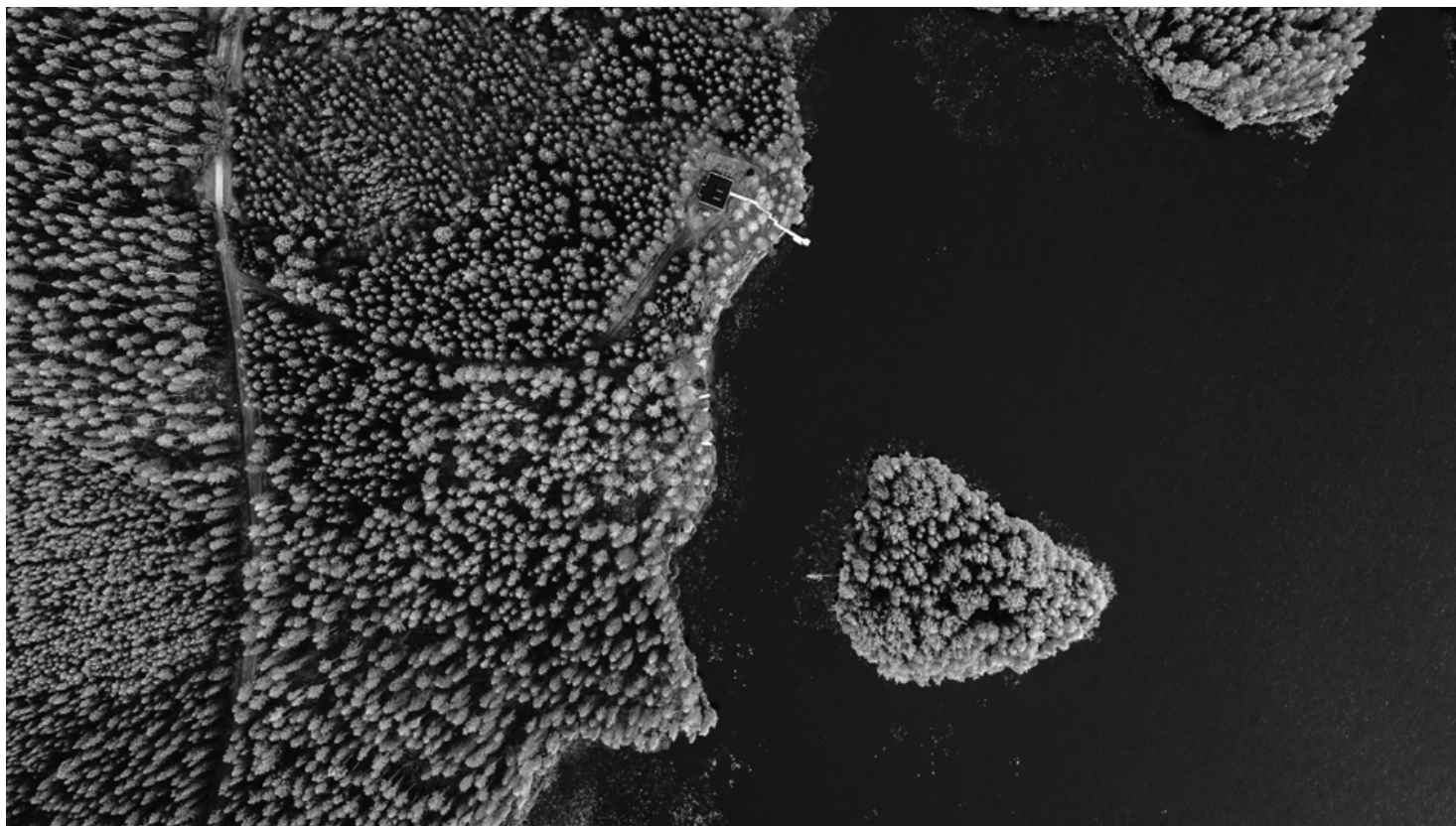
- questions as to whether a Host Country is in a position to authorize ITMOs for use for a purpose, such as Other International Mitigation Purposes, during any period in between NDC implementation periods;
- Host Countries may not be in a position to apply corresponding adjustments to ITMOs, in the absence of an NDC for the period coinciding with the Second Phase;
- Host Countries may not be in a position to apply corresponding adjustments to CORSIA EEUs (that are not otherwise ITMOs) in the absence of an NDC for the period coinciding with the Second Phase due to domestic laws, regulations, policy or domestic uncertainty in respect of the new NDC until it is published;
- if Host Countries determine to authorize and apply a corresponding adjustment to ITMOs (or CORSIA EEUs that are not otherwise ITMOs) generated between NDC implementation periods, there remains a risk of potential double use and double claiming (adopting the CORSIA definitions) in respect of those units if they are ultimately

19 UNFCCC, [Nationally determined contributions under the Paris Agreement, Synthesis report by the secretariat, 14 November 2023, p4, cma2023_12.pdf](#) (accessed 4 September 2024)

20 Note 19 above.

21 Climate Change Authority, 2035 Emissions Reduction Targets, [2035 Emissions Reduction Targets | Climate Change Authority](#) (accessed 4 September 2024)

22 Note 16 above at Annex I, Item I, paragraph 1(e)



determined to be required by the Host Country for the post-2030 NDC implementation period;

- investors may be hesitant to commit to projects with short generation periods for CORSIA EEUs / ITMOs, particularly without a binding commitment from a Host Country to apply corresponding adjustments; and
- end users and/or intermediaries may contract with a Host Country for the delivery of ITMOs (or CORSIA EEUs that are not otherwise ITMOs) with corresponding adjustments, but there could be risks of material delays in respect of authorization and/or the application of corresponding adjustments in the absence of a post-2030 NDC.

The above risks reinforce the practical dilemma that a Host Country might not be in a position to enter into commitments for the second phase of CORSIA EEUs in the absence of a revised NDC, particularly if sectoral commitments will depend on each applicable ministry within the government of the Host Country.

Conversely, the above risks reinforce the benefits of early, or otherwise on track, updates to post-2030 NDCs both for Host Countries, investors and the market more broadly.

Notwithstanding the above risks, for Host Countries that are in a position to enter into negotiations with airline operators (or other applicable contracting parties), there will continue to be contractual mechanisms that can be incorporated into any mitigation outcome purchase agreement (or equivalent agreement) in respect of the generation and transfer of CORSIA EEUs during and, if applicable, between NDC implementation periods. These include clear requirements regarding authorization, corresponding adjustments, rectification of any breaches under the applicable agreement and an agreed dispute resolution procedure. Due diligence, community engagement, community benefits, and ongoing liaison with the relevant authority of the Host Country will also be important mitigants in addressing the above risks.

Amendments to CORSIA Phases

As set out in the Executive Summary, amending the dates of the compliance phases of CORSIA would address the potential misalignment between those phases and NDC implementation periods. For example, for the Second Phase to commence in 2031 instead of 2027. However, commencing

the compliance period under the Second Phase in 2027 represents an important signal to the market. In our view, any deferral of the existing compliance period could create other issues of market uncertainty.

Notwithstanding this, there is scope for any post-2035 compliance periods to have regard to the need for alignment with the NDC implementation periods to avoid future gaps.

Suggested guidance in respect of new or updated NDC development

If participating Parties to the Paris Agreement prepare their updated NDCs to bridge the gap between NDC implementation periods and the CORSIA Phases, this would be of material assistance in mitigating the above risks. For example, for participating Parties to revise their NDC in 2025 for the period up until 2035, or even longer to say 2040, provided the necessary level of ambition for this period can be implemented. Ideally, the amendments to the NDC would also seek to facilitate the integration of sectoral targets, project types and baselines in the updated NDCs.

Other amendments to NDCs, such as raising the level of ambition in the setting and implementation of NDC targets having regard to the need for

a just transition, is beyond the scope of this paper.²³

Conclusion

CORSIA generates a significant demand for ITMOs and other units with corresponding adjustments and creates investment incentives in climate change mitigation projects for enhanced ambition. Such demand is expected to grow further as part of the global airline industry's decarbonization pathway.

The intersection of CORSIA and Article 6 of the Paris Agreement represents a critical juncture in the evolving landscape of international climate policy. As markets for carbon offsetting and mitigation grow in significance, the alignment between CORSIA phases and NDC implementation periods becomes increasingly relevant. The potential misalignment between these two frameworks, particularly in the Second Phase of CORSIA, presents risks that are capable of being addressed to avoid hindering the progress of global climate mitigation efforts.

This paper provides examples of available mitigation to address these risks. In particular, it highlights the potential for participating Parties to the Paris Agreement to revise and update their NDCs in a manner that bridges gaps between NDC implementation periods and CORSIA

phases. This would not only mitigate uncertainties but also enhance investor confidence and foster the continuous flow of private sector investment into climate projects. Furthermore, aligning future CORSIA phases with NDC periods would help avoid similar challenges in the future.

This paper also highlights the importance of ongoing collaboration between ICAO, Host Countries, and carbon market participants, ensuring that the robust accounting principles of Article 6.2 are upheld, and that the mutual benefits of CORSIA and the Article 6 markets are fully realized. This alignment is crucial for maintaining the momentum needed to achieve the global decarbonization goals set forth in the Paris Agreement and for driving the aviation industry's contribution to these efforts.

The potential issues identified in this paper underscore the need for proactive measures and ongoing dialogue to ensure that both CORSIA and the Article 6.2 mechanisms function effectively in tandem, ultimately supporting the broader objectives of international climate policy. Whilst it is anticipated that both markets will continue to grow, this paper seeks to reinforce the benefits of further collaboration between CORSIA and the participating Parties to the Paris Agreement.

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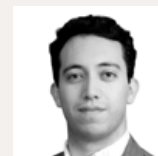


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²³ See for instance, United Nations Environment Programme (UNEP), Emissions Gap Report 2023 – Broken Record, Temperatures hit new highs, yet world fails to cut emissions (again), [EGR2023.pdf \(unep.org\)](#) (accessed 4 September 2024)



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