



# ART Approved to Supply Credits for Global Aviation's Carbon Market

ARLINGTON, VA — November 23, 2020 — The Secretariat of the [Architecture for REDD+ Transactions \(ART\)](#) is pleased to announce that national and subnational approaches to reducing forest loss have been approved as means for international aviation to achieve carbon neutral growth after 2020. This decision marks the first time that these approaches have been recognized in markets as allowable ways to achieve global climate change mitigation objectives.

ART was approved at the most recent meeting of the governing Council of the International Civil Aviation Organization (ICAO) to supply ART-issued jurisdictional forest carbon emission reductions credits to airlines for their compliance under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

ICAO is a specialized agency of the United Nations that manages the standards that govern international aviation. In 2016, ICAO approved the CORSIA as a global market-based mechanism to enable airlines to offset future emissions.

The ICAO Council decision signals an exciting milestone for protecting the world's remaining forests. Although global forest loss contributes approximately 20 percent of the increase in carbon dioxide in the atmosphere, credits from REDD+, which stands for Reducing Emissions from Deforestation and forest Degradation, have been disallowed in all major carbon markets including the U.N. Clean Development Mechanism under the Kyoto Protocol and the E.U. Emissions Trading Scheme. The CORSIA is therefore the first international regulated carbon market to approve this important category of emission reduction crediting.

*"We applaud the ICAO Council's decision to approve jurisdictional REDD+ credits from ART," said Frances Seymour, ART board chair. "Protecting and restoring tropical forests can contribute up to one-third of the climate results the world needs over the next two decades, representing a massive mitigation opportunity that needs access to private sector capital at scale. ART was designed as a Paris Agreement-aligned, fit-for-purpose crediting program that provides the assurance of integrity and safeguards that markets need."*

ICAO's approval of the use of national and subnational REDD+ credits for airlines to meet their CORSIA obligations reflects a decade of evolution of REDD+. Crediting under ART, for example, ensures that jurisdictions meet standard market requirements for robust accounting, independent third-party verification, and issuance of serialized units on a transparent registry. These requirements allow for ART credits issued for jurisdictional REDD+ to be fungible in markets with credits from other sectors and to attract finance at the scale needed to protect and restore global forest cover.

*"We commend ICAO's approval of jurisdictional and national REDD+ crediting programs that uphold the highest standards of environmental and social integrity of carbon emission reductions from the forest sector,"* stated Mario Boccucci, head of the UN-REDD Programme Secretariat. *"The UN-REDD Programme is ready to continue to support REDD countries ensure high quality and environmental integrity and provide technical assistance to meet NDCs and raise ambition."*

Airlines from 88 countries representing close to 80 percent of international air traffic have joined CORSIA's voluntary first phase between 2021 and 2026. From 2027, compliance becomes mandatory for countries with large aviation industries.

CORSIA was originally expected to reduce or offset between 2.5 and 4 billion tons of CO<sub>2</sub>-equivalent through 2035. However, reduced international flight activity in 2020 due to the COVID pandemic led the ICAO Council to adjust the CORSIA emissions baseline to be calculated using only 2019 emissions rather than averaging 2019 and 2020 emissions. This adjustment is expected to delay airlines need to purchase offsets for CORSIA compliance by three to five years, depending on the industry's COVID recovery rate.

Despite the COVID setback, the ICAO approval of greenhouse gas crediting programs and CORSIA-eligible units has been interpreted as a seal of quality by market participants. Since the first crediting programs were approved in March 2020, interest in purchasing CORSIA-eligible credits is increasing from corporate voluntary buyers outside the airline industry as a way to ensure they are investing in credible emission reductions.

*"ART was established in anticipation of catalytic private sector interest in REDD+, especially in industries with hard-to-abate emissions,"* said Mary Grady, director of the ART Secretariat. *"We welcome the surge in private sector demand for high-integrity carbon credits from over one thousand corporations that have made net-zero commitments. We hope ICAO's approval of ART provides the needed quality imprimatur for voluntary investments in REDD+ that extends beyond the global aviation sector."*