

## **Guyana Announces World's First Credits Eligible for Use by Airlines in First Phase of CORSIA**

*Guyana Makes World's First Paris Agreement Corresponding Adjustment for ART-Issued TREES Carbon Credits*

ARLINGTON, VA, 28 February 2024 – The Architecture for REDD+ Transactions (ART) issued 7.14 million 2021 vintage carbon credits to Guyana today as the Government of Guyana simultaneously announced the world's first Paris Agreement corresponding adjustment, which was authorized and reported to the United Nations Framework Convention on Climate Change (UNFCCC). The process fulfills requirements to label the credits as the world's first that are eligible for use by airlines toward their targets in the 2024-2026 phase of the International Civil Aviation Organization's (ICAO) global emission reduction program, CORSIA.<sup>1</sup> The news was first announced by the [Government of Guyana](#) and reported by [Reuters](#).

ART issued the TREES credits to Guyana for actions taken to successfully reduce emissions from forest loss and degradation and maintain one of the world's most intact tropical forests through a process known as jurisdictional REDD+. The Government of Guyana has subsequently authorized the credits to be used for a range of compliance and voluntary purposes per Article 6 of the Paris Agreement.

As a result of the authorization and reporting to the UNFCCC, Guyana's TREES credits are eligible for use by airlines to meet their compliance requirements in the first phase of CORSIA, which began on 1 January 2024. 126 countries are voluntarily participating in CORSIA's first phase, covering roughly 80% of annual emissions from the aviation sector. All participating airline operators with annual emissions over 10,000 tonnes of CO<sub>2</sub> equivalent emissions must monitor and report their emissions, and then purchase and cancel carbon credits to offset any remaining emissions that exceed a percentage of their 2019 baseline emissions.

Guyana's ICAO-eligible credits mark a significant milestone given the projections that airline operators could need access to 100-200 million credits for CORSIA's first phase from 2024 to 2026, and that ART is one of only two crediting programs to date that has received ICAO approval to supply credits for compliance in the first phase.<sup>2</sup> Guyana's authorization for the use of the credits, pursuant to Article 6 of the Paris Agreement, and its reporting of a corresponding

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<sup>1</sup> 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.

<sup>2</sup> The other is ACR.

adjustment to the UNFCCC are reflected in the credits being labelled as “CORSIA Eligible” on ART’s public registry.

While several countries have announced their intention to trade internationally transferred mitigation outcomes (ITMOs) pursuant to Article 6.2 of the Paris Agreement, Guyana has authorized the international transfer of emission reduction credits and is the first to report a corresponding adjustment to the UNFCCC. This is the official UN process to prevent double counting, which describes situations where a single greenhouse gas emission reduction or removal credit is used more than once to demonstrate compliance with international mitigation targets, such as Paris Agreement NDC or airlines’ obligations under CORSIA. Guyana’s completion of this process models a path forward for other governments using the rules that have been agreed upon to date.

“Guyana’s CORSIA-eligible issuance marks the latest milestone in a journey that we began in 2009 when we set out a vision for forging a low carbon economy in Guyana – while also building a model for the world on how tropical forests can be maintained. The ART-TREES standard, recognized by ICAO, provided the basis to build the bridge needed between forest countries’ work within the United Nations REDD+ framework and private sector buyers. Its integrity and conservatism assure buyers of scientific rigor, as well as independent verification that social and environmental safeguards are being followed,” said Dr Bharrat Jagdeo, Vice President of Guyana.

Guyana’s 2021 vintage TREES credits are available for a broad range of uses. Host country letters of authorization and corresponding adjustments are required for transactions of post-2020 vintage credits for uses specified under Article 6 of the Paris Agreement, including for transfers for use towards meeting Nationally Determined Contributions (NDCs), as well as for use by airlines towards CORSIA targets. The credits are also available for use toward voluntary corporate climate commitments, where corresponding adjustments are not required, but may be desired by some buyers.

“ART was established to unlock finance at scale for countries that successfully protect and restore their forests. We are very pleased to have worked with the Government of Guyana to help navigate the Paris Agreement and ICAO processes and achieve the issuance of the first post-2020 CORSIA eligible credits in the market,” said Mary Grady, Executive Director of ART.

ART’s Board-approved issuance of TREES credits for 2021 is Guyana’s second, following those from the 2016-2020 crediting period. The independent validation and verification process for the 2021 monitoring period was conducted by Aster Global Environmental Services, Inc., an internationally accredited environmental services company, which audited Guyana’s REDD+

results for conformance with both the carbon accounting requirements and the rigorous social and environmental safeguards of TREES.

“The ART Board congratulates Guyana on its leadership and huge amounts of hard work to get to this exciting point. We must protect the world’s remaining intact forests if we are to achieve global climate goals and by working at a country-wide level, we can truly achieve the scale needed. We hope this encourages other countries to follow Guyana’s lead,” said John Verdick, Chair of the ART Advisory Board of Directors.

In Guyana, the Low Carbon Development Strategy (LCDS) sets out the country’s vision for how to save its forests – about the size of England and Scotland combined - as part of global climate action. The forests, part of the Amazon and the Guianas Shields, have some of the world’s most important biodiversity hotspots, and store 19.5 Gt of carbon.

Indigenous peoples and local communities from all of Guyana’s regions were consulted during the development of the LCDS, which became the framework for the country’s REDD+ initiative with ART. As a result, on July 15, 2022, the National Toshaos’ Council, consisting of elected representatives of all Indigenous villages and communities in Guyana, unanimously passed a resolution endorsing the LCDS. In addition, in 2023, all villages and communities throughout the country held community meetings, and every one voted to participate in the REDD+ program and receive funds from the initial transactions.

“For us, the Indigenous people of Guyana, the forests are our lifeblood, but we have not always been rewarded for protecting them. Now, every village receives payments from the sale of carbon credits, making standing trees more valuable. That means our people can invest in development priorities that were identified by villagers themselves. Already, I can see the tangible positive impacts of carbon finance in my village and across the other communities that are part of this program,” said Toshao Derrick John, Chair of the National Toshaos’ Council.

As outlined in the LCDS, 100 percent of revenues are invested in low carbon and sustainable development priorities which were identified in the national consultation. 15 percent of the revenue from the sale of carbon credits is earmarked for investment in community-led projects as decided directly by Indigenous people and local communities. The remaining 85 percent of the revenue from the sale of carbon credits is being invested in multi-community priorities – including land titling for Indigenous villages, renewable energy, repairing canals, and protecting against climate change.

As of September 2023, all 242 Indigenous villages and communities in the country have submitted their community-designed Village Sustainability Plans and have already received funds from the initial sale of 2016-2020 TREES credits. Projects are now underway in

Indigenous communities, with results as varied as the construction of eco-lodges, the creation of watermelon farms, transportation for children and farmers, and improved public sanitation facilities.

Currently, 19 other countries and large sub-national jurisdictions are working toward their own issuances of TREES credits.

**About the Architecture for REDD+ Transactions (ART)**

The Architecture for REDD+ Transactions (ART) is a global initiative that seeks to incentivize governments to reduce emissions from deforestation and forest degradation (REDD), as well as restore forests and protect intact forests (+). Learn more at <https://www.artredd.org/>.

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