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Information to ICAO on the Paris Agreement Crediting Mechanism process and procedures

Dear Ms. Hupe,

On behalf of the Paris Agreement Crediting Mechanism (PACM) Supervisory Body (SBM), I wish to express appreciation for ICAO's engagement with the PACM in the operation of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

The PACM SBM has carefully considered the request for information regarding the ongoing operationalization of the PACM, including, *inter alia*, its emerging governance structures and procedures, including its technical expert support structure; standards for activities, methodologies, accreditation and MRV; methodological guidance and methodologies; registry functionalities and administration; and requirements for the transition of activities previously registered under the Clean Development Mechanism (CDM).

In order to assist the Technical Advisory Body (TAB) in its task of responding to the ICAO Council's information request to provide accurate, up-to-date information to the ICAO Council regarding the PACM, the SBM, with the support of the UNFCCC secretariat, has prepared the attached '*Information Note: Description of the PACM*'.

In providing this information, the PACM SBM would like to underline that as the PACM is a mechanism established by a UN body, this does not constitute an application by a programme, and should not be considered as such, or placed in consonance with other private or non-multilateral or non-UN standards. In this regard we reference the ICAO assembly resolution, adopted at its forty-first session (A-41-22, Para 20), that "***recalls its decision at the 39th Session that emissions units generated from mechanisms established under the UNFCCC and the Paris Agreement are eligible for use in CORSIA, provided that they align with decisions by the Council, with the technical contribution of TAB and CAEP, including on avoiding double counting and on eligible vintage and timeframe***".¹

¹ In addition, the information is being provided to the TAB at the request of the TAB, therefore we have removed the "Disclaimer" regarding "*any supporting evidence or clarification provided by the programme, will be made publicly available on the ICAO CORSIA website for the public to provide comments*", as this is not applicable to the information note.



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The PACM expects to deliver the first set of units from the transition projects from CDM, that meet the requirements set by the PACM SBM, and indicated that an early decision by the Council to allow these units in the CORSIA could alleviate the supply constraints faced for the first phase (2024-2026).

In its consideration of the information request by the TAB, the PACM SBM, in the spirit of collegiality would like to take this opportunity to request an exchange of information from the ICAO council and the TAB regarding the implementation and operation of CORSIA. In particular, the PACM SBM invites ICAO to consider innovations the Article 6.4 has adopted, and would be interested to hear about:

(a) Plans for the implementation of CORSIA Phase 2 (2027-2035), including for review or updates in the criteria for offset programmes in the light of implementation of Article 6 of the Paris Agreement, and whether and how such a review or update addresses the new context, where all Parties have mitigation contributions of their own, and in particular what measures are envisaged to:

- (i) Ensure that crediting levels set by independent programmes reflect increasing ambition and are aligned with the Paris Agreement;
- (ii) Ensure that programmes have adopted contain provisions that are adequate to ensure the risk of reversal of projects with risk of non-permanence is avoided, minimised and mitigated;
- (iii) Enable and encourage equitable sharing of the mitigation benefits between the ICAO purchasers and host countries; and
- (iv) Address a contribution to Adaptation from the activities of other programmes participating in CORSIA.

(b) Measures that are being taken, within the implementation of CORSIA, to address situations where airlines are relying on the use of offsets for compliance that have either (i) not been appropriately accounted for through an adjustment leading to potential double-counting, or (ii) where there are unresolved inconsistencies identified by the UNFCCC;

(c) Efforts that are being undertaken to identify and address uncertainties and constraints in the implementation of CORSIA, in particular the supply constraints being reported, including the uncertainties in participation, and the capacity constraints being experienced in countries hosting offset activities who are now subject to accounting obligations (as well as activities ICAO supports aimed at capacity building in those countries).

The PACM SBM looks forward to continued collaboration with ICAO and the TAB.

Yours sincerely,

Martin Hession
Chair, PACM Supervisory Body

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