### **Basic information**

### 2021/0204(COD)

COD - Ordinary legislative procedure (ex-codecision procedure) Decision

Notification under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

Amending Directive 2003/87/EC 2001/0245(COD)

### Subject

- 3.20.01 Air transport and air freight
- 3.20.15.02 Air transport agreements and cooperation
- 3.70.02 Atmospheric pollution, motor vehicle pollution
- 3.70.03 Climate policy, climate change, ozone layer
- 3.70.18 International and regional environment protection measures and agreements

### Legislative priorities

Joint Declaration 2021 Joint Declaration 2022 Procedure completed

### Key players

pean		

Rapporteur	Appointed
GLAVAK Sunčana (EPP)	17/09/2021
Shadow rapporteur	
BRGLEZ Milan (S&D)	
GAMON Claudia (Renew)	
EICKHOUT Bas (Greens /EFA)	
ZALEWSKA Anna (ECR)	
MODIG Silvia (The Left)	
	GLAVAK Sunčana (EPP)  Shadow rapporteur  BRGLEZ Milan (S&D)  GAMON Claudia (Renew)  EICKHOUT Bas (Greens /EFA)  ZALEWSKA Anna (ECR)

Committee for opinion	Rapporteur for opinion	Appointed	
TRAN Transport and Tourism  (Associated committee)	ZĪLE Roberts (ECR)	10/11/2021	

# Council of the European Union

## **European Commission**

Commission DG	Commissioner
Climate Action	TIMMERMANS Frans

European Economic and Social Committee

European Committee of the Regions

Key events			
Date	Event	Reference	Summary
14/07/2021	Legislative proposal published	COM(2021)0567	Summary
13/09/2021	Committee referral announced in Parliament, 1st reading		
11/11/2021	Referral to associated committees announced in Parliament		
11/05/2022	Vote in committee, 1st reading		
16/05/2022	Committee report tabled for plenary, 1st reading	A9-0145/2022	Summary
07/06/2022	Debate in Parliament	$\odot$	
08/06/2022	Decision by Parliament, 1st reading	T9-0231/2022	Summary
08/06/2022	Results of vote in Parliament		
08/06/2022	Matter referred back to the committee responsible for interinstitutional negotiations		
01/12/2022	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2022)007622	
13/12/2022	Decision by Parliament, 1st reading	T9-0428/2022	Summary
13/12/2022	Results of vote in Parliament		
19/12/2022	Act adopted by Council after Parliament's 1st reading		
18/01/2023	Final act signed		
20/01/2023	Final act published in Official Journal		

Technical information			
Procedure reference	2021/0204(COD)		
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)		
Procedure subtype	Legislation		
Legislative instrument Decision			
Amendments and repeals	Amending Directive 2003/87/EC 2001/0245(COD)		
Legal basis	Rules of Procedure EP 57_o Treaty on the Functioning of the EU TFEU 192-p1		
Other legal basis	Rules of Procedure EP 165		
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions		
Stage reached in procedure	Procedure completed		
Committee dossier	ENVI/9/06898		

Documentation gateway								
European Parliament								
Document type Co		Comn	nittee	Reference		Date	Summa	ıry
Committee draft report				PE703.136		19/01/2022		
Amendments tabled in com	nmittee			PE719.642		15/02/2022		
Committee opinion		TRA	AN	PE703.190		28/04/2022		
Committee report tabled for reading	r plenary, 1st reading/single			A9-0145/2022		16/05/2022	Summa	ıry
Text adopted by Parliamen /single reading	t, partial vote at 1st reading			T9-0231/2022		08/06/2022	Summa	ıry
Text adopted by Parliamen	t, 1st reading/single reading			T9-0428/2022		13/12/2022	Summa	ıry
Council of the EU								
Document type			Referenc	Э	Date	Э	Summary	,
Coreper letter confirming in	iterinstitutional agreement		GEDA/A/	(2022)007622	2022)007622 19/12			
Draft final act			00061/2022/LEX		18/0	18/01/2023		
European Commission								
Document type			Reference		Date	Date		,
Legislative proposal			COM(2021)0567		14/0	14/07/2021		,
Commission response to te	ext adopted in plenary		SP(2023)10		01/0	02/2023		
National parliaments					•			
Document type		Parliament /Chamber		Reference		Date	Summa	ary
Contribution		ES_PAF	RLIAMENT	COM(2021)0567		04/11/2021		
Reasoned opinion		IE_SEN	ATE	PE700.514		21/12/2021		
Other institutions and bodies								
Institution/body	Document type		Referenc	ference		Date		,
EESC	Economic and Social Commopinion, report	nittee:	CES4342	54342/2021		0/2021		
CofR	ofR Committee of the Regions: opinion		CDR4546	CDR4546/2021		28/04/2022		

Transparency							
Name	Role	Committee	Date	Interest representatives			
OETJEN Jan-Christoph	Rapporteur	ENVI	30/03/2022	GE Aviation			
OETJEN Jan-Christoph	Rapporteur	ENVI	30/03/2022	DPDHL			
OETJEN Jan-Christoph	Rapporteur	ENVI	23/03/2022	Wizz Air Hungary Limited			
OETJEN Jan-Christoph	Rapporteur	ENVI	09/03/2022	Airbus			
OETJEN Jan-Christoph	Rapporteur	ENVI	08/03/2022	Air France KLM			
OETJEN Jan-Christoph	Rapporteur	ENVI	07/03/2022	LanzaTech EU B.V			
OETJEN Jan-Christoph	Rapporteur	ENVI	17/02/2022	European Express Association			
OETJEN Jan-Christoph	Rapporteur	ENVI	09/02/2022	ACI Worldwide			
OETJEN Jan-Christoph	Rapporteur	ENVI	08/02/2022	Airlines for America			
OETJEN Jan-Christoph	Rapporteur	ENVI	03/02/2022	Bundesverband Deutsche Luftfahrtindustrie			
OETJEN Jan-Christoph	Rapporteur	ENVI	01/02/2022	Lufthansa Group			
OETJEN Jan-Christoph	Rapporteur	ENVI	01/02/2022	eFuel Alliance			

#### Final act

Decision 2023/0136 OJ L 019 20.01.2023, p. 0001

Summary

# Notification under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

2021/0204(COD) - 14/07/2021 - Legislative proposal

PURPOSE: to amending Directive 2003/87/EC (EU ETS) to phase out free emission allowances for aviation and align with the global Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

PROPOSED ACT: Decision of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Directive 2003/87/EC established an EU emissions trading system (EU ETS). It is aimed at tackling climate change by reducing greenhouse gas (GHG) emissions in a cost-effective and economically efficient way.

The European Green Deal launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. The 'European Climate Law' has made the EU's climate neutrality target by 2050 legally binding.

The Commission has presented a **complementary and interconnected set of proposals as part of the 2030 Climate and Energy 'Fit for 55'** package to achieve the greenhouse gas emission reduction target of **at least 55% compared to 1990**. This 'Fit for 55' legislative package is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies will need to make their contribution.

The 'Fit for 55' package, the Next Generation EU and the Multiannual Financial Framework for 2021-2027 will help to achieve the twin green and digital transitions that Europe is aiming for.

As part of this package, this proposal introduces an **amendment to aviation rules** in the Emissions Trading System of the European Union (EU ETS) to implement Member States' notification to EU-based airlines of the offsetting for the year 2021 under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organisation (ICAO).

CONTENT: with this proposal decision, the Commission seeks to **phase out free emission allowances for aviation** and align with the global Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) in a way that is consistent with the EU's 2030 climate objectives.

The EU ETS Directive would thus allow the CORSIA scheme to be applied to emissions from EU-based airlines for flights to and from countries outside the EEA.

The objective is to implement this notification in a manner that minimises the administrative burden of national authorities and airline operators, and provides legal certainty as regards CORSIA offsetting by airlines based in Member States.

Due to the COVID-19 pandemic, aviation CO2 emissions in the EU ETS have decreased by 64% in 2020 compared to 2019. Aviation emissions are unlikely to exceed their 2019 levels in 2021. Therefore, the additional compensation for aircraft operators is expected to be zero for the year 2021.

However, the proposed decision provides that Member States should implement the CORSIA scheme by notifying aircraft operators based in those Member States of their compensation for the year 2021 by 30 November 2022.

# Notification under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

2021/0204(COD) - 16/05/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Public Health and Food Safety adopted the report by Sunčana GLAVAK (EPP, HR) on the proposal for a decision of the European Parliament and of the Council amending Directive 2003/87/EC as regards the notification of offsetting in respect of a global market-based measure for aircraft operators based in the Union.

The proposal for a decision introduces an amendment to aviation rules in the Emissions Trading System of the European Union (EU ETS) to implement Member States' notification to EU-based airlines of the offsetting for the year 2021 under the **Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)** of the International Civil Aviation Organisation (ICAO).

Members stipulated that this decision is intended to be a **temporary measure** that only applies pending the entry into force of Directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target.

Members introduced a reference to the European Parliament's resolution of 21 October 2021 on the United Nations Climate Change Conference 2021 in Glasgow (UK) (COP26) in which the European Parliament expressed concern about the slow progress in the International Civil Aviation Organisation (ICAO) in tackling emissions from international aviation and reaffirmed, in this context, the need to regulate this sector under the EU Emissions Trading Scheme (EU ETS).

Moreover, the European Parliament called on the Commission and the Member States to do their utmost to strengthen the carbon offset and reduction scheme for international aviation (CORSIA) and to support the adoption by ICAO of a long-term emission reduction target for the sector, while preserving the Union's legislative autonomy in the implementation of the EU ETS Directive.

# Notification under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

 $2021/0204 (COD) - 08/06/2022 - Text\ adopted\ by\ Parliament,\ partial\ vote\ at\ 1st\ reading/single\ readi$ 

The European Parliament adopted by 547 votes to 44, with 45 abstentions, **amendments** of the European Parliament to the proposal for a decision of the European Parliament and of the Council amending Directive 2003/87/EC as regards the notification of offsetting in respect of a global market-based measure for aircraft operators based in the Union.

The matter was referred to the committee responsible for inter-institutional negotiations.

The proposal for a decision introduces an amendment to aviation rules in the Emissions Trading System of the European Union (EU ETS) to implement Member States' notification to EU-based airlines of the offsetting for the year 2021 under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organisation (ICAO).

ICAO CORSIA is an offset mechanism where countries should have airlines based in those countries offset CO2 emissions that exceed the relevant baseline by international credits.

Members introduced a reference to the Paris Agreement in the recitals, the European Parliament resolution of 28 November 2019 on the climate and environmental emergency, as well as to the resolution of 21 October 2021 on the United Nations Climate Change Conference 2021 in Glasgow

(COP26), in which the European Parliament expressed its concern about the slow progress within the International Civil Aviation Organisation (ICAO) in tackling emissions from international aviation and reaffirmed, in this context, the need to regulate this sector under the EU Emissions Trading Scheme (EU ETS).

Furthermore, the European Parliament called on the Commission and the Member States to do their utmost to strengthen the carbon offset and reduction scheme for international aviation (CORSIA) and to support the adoption by ICAO of a long-term emission reduction target for the sector, while preserving the Union's legislative autonomy in the implementation of the EU ETS Directive.

This Decision would be designed as a temporary measure that applies only pending the entry into force of the Directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards the contribution of aviation to the Union's economy-wide emission reduction target and implementing a global market mechanism as appropriate.

# Notification under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

2021/0204(COD) - 20/01/2023 - Final act

PURPOSE: to amend Directive 2003/87/EC on the EU Emissions Trading Scheme (EU ETS) in order to phase out free emission allowances for aviation and to align with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

LEGISLATIVE ACT: Decision (EU) 2023/136 of the European Parliament and of the Council amending Directive 2003/87/EC as regards the notification of offsetting in respect of a global market-based measure for aircraft operators based in the Union.

CONTENT: the Council adopted the decision on the **notification of CORSIA** (Carbon Offsetting and Reduction Scheme for International Aviation) **offsetting requirements**, which aims to contribute to world wide's ambitious goals towards climate neutrality.

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organization (ICAO) has been in operation since 2019 as regards the monitoring, reporting and verification of emissions, and is intended to be a globally applied market-based measure aiming to offset international aviation carbon dioxide emissions from 1 January 2021 above a fixed emissions level with certain offset credits.

The adopted decision enables Member States to fulfil their first annual obligation to notify operators based in the Union of their CORSIA offsetting requirements, in line with their international commitments in ICAO.

The decision stipulates that by 30 November 2022, Member States will notify aircraft operators that, in respect of the year 2021, their offsetting requirements of ICAO's International Standards and Recommended Practices on Environmental Protection for Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA SARPs) amount to zero.

Member States will notify aircraft operators that fulfil the following conditions:

- the aircraft operators hold an air operator certificate issued by a Member State or are registered in a Member State, including in the outermost regions, dependencies and territories of that Member State; and
- they produce annual CO2 emissions greater than 10 000 tonnes from the use of aeroplanes with a maximum certified take-off mass greater than 5 700 kg conducting flights other than those departing and arriving in the same Member State, including the outermost regions of that Member State, from 1 January 2021.

CO2 emissions from state, humanitarian, medical, military and fire-fighting flights, as well as flights preceding or following a humanitarian, medical or fire-fighting flight under certain conditions, will not be taken into account.

This decision is intended to be a purely temporary measure. It will allow Member States to honour their international commitments and fulfil their notification obligations in accordance with the rules laid down by the ICAO until new rules under the revision of the ETS for aviation are adopted by the co-legislators and transposed into Member States' law.

ENTRY INTO FORCE: 21.1.2023.

# Notification under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

2021/0204(COD) - 13/12/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 573 votes to 44, with 11 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council amending Directive 2003/87/EC as regards the notification of offsetting in respect of a global market-based measure for aircraft operators based in the Union.

The proposal for a decision introduces an amendment to aviation rules in the Emissions Trading System of the European Union (EU ETS) to implement Member States' notification to EU-based airlines of the offsetting for the year 2021 under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organisation (ICAO).

The European Parliament adopted its position at first reading under the ordinary legislative procedure.

Members introduced a reference to the Paris Agreement in the recitals, by which the parties agreed to limit the increase in global average temperature to well below 2°C above pre-industrial levels, and to continue efforts to limit the increase in temperature to 1.5°C above pre-industrial levels. This commitment was reinforced by the adoption of the Glasgow Climate Pact in November 2021, in which the Conference of the Parties agreed that the effect of climate change would be much less with a temperature increase of 1.5°C rather than 2°C and decided to continue efforts to limit temperature increase to 1.5°C.

The decision states that by 30 November 2022, Member States must notify aircraft operators that, in respect of the year 2021, their offset requirements under the ICAO International Standards and Recommended Practices on Environmental Protection relating to the Carbon Offset and Reduction Scheme for International Aviation (SARP for CORSIA) are zero.

CO2 emissions from flights preceding or following a humanitarian, medical or fire-fighting flight would not be taken into account, provided that such flights were conducted with the same aircraft and were required to accomplish the related humanitarian, medical or firefighting activities or to reposition the aircraft after those activities for its next activity.

It is noted that on 31 October 2022, ICAO determined that the Sector Growth Factor (SGF) for 2021 emissions equals zero. The SGF is a parameter of the CORSIA methodology used to calculate annual operators' offsetting requirements. Therefore, aircraft operators' additional offsetting is to be zero for the year 2021.

According to the Resolution, this Decision is intended to be a purely temporary measure that is only to apply pending the expiration of the transition period of the Directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards measures adopted by the International Civil Aviation Organisation for the monitoring, reporting and verification of aviation emissions for the purpose of implementing a global market-based measure.

In the event that the transposition period has not expired by 30 November 2023 and ICAO determines that the SGF for 2022 emissions equals zero, Member States should notify aircraft operators that their offsetting requirements in respect of the year 2022 amount to zero. If the SGF for 2022 emissions is different from zero, the Commission should be able, where appropriate, to submit a new proposal for the calculation and the notification of those offsetting requirements.