Dr. Fang Liu  
Secretary General  
International Civil Aviation Organization  
999 Robert-Bourassa Boulevard  
Montreal, Québec  
Canada H3C 5H7

Ref: AN 1/17.14 – 17/129 of 5 December 2017

Subject: Proposal for the First Edition of Annex 16, Volume IV, concerning Standards and Recommended Practices relating to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

Dear Dr. Liu,

Please, find enclosed the reply of FINLAND to the State Letter AN 1/17.14 – 17/129 on the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

Accept, Madam, the assurances of my highest consideration.

Pekka HENTTU  
Director General of Civil Aviation  
CAA FINLAND

Encl: ATTACHMENT B to State letter AN 1/17.14 – 17/129

cc. Nordic Delegation to ICAO, Montreal  
CAA Denmark, CAA Estonia, CAA Iceland, CAA Latvia, CAA Norway, CAA Sweden
RESPONSE FORM TO BE COMPLETED AND RETURNED TO ICAO TOGETHER WITH ANY COMMENTS YOU MAY HAVE ON THE PROPOSED AMENDMENTS

To: The Secretary General  
International Civil Aviation Organization  
999 Robert Bourassa Boulevard  
Montreal, Quebec  
Canada, H3C 5H7  
Email: officeenv@icao.int

FINLAND

Please make a checkmark (✓) against one option for each amendment. If you choose options “agreement with comments” or “disagreement with comments”, please provide your comments on separate sheets.

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<tr>
<th>Amendment to Annex 16 — Environmental Protection, Volume IV — Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) (Attachment A refers)</th>
<th>Agreement without comments</th>
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*“Agreement with comments” indicates that your State or organization agrees with the intent and overall thrust of the amendment proposal; the comments themselves may include, as necessary, your reservations concerning certain parts of the proposal and/or offer an alternative proposal in this regard.

Signature: [Signature]  
Date: 5 March 2018  

Pekka Henttu  
Director General of Civil Aviation
Comments

Finland appreciates the enormous efforts made by the ICAO Council with the contribution of CAEP in developing the CORSIA Package and fully supports the consensus achieved and circulated by this State Letter (AN 1/17.14 – 17/129).

While Finland has always been supportive to Europe’s ambitions for robust CORSIA rules in order to ensure CORSIA’s environmental integrity and while we recall the important concessions in order to reach a global agreement achieved by the Council, we are strongly supporting the implementation of CORSIA based on the circulated CORSIA Package.

Finland recalls the importance of the provision of the Assembly Resolution A39-3 paragraph 18, stating that a periodic review of CORSIA shall be undertaken every three years from 2022 to estimate its effectivity. Finland notes that the Environmental Technical Manual (ETM) Volume IV and the templates referenced in AN 1/17.14-17/129 should be released to the public as soon as possible as Aeroplane Operators and States need to start their preparations for implementing CORSIA. All documents which are necessary for compliance with Volume IV of Annex 16 should be made available for free to Aeroplane Operators and States.

We are aware of the many diverging views on details of the CORSIA Package and thereby we caution against any re-opening of the Package’s core elements. However, should there be requests by other States to open up the SARP for substantial changes to the current proposal, especially related to the Emission Units and Sustainability of Alternative Fuels, we would need to reconsider our support.

Only in the case of opening the CORSIA Package, initiated by other States, we are in favor of the following modifications:

In order for CORSIA to be credible and environmentally effective, the quality of the eligible Emission Units used to offset aviation emissions, including their vintages and accounting, and the sustainability of alternative fuels claimed for emission reductions are crucial. The approach where each aircraft operator only reports to a single authority is essential and (MRV) requirements should be kept as simple as possible and should be scalable to accommodate both large and small operators, whilst ensuring data integrity.

The development of robust principles and criteria applying to the production of sustainable alternative jet fuel is important to strengthening public trust and sentiment in the CORSIA. When accounting for the use of Sustainable Aviation Fuels under the CORSIA, their Sustainability Criteria are essential to ensure CORSIA’s environmental integrity. Only alternative fuels with emission reductions compared to conventional jet fuels and which do not create other negative environmental, social and economic impacts, may be eligible for claiming emissions reductions under the CORSIA. Sustainability criteria related to themes 1 and 2 are critical to ensure that alternative fuels used by aeroplane operators do not have negative climate change impacts, yet they are not sufficient to ensure overall sustainability of aviation alternative fuels. It is important that CAEP continues to review SARP’s provisions related to the use of Sustainable Aviation Fuels in the next CAEP cycles, with the objective of recommending enhanced sustainability criteria to the ICAO Council as soon as possible and, in any case, before the end of the 2023.

Emission Unit Eligibility Criteria and Sustainability Criteria for eligibility of Sustainable Aviation Fuels contained in the Implementation Elements must be legally binding without ambiguity and their integrity must be maintained for an effective functioning of the scheme.
Annex 16 Volume IV should maintain the direct references to ‘CORSIA Emission Unit Eligibility Criteria’, the list of ‘CORSIA Eligible Emission Units’ resulting from these criteria’s application, ‘CORSIA Eligibility Framework and Requirements for Sustainability Certification Schemes’, ‘CORSIA Approved Sustainability Certification Schemes’, and the ‘CORSIA Sustainability Criteria for Sustainable Aviation Fuels’. There must not be discretion or exception in their application in order to guarantee legal certainty and a level playing field between States and Aeroplane Operators. Both States and Aeroplane Operators will have to be certain that the units purchased are eligible for compliance.

Quality and environmental integrity of Emission Units is critical to CORSIA’s environmental added value and credibility. As according to the Assembly Resolution A39-3, vintages should be defined. Unit vintage eligibility is essential information for Aeroplane Operators to properly prepare for the implementation of CORSIA, otherwise there is a risk of purchasing units that may not be eligible. CORSIA has an environmental benefit compared to a scenario without CORSIA only if it leads to the generation of additional emission reductions. Thereby only emissions units that originate from projects with a start date after the CORSIA Resolution, i.e. after 31 December 2016, should be admissible under CORSIA. This date for vintage will ensure a balance between supply and demand, considering the estimated modest demand in the first years of the scheme. In line with Assembly Resolution 39-3 paragraph 20(c), the CORSIA Emissions Unit Eligibility Criteria are approved and may only be amended by the Council, with the technical contribution of CAEP. It is important that Aeroplane Operators can use any and all of the emissions units approved by the Council. Only those UNFCCC credits fulfilling CORSIA Emission Unit Eligibility Criteria shall be eligible. Emission units, including UNFCCC credits, must not be counted as contributing to the achievement of Nationally Determined Contributions under the Paris Agreement, or any other climate obligation or voluntary action. Other forms of double counting shall also be avoided. A timely decision by the ICAO Council on eligible emission units is essential to ensure a sufficient availability. It is important for Council to initiate the review and approval of emissions unit programs and project types as soon as possible. Related to offsetting requirements as defined in Part II, Chapter 3, we are concerned that 3.1.3 could be misinterpreted as implying that the voluntary participation of States relates to the application of Chapter 3 to their aeroplane operators, when it refers to the applicability of Chapter 3 to international flights to/from aerodromes in the States in question. Thereby we support clarification in this issue.

Finally, the Third Party verification in accordance with an internationally recognised standard (for example used for EU-ETS) is important as it alleviates the administrative burden on States and ensures a level-playing field. Third Party verification of emission reports ensures that offsetting obligations are accurate and the verification of reports on cancellation of emissions units ensures that offsetting obligations are fulfilled. It is important that an Aeroplane Operator may engage a verification body accredited by the State to which it is attributed to, or accredited by any State in order to ensure the sufficient availability of verifiers.