



CLIMATE
ACTION
RESERVE

To: **ALL RESERVE STAKEHOLDERS**
Date: **August 8, 2024**
Re: **PROCESS TO AVOIDING DOUBLE CLAIMING UNDER
CORSIA**

The Reserve Offset Program Manual provides processes and requirements to avoid double claiming under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) (refer to Section 2.11.2, Avoiding Double Claiming Under CORSIA). The Reserve has implemented these processes and requirements to ensure that all credits designated CORSIA-eligible are appropriately accounted for in line with international guidance and requirements. This memo clarifies the process to avoid double claiming if a host country changes the scale/scope of its authorization (including revocation).

The Reserve may identify a change in host country authorization through its ongoing reporting and reconciliation of host country reporting or through direct notification by the host country or Project Developer (as required by the Attestation of Compliance with Double-Claiming Requirements). When a change in authorization is identified the Reserve will notify the Project Developer, account holders who hold credits associated with the authorization, the host country, UNFCCC, and ICAO (International Civil Aviation Organization).

If the change in authorization results in additional credits being authorized, the Reserve will request that the Project Developer submit a *Request for CRTs to be Designated as CORSIA-eligible* form and require a revised Host Country Letter of Authorization. Once both documents are received, the appropriate credits would be designated in the registry as CORSIA-eligible and notification would be given to UNFCCC, ICAO, and the host country.

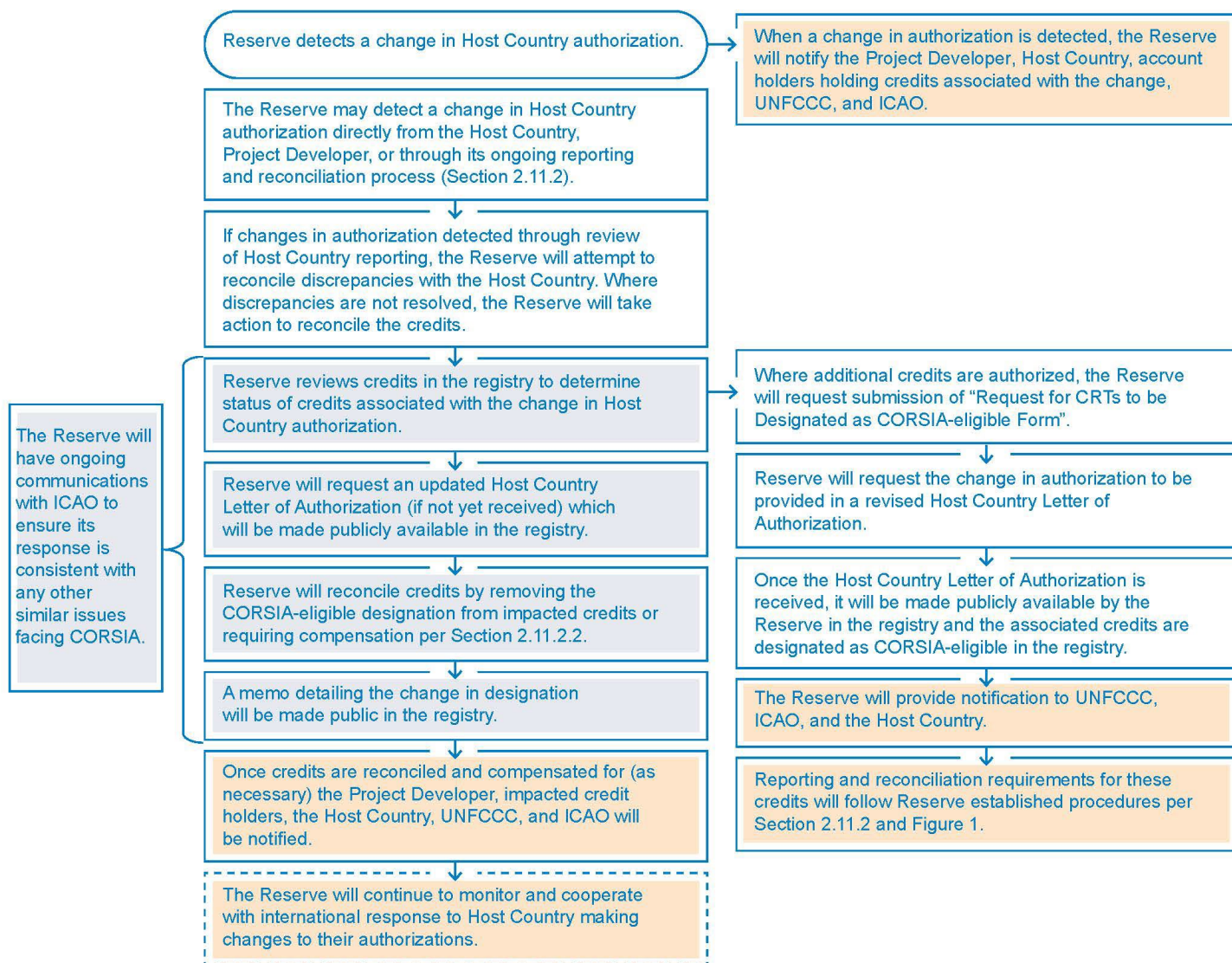
If the change results in a reduced scale/scope or if authorization is revoked, the Reserve will reconcile the credits in the registry to resolve and/or prevent double claiming. Where the Reserve has identified a change in authorization through review of host country reporting, the Reserve will attempt to work with the host country to resolve any discrepancies to ensure that a change of authorization has, in fact, occurred. Where there is no resolution (within 90 days), the Reserve will conclude the authorization has been changed and will proceed with reconciling credits in its registry.

To reconcile credits, the Reserve will review the status of credits impacted by change in authorization. If the credits have not been transacted, are held by the Project Developer, and have not been retired, the Reserve will remove the CORSIA-designation from those credits. If the credits have been transacted but not retired and there is agreement between the Project Developer and credit holder, the CORSIA-eligible designation will be removed from the credits. If there is no agreement, the credits will need to be compensated by the Project Developer, as though they are double claimed (as detailed in Section 2.11.2.2, Compensating for Double Claimed Credits). All credits impacted by a change in authorization that have already been retired are required to be compensated by the Project Developer (per Section 2.11.2.2). For all cases above, the Reserve will post a public memo on its registry detailing changes in credit designations. Once the credits are reconciled in the registry, the Project Developer, impacted credit holders, the host country, UNFCCC and ICAO will be notified.

In circumstances where there is a change in authorization, the Reserve intends to work collaboratively with all impacted parties and ICAO to ensure our response is aligned with any other similar

CORSIA related situations. We will also monitor and cooperate with international guidance resulting from frequent changes in authorizations. A figure of the process described is provided as Figure 1.

Figure 1: Chart of Process for Managing Changes in Host Country Authorizations



The Reserve will continuously monitor the status of host countries for all jurisdictions that are eligible for crediting in the Reserve’s program. In cases where a host country fails to meet the Article 6.2 participation requirements, the Reserve will monitor this status and communicate directly with UNFCCC, ICAO and the host country to determine the impacts on authorized credits. The Reserve will take action accordingly, including reconciliation of the credits as described in the process above.