



CORSIA EEUs Procurement Event for Airlines

Available on IATA Aviation Carbon Exchange

Key information:

- Starting from 28 October 2024, airlines will have the opportunity to [purchase CORSIA Phase 1 eligible emissions units from the Guyana Jurisdictional REDD+ Program](#) (hereby CORSIA EEUs) issued under the ART TREES Standard and supplied by Mercuria, the exclusive seller of the EEUs nominated by the State of Guyana. Non-aviation stakeholders will not be able to participate in this Event.
- The Event will be hosted on the IATA [Aviation Carbon Exchange \(ACE\)](#), which was developed in 2021 in partnership with [Xpansiv](#)'s CBL Markets, the largest spot exchange for environmental commodities.
- If you are not currently a participant in the IATA ACE platform, please contact ACE@Xpansiv.com to find out more information regarding how to register with ACE and how to gain access to the Procurement Event.

What to expect from the Event:

- The Guyana CORSIA EEU Procurement Event will launch on 28 October 2024, be open for 4 weeks, and close on 29 November 2024.
- Over the course of the Event, airlines will be able to submit EEU volume bids via the Bid Submission Form. At the end of the Event period, the airline will receive a notification regarding the outcome of their bid and will be required to log in to the ACE platform to confirm their bid. Successful bidders will be sent an invoice and will need to fund their ICH Account or ACE Member Participant's Market Bank Account (as applicable) with sufficient funds by 13 December 2024. **N.B.: The airline must be onboarded to ACE by the end of the Event close in order to be able to claim successful bids.**
- EEUs will be offered at a fixed price which will be announced on the Bid Submission form. There will be a Xpansiv transaction fee of USD 0.025 per tonne/CO₂ purchased to cover operational costs payable by the airline.
- The volume available in the Procurement Event is 1 million tonnes. Depending on airline demand, more volume could be made available via additional Procurement Events. All bidding will be anonymous and the CORSIA EEUs will be offered on a first-come, first-served basis.
- ACE is able to offer a first tranche of the only available CORSIA Phase 1 EEUs from Guyana. ACE plans to organise similar events in the future should further supply become available.



Event schedule:

Activities	Due date	Time - UTC
Auction Open	Monday, 28 October 2024	10:00
Buyers to submit bids via Bid Submission Form		
Buyers to be admitted as Auction Participants		
Auction Close	Friday 29 November 2024	15:00
Market Operator notifies successful buyers		
First Funding Window Opens	Monday 2 December 2024	10:00
Buyers to fund chosen payment method		
First Funding Window Closes	Friday 13 December 2024	15:00

Types of transactions available:

Airlines will be able to submit bids for the following transaction types:

- 1) **Spot** – Where issuance of the credits by ART registry has taken place.
- 2) **Forward** – Purchase of credits for future delivery or with deferred payment terms. In this scenario, the airline will be referred over to the Mercuria to enter into a bilateral agreement. When the credits are issued, payment, transfer and holdings of credits can also be done on the ACE using the same process as for spot transactions, e.g., facilitate payment and hold ART credits on behalf of the airline, ready for cancellation when requested.

What if the participating airline is not an ACE member?

- Airlines can submit bids for EEU volumes before becoming an ACE member. However, the airline must become an ACE member to be eligible to claim the volume potentially assigned to them based on their bid at the end of the Event. If the airline is not registered with the Aviation Carbon Exchange (ACE), please contact ACE@Xpansiv.com so that the ACE team can send you the application details.
- If the airline is not an ACE member when they submit their Bid Submission Form into the Procurement Event, they will be sent the ACE application form straight away to be completed ahead before the Event closes.
- The ACE registration for attending the Procurement Event will be simplified compared to the usual ACE onboarding process. An airline will not need to have an active carbon registry account. Due to this simplified registration, an airline will be only able to procure carbon credits from ART registry. If interested, an airline can choose to add more registries offered on ACE to their account at a later point in time. N.B.: [ACE onboarding is free of charge.](#)



Payment and credit transfer:

- Payment of the transactions on ACE can be completed via IATA Clearing House (ICH) or by funding the ACE Operating Account. Alternatively, if you are already a full ACE participant, your Bank of America FBO account can be used.
- Once the payment for the credits has been settled, EEU's will be held in Participant's designated CBL Market Registry Account, which is a sub-account of CBL Markets' account with ART Registry. Cancellation of the EEU's will be requested by an authorized user with authority on CBL.
- This sub-account structure means that airlines do not have to set up their own registry ART account, which would normally require a USD 10,000/year fee.
- If a participating airline wishes to set up their own registry account in ART and pay the USD 10,000 annual fee, this is also possible, and the credits will be transferred to this account upon settlement. Airline's ART account would need to be operational before an airline can participate in the Procurement Event.

Cancellation of Credits in the ART Registry:

- Participating airlines will be able to submit a request to CBL Markets to cancel the credits on their behalf at any date chosen by the airline. A cancellation template will be provided to the airline after financial settlement, to be used when required.
- Cancellation of EEU's primarily occurs for the purpose of CORSIA 1st phase (2024-2026) compliance.
- CBL Markets cancellation fees are charged at \$0.05 per tonne of EEU's.
- More information regarding cancellations on ART can be found in Section 8.4 of the ART Registry Operating Procedures located [here](#).

Once the credits are cancelled, the cancellation will be viewable on The Cancelled Credit Public report on the ART website [here](#). The information is downloadable in TXT, CSV, and PDF formats.

This contains all the required information for filling in the Emissions Unit Cancellation Report, as listed in Table A5-7 of Vol IV, Annex 16, Chicago Convention, for CORSIA Compliance.

Parties involved in the procurement Event:

The Government of Guyana – The Project issuer of the [Jurisdictional REDD credits](#)

Mercuria – The exclusive seller of the credits in the Procurement Event, nominated by the Government of Guyana

International Air Transport Association (IATA) - The provider of the ACE platform

ACE – The IATA Aviation Carbon Exchange (ACE), a centralized marketplace where airlines and other aviation stakeholders can trade CORSIA-eligible emission units and emission units for voluntary offsetting purposes

Xpansiv, CBL Markets – The market operator of the ACE platform

Project information:

EEU's are generated by the jurisdictional REDD+ Program, after independent verification that climate mitigation, as well as social and environmental outcomes have been achieved. This includes verified emissions results due to progress on combatting deforestation and forest degradation, as well as verified adherence to social and



environmental safeguards as agreed within the United Nations Framework Convention on Climate Change (UNFCCC) accounting. The specific program is part of the wider REDD+ program of the Co-operative Republic of Guyana, which follows the [TREES Standard and Methodology](#) and is registered under the [ART Program](#). The 2021 vintage credits have already been issued by ART. Project documentation, including the monitoring reports is available on ART registry via this [link](#). N.B.: The credits issued by this project meet all of the [environmental integrity criteria](#) defined by ICAO for CORSIA compliance.

Almost 85% of Guyana is covered with intact tropical forest teeming with extraordinary biodiversity. Guyana's forest covers an area of approximately 18 million hectares, larger than England and Scotland combined. It is located in two of the world's most important biomes – the Amazon Basin and the Guiana Shield, and stores over 19.5 Gt of CO₂e. Keeping it intact is critical to ensure that the carbon sequestered in the forest stays there, but also to protect its unique biodiversity, to regulate local and regional climate systems, and regulate rainfall across the entire Amazon basin.

These credits have been authorized for transfer for use under CORSIA. The government of Guyana has already reported the corresponding adjustment in its NDC reporting to the UNFCCC. This eliminates any risk of double claiming.

The Guyana Forestry Commission is responsible for the management and regulation of Guyana's State Forest Estate (Forest Act, 2009) and oversees the implementation of key technical aspects of international agreements such as REDD+ implementation. The GFC's main responsibilities are: policy implementation, sustainable forest management including conservation operations for purposes of carbon sequestration and environmental services, community forestry, and planning the effective utilization of Guyana's State Forest Resources.

The money received from the sales of EEU's is used for investment in delivering Guyana's Low Carbon Development Strategy (LCDS 2030): <https://lcds.gov.gy/>. 100% of the revenues from sales are invested in community priorities identified during the seven-month consultation that led to the LCDS. Of this, at least 15% of all EEU sales are received and managed directly by local communities who prepare Village Sustainability Plans to aid their sustainable development objectives. More information and examples can be found [here](#).

N.B.: Additional project information is contained in the document titled ***"Due Diligence Assessment on Guyana Jurisdictional REDD+ credits***



Due Diligence Assessment on Guyana Jurisdictional REDD+ credits

General description

Guyana government announced the issuance of the world's first carbon credits that are eligible for use by airlines in Phase 1 of CORSIA implementation on 28 February 2024.¹ A total of 7.14 million credits were issued by Architecture for REDD+ Transactions (ART) for conformance of ART's "TREE" standard. ART is one of two carbon crediting programs currently approved by ICAO for CORSIA Phase 1 compliance. At least 2.5 million of those credits have already been sold above a floor price of USD 20/t in late 2022, with Guyana and Mercuria making uncommitted volumes available in the Procurement Event.

Due Diligence assessment

Environmental Integrity Information on Guyana JREDD+ Tree Credits ²	
Vintage year	2021
Program registry	Architecture for REDD+ Transactions (ART) ³
Credit serial numbers	ART-GY-102-2021-11-1 to 7144362
Quantity of Credits	7,144,362
Are these emissions reductions covered by host country?	Yes
Is a corresponding adjustment required	Yes
Has a corresponding adjustment been applied? <i>* Meaning Guyana government will not claim those credits for the NDCs, neither for any other bilateral ITMO transfer with other States.</i>	Yes ⁴
Date Approved of CORSIA credits	Feb 21, 2024
Are those credits CORSIA eligible without the risk of double claiming?	Yes
Has ICAO acknowledged Guyana JREDD+ credits to be CORSIA eligible?	Yes ⁵

¹ Guyana government announcement can be found [here](#).

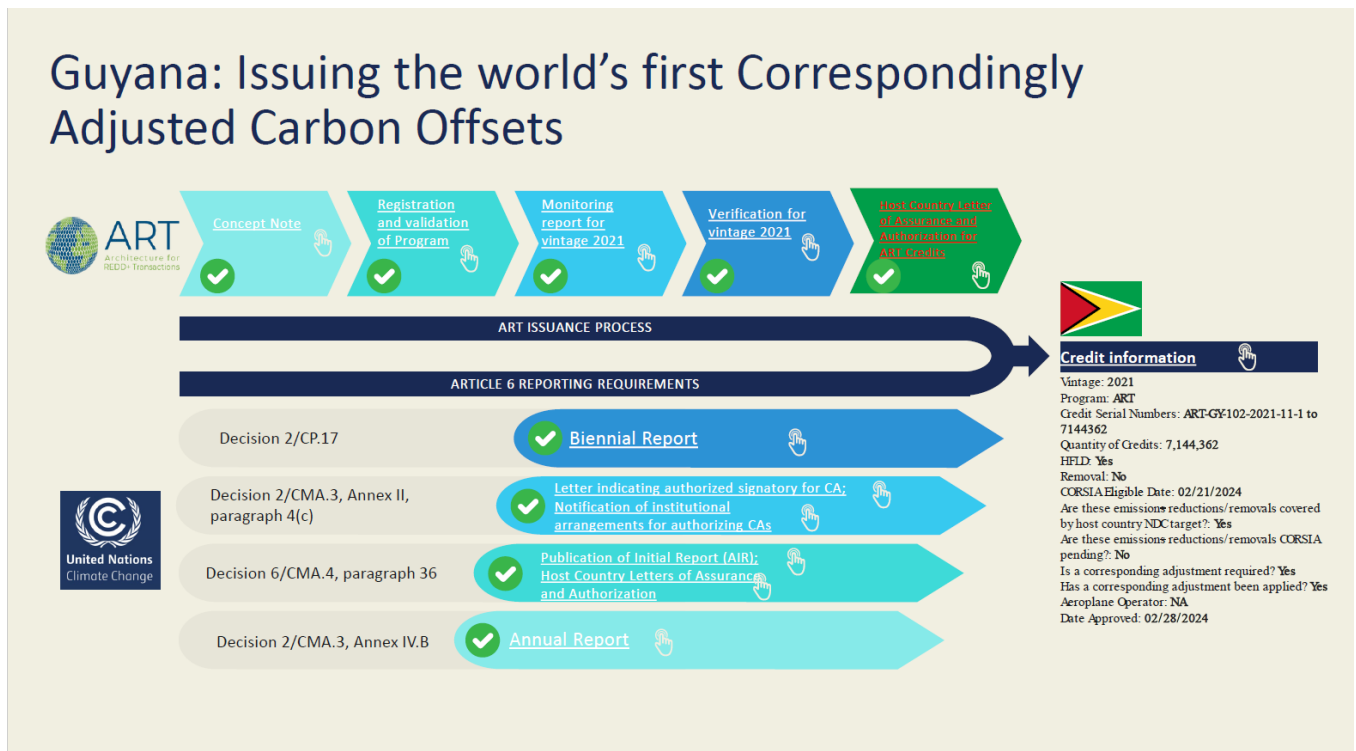
² More information on the ART program and Guyana JREDD+ credits can be found in [ART Registry](#).

³ Architecture for REDD+ Transactions (ART) has been approved by ICAO Council as one of the CORSIA eligible programs, listed in ICAO Document, titled [CORSIA Eligible Emissions Units](#).

⁴ Guyana government corresponding adjustment letter can be found [here](#).

⁵ ICAO Press Release: Guyana sets global example with quality carbon offset achievement. The Press Release can be found [here](#).

Appendix: How does Guyana conduct the corresponding adjustment



Useful links to the documents above:

Decision 2/CP.17; [Biennial Update Report](#)

Decision 2/CMA.3, Annex II, paragraph 4(c);
[Letter indicating authorized signatory for CA](#)
[Notification of institutional arrangements of authorizing CAs](#)

Decision 6/CMA.4, paragraph 36;
[Publication of Initial Report \(AIR\)](#)
[Host Country Letters of Assurance and Authorization](#)

Decision 2/CMA.3, Annex IV.B; [Annual Report](#)