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EU ETS expansion could impede international aviation climate action

The recent proposal by the European Commission to expand the scope of the European Union Emissions Trading Scheme (EU ETS) conflicts with multilateral efforts addressing the growth in aviation carbon emissions. The aviation sector urges the European Commission, Parliament and the European Council to fully support the implementation of the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which will provide much greater climate action for the global aviation sector than a regional scheme, and at the same time boost support for the international system.

The background and scope of CORSIA is important

Following years of negotiations (importantly focusing on balancing the need to deal with climate action with development priorities in emerging economies), CORSIA was adopted by the ICAO Assembly in 2016, then amended to take into account the impact of COVID-19 on the sector.

- It was the world's first global sectoral climate market-based initiative.
- Currently, 134 States have signed up to implement CORSIA from its first mandatory phase starting in 2027.
    - All European Union Member States not only supported CORSIA but were instrumental in helping to craft the rules of CORSIA, alongside European Commission staff.
    - Large emerging economies such as China, Brazil and Russia have recently shown their support.
    - A number of these are least developed countries and small island states which could be excluded, but have volunteered in a sign of climate leadership.

With **85% of the 2027-2035 emissions growth from international aviation covered under CORSIA**, alongside the support from those States above, it is a remarkable success story for multilateral cooperation which underscores the collective global action required to tackle climate change, a challenge that cannot be solved by individual countries or regions alone. Such coordinated efforts are particularly vital for international aviation.

EU ETS revision

In 2012, the EU paused the application of EU ETS on flights outside of European airspace to give time for ICAO to develop its own measure – which eventually became CORSIA. In July 2026, the European Commission presented a proposal for the revision of the economy-wide EU ETS. Included in that package was a suggestion for how to deal with aviation emissions. Alongside some positive elements such as increasing support for sustainable fuels, the main headline from the proposal is creating a lot of concern, especially how it might impact CORSIA.

Whilst not suggesting a return to the 'full scope' EU ETS, the Commission's proposal is to apply EU ETS to all States with an airport within 5,000km from Frankfurt Airport (the centre of Europe) from 2029. This will include 54 States, although when you remove least developed counties (which seem to be exempt) and States which do not currently have flights to Europe, around 30 States are impacted. Importantly, 22 of those States have volunteered for CORSIA.

Why is this a problem?

- The European Union is trying to regulate activities which sit outside its sovereign borders.
- It conflicts with routes that are covered under CORSIA, causing an issue of double-counting of emissions or requiring other countries to alter their own compliance with CORSIA.
- It is very unclear what climate test was applied to the decision for 5,000km. It seems to have been chosen based on trade, competition and political expediency rather than environmental metrics.
- With this precedent of 5,000km, there is a chance that it may be expanded further in the coming years.
- CORSIA has been built on a spirit of international trust and negotiation. It was developed precisely to avoid the patchwork of different systems emerging across the world. The EU Member States agreed this alongside their counterparts from all other States. This expansion goes against that spirit, just as CORSIA is about to enter the mandatory phase and could cause States to re-think their participation in CORSIA.

What should the European Union do with this proposal?

There will be a number of formal responses to the proposal and its details. At a high level, we urge EU Member States to build on their history of climate leadership and fully support the CORSIA framework they helped create, by:

- Applying CORSIA, as designed, to all international flights. This ensures uniform application of CORSIA globally, reinforcing multilateral action on aviation carbon emissions growth. If the EU also wishes to apply the EU ETS to intra-EU international flights, then a mechanism must be in place to ensure no double-counting of the same CO_2 emissions (an easy solution that can be factored-in to mitigation requirements).
- Ensuring that CORSIA remains the sole global mechanism applied to international flights outside the EU, as agreed in ICAO Assembly resolutions negotiated with EU Member States;
- Working constructively and with the collective international community to focus on the next stage of international aviation climate action, as we accelerate SAF deployment and opportunity everywhere in the world; and strengthening CORSIA to work towards the ICAO long-term goal of net zero carbon by the middle of the century.

Past attempts to apply the EU ETS beyond EU borders have generated significant diplomatic tensions, both at ICAO and within UNFCCC processes. Repeating a similar approach could weaken global support for CORSIA amongst countries around the world, diminish the scheme's coverage and jeopardise collective efforts to achieve the ICAO long-term goal of net-zero carbon emissions by 2050.