



WORKING PAPER

**THIRD CONFERENCE ON AVIATION AND ALTERNATIVE FUELS
(CAAF/3)**

Dubai, United Arab Emirates, 20 to 24 November 2023

Agenda Item 2: Supporting policies to promote the development and deployment of cleaner energy for aviation

Agenda Item 5: Reviewing the 2050 ICAO Vision for SAF, including LCAF and other cleaner energy for aviation, in order to define a global framework

SAUDI ARABIAN VIEWS ON THE POTENTIAL ICAO GLOBAL FRAMEWORK FOR AVIATION FUELS (LCAF, SAF, AND OTHER CLEANER ENERGIES)

(Presented by Saudi Arabia)

SUMMARY

In this working paper, Saudi Arabia addresses certain principles and elements which are essential to be considered and reflected to reach an agreement on the potential global framework that fosters the development and deployment of SAF, LCAF, and other Cleaner Energy for aviation, including but not limited to, the relation between the LTAG and the 2050 ICAO Vision for SAF, including LCAF and other Cleaner Energy for aviation, and the accounting methodologies.

The key discussion points are presented in paragraph 2. Action by the Conference is in paragraph 3.

1. INTRODUCTION

1.1 The 2nd Conference on Aviation and Alternative Fuels took place in Mexico City from 11 to 13 October 2017. The conference endorses the 2050 ICAO Vision for Sustainable Aviation Fuels as a living inspirational path and calls on States, industry and other stakeholders, for a significant proportion of conventional aviation fuels (CAF) to be substituted with sustainable aviation fuels (SAF) by 2050, for international civil aviation to reduce carbon emissions significantly, and whilst pursuing all opportunities in the basket of mitigation measures to reduce emissions as necessary (paragraph 1 of CAAF/2 Declaration).

1.2 The 41st session of ICAO Assembly resolves that ICAO and its Member States are encouraged to work together to strive to achieve a collective long-term global aspirational goal for international aviation (LTAG) of net-zero carbon emissions by 2050, in support of the Paris Agreement's temperature goal, recognizing that each State's special circumstances and respective capabilities (e.g. the level of development, maturity of aviation markets, sustainable growth of its international aviation, just transition, and national priorities of air transport development) will inform the ability of each State to contribute to the LTAG within its own national timeframe" (A41-21, paragraph 7).

1.3 The aforementioned Assembly Resolution also requests the Council to "continue to assess progress on the development and deployment of SAF, LCAF and other cleaner energy sources for aviation as part of the ICAO stocktaking process, and convene the CAAF/3 in 2023 for reviewing the 2050 ICAO Vision for SAF, including LCAF and other cleaner energy sources for aviation, in order to define a global framework in line with the No Country Left Behind (NCLB) initiative and taking into account States' national circumstances and capabilities" (paragraph 28 (f)).

1.4 While Saudi Arabia commends the work undertaken by the Council and CAEP technical input to come up with the draft for the potential global framework for SAF, LCAF, and other Cleaner Energies. Yet, the following principles, elements, and discussion points as per section 2 below should be embraced and reflected in the global framework in order to reach to a fair agreement without undermining the delicate balance of the LTAG.

2. DISCUSSIONS

2.1 Ambitious and Signal

2.1.1 ICAO, its Contracting States, and the aviation industry has been proactively addressing the reduction of CO₂ emissions. As part of these efforts, they have communicated their strong intentions to the global community over the years. In 2010, targets were set, including a 2% annual fuel efficiency goal through 2050 and the commitment to carbon-neutral growth from 2020 (CNG 2020). By 2016, CORSIA was introduced as a scheme for offsetting and reducing carbon through credits, and the CORSIA Eligible Fuels (CEF) were established. The 2022 Long-Term Aspirational Goal (LTAG) agreement, aiming for net-zero carbon emissions, stands as a significant milestone, setting the direction for the future of air transport.

2.1.2 The LTAG considers a wide range of attainability and readiness of in-sector measures including technology and innovation, operations, and aviation fuels. Bottom-up approaches, and technology agnosticism were considered to the maximum possible extent, the political well weighed the highest factor for the LTAG agreement. Delicate balance agreement was reach considering; States timeframe to reach the LTAG according to their respective national circumstances and capabilities. Implementation support including finance for the developing nations and states in need was corner stone of the LTAG agreement.

2.1.3 Saudi Arabia is of the view that the LTAG is the overarching aspirational goal for the aviation encompassing in-sector measures, including aviation fuel measures. The recent adoption of LTAG was a decisive signal to the entire industry, stakeholders, and financial

institutions. Instituting additional goals and/or targets would undeniably introduce confusion and impose an excessive burden. It is imperative to note that introducing such goals could jeopardize the meticulously crafted LTAG agreement and directly contravene its core principles.

2.1.4 It is worth mentioning that the intermediate waypoints and/or milestones proposal has been tabled in the HLM-LTAG and the 41st ICAO assembly. No consensus was reached regarding this concept. It is hereby stipulated that CAAF/3 shall not be utilized as a means to reintroduce any elements that were not agreed upon during the LTAG negotiations. As the cost of production and the feedstock still a major challenges, any specified quantities or target will be unpractical at this stage. Noting that the current production of sustainable aviation fuel (SAF) is very low, accounting for only 0.1% of the global demand.

2.1.5 Saudi Arabia sees that the 2050 ICAO vision of SAF, including LCAF and other cleaner energies is a subset of the LTAG, the potential global framework with its 4 pillars (Policy and Planning, Regulatory Framework, Implementation Support, and Financing) shall be used to develop and deploy the SAF, LCAF, and other cleaner energies, according to the principles and elements agreed on the LTAG.

2.2 **Neutrality, Agnosticism, internationally agreed sustainability criteria, and Sustainability Certification schemes**

2.2.1 The potential global framework shall be inclusive, policy neutral and technology agnostic towards all energy sources, fuel pathways, feedstocks, and technology. The life cycle analysis approach through the entire supply chain would be the methodology used to determine the carbon intensity of any potential fuels under this framework.

2.2.2 It is noted that any policies, regulations, or practices exhibiting favouritism or discrimination have the potential to channel research and development, technological advancements, innovation, and investment towards specific domains, while concurrently obstructing or limiting other areas.

2.2.3 ICAO Member States worked hardly for years to agree on the sustainability criteria for the CORSIA Eligible Fuels (CEF). These criteria shall be used as the aviation fuels criteria under this potential framework.

2.2.4 The limited number of sustainability certification schemes worldwide is evident, especially in the southern hemisphere. The propagation of a balanced schemes is essential in the development and deployment of the aviation fuels under this framework.

2.3 **Accounting Methodologies and Book and Claim**

2.3.1 ICAO and its Member States have built a robust accounting and reporting methodology under CORSIA. Furthermore, the 41st Assembly requests the Council to regularly monitor progress on the implementation of all elements of the basket of measures including fuels towards the achievement of the LTAG.

2.3.2 Saudi Arabia believes that the work on fuels accounting methodologies should be built on the existing methodologies within ICAO, i.e., CORSIA (MRV) and State Action Plans (SAPs).

2.3.3 Saudi Arabia noticed during different events and fora (e.g., Council informal consultation with financial institutions and energy companies, ICAO stocktaking, Pre-CAAF meeting, and ATAG events) that there is indication of prevalent misunderstanding and ambiguity regarding the ‘Book and Claim’ systems.

2.3.4 Saudi Arabia sees ‘Book and Claim’ systems as a form of market mechanism, such systems shall be in conformity with article 6 of Paris Agreement, In particular, the “Cooperative Approaches” and its “Internationally Transferred Mitigations Outcomes”.

2.3.5 As of today, CAAF/3 will not be able to take any decision on ‘Book and Claims’ systems beyond the exploration of these systems, study their potential benefits and impact, and what would be the potential role of ICAO in this regard, if any.

2.4 **Implementation Support**

2.4.1 Implementation support including capacity building, technology transfer, and financial support, are key elements of the LTAG agreement, and they should be implemented effectively in line with A41-21, if the LTAG to be realized.

2.4.2 While we appreciate the Secretariat ACT- SAF initiative, serious steps are needed to expand its scope to cover LCAF and other aviation cleaner energies.

2.5 **Cost Cautious and Technology Advancement**

2.5.1 A cost-cautious approach shall be exercised upon implementing the potential global framework including, inter alia, the impacts on the sustainable growth of air transport, cost impacts (including airfares and the price of SAF, LCAF and other cleaner energies). It is worth highlighting, the LTAG report shows that the incremental fuel related costs for airlines will be 1100 billion USD for low, 2700 billion USD for mid and 4000 billion USD for high aspirational goals.

2.5.2 Furthermore, some technologies considered as the most impacting on GHG reduction, i.e. atmospheric CO₂ based fuels or the use of cryogenic hydrogen, still need major developments, validation on their technical relevance and economically positive deployment.

2.6 **Developing Nations Roles and Monopoly**

2.6.1 As the Member States of ICAO have different maturity levels and starting points with regard to aviation fuels, Saudi Arabia emphasizes on the need of the potential global framework to allow the developing nations to be part of this emerging market, beyond being only suppliers to fuels feedstock. Most importantly, this framework shall avoid any unintended consequences that might lead to monopolize this emerging market by certain players.

3. **ACTION BY THE CAAF/3**

3.1 The CAAF/3 is invited to:

- a) note the content of this paper; and
- b) agree to reflect the principles and elements discussed in paragraph 2 of this working paper in the envisaged global framework for aviation fuels.

— END —