



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 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

**A STRONG, CREDIBLE CAAF/3 OUTCOME CAN BE A POWERFUL SIGNAL TO
POTENTIAL SAF INVESTORS**

(Presented by the United States)

SUMMARY

This paper presents the views of the United States with respect to outcomes for the Third Conference on Aviation and Alternative Fuels. We emphasize the importance of collaboration, and note the importance of the landmark, delicately balanced compromises of the 41st Assembly of ICAO in guiding the aviation sector towards achieving a net zero future.

Action by the Conference is in paragraph 6.

1. INTRODUCTION

1.1 The United States has long been a proponent of sustainable aviation fuels (SAF) and other cleaner energies, and we support international outcomes that encourage the development and deployment of these fuels around the world.

1.2 This Conference provides an opportunity for Member States to send a clear signal to the public about the important role that sustainable aviation fuel and other cleaner energies will play in decarbonizing the aviation system over the next few decades.

1.3 A strong, credible signal from CAAF/3, alongside other policy signals, would help to unlock private sector financing at scale, which is key to the development and deployment of SAF globally.

1.4 The following paragraphs detail key considerations as Member States contemplate the outcome for CAAF/3.

2. THE ASSEMBLY'S GUIDANCE FOR THIS TRIENNIUM

2.1 The Assembly is the highest governing body of the International Civil Aviation Organization (ICAO), with ultimate decision-making authority binding the work undertaken by ICAO's subsidiary bodies during each triennium.

2.2 The 41st ICAO Assembly in September 2022 resulted in landmark agreements on aviation and the environment.

2.3 By coming together in a spirit of compromise, Member States renewed their commitment to ICAO's flagship emissions reduction program, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), and agreed 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 will inform the ability of each State to contribute to the LTAG within its own national timeframe. These outcomes were broadly celebrated and supported by Member States in attendance at the Assembly.

2.4 The text of these Assembly Resolutions must guide the Third Conference on Aviation and Alternative Fuels (CAAF/3) both because they represent the perspectives of high-level policymakers from across the international community and because only the Assembly has the authority to task the ICAO Council and ICAO conferences. While the text of the Resolutions must guide the outcomes of CAAF/3, the United States also hopes the spirit of collaboration and collective urgency that achieved those outcomes will also help guide the process for CAAF/3.

3. PROGRESS TOWARDS THE LTAG

3.1 ICAO relies on the confidence of its Member States, industry, global civil society, and the public at large for its continued legitimacy as an international organization. Confidence in ICAO exists so long as the institution can address the key challenges facing the international civil aviation sector.

3.2 To maintain its legitimacy now and for the foreseeable future, ICAO must demonstrate that it can effectively address aviation's climate impact. If Member States, industry, or the public perceive that ICAO cannot or will not act effectively to address aviation's climate impact, other institutions will step into the perceived vacuum and make policy, and these policies may lead to a fractured and disharmonized global aviation sector.

3.3 According to analyses conducted by ICAO's experts in the Committee for Aviation Environmental Protection (CAEP), as well as numerous other analyses from industry and civil society, cleaner fuels and in particular high-integrity sustainable aviation fuels (SAF) will provide the majority of the emissions reductions in any credible scenario in which the industry achieves the LTAG.

3.4 Thus, ICAO policy on SAF is critical for both the long-term success of the organization and for progressing toward the LTAG.

3.5 As such, the United States believes it is important that ICAO use the opportunity at CAAF/3 to define a framework to guide Member States and industry toward achieving the LTAG.

3.6 To maximize that opportunity, the United States seeks CAAF/3 outcomes that will foster an increase in the production and uptake of cleaner aviation fuels, in particular SAF. At the same time, we also seek to avoid outcomes that will inhibit the sector's progress towards achieving the same.

3.7 Additionally, it will be important to be able to measure the industry's progress towards SAF adoption through metrics that accurately track carbon emissions and include all cleaner energies. We believe that carbon intensity of the global fuel pool is one such metric. By aligning quantitative figures for the adoption of cleaner energy fuels with the work done by CAEP in its feasibility report on the long-term aspirational goal, ICAO would appropriately balance ambition and achievability.

4. FINANCE

4.1 On the specific topic of finance, the United States believes that the Assembly's direction is key. The guiding text is found in paragraphs 18(a) and 18(b) of Assembly Resolution A41-21.

4.2 In paragraph 18(a), the Assembly requested the ICAO Council to undertake three specific, limited tasks. First, it called on the Council to "initiate specific measures or mechanisms so as to facilitate, in particular for developing countries and States having particular needs, better access to private investment capacities." Second, the Assembly instructed the Council to "initiate specific measures or mechanisms so as to facilitate" "funding from financial institutions, such as development banks." Finally, in paragraph 18(a), the Assembly also instructed the Council to "encourage new and additional funding to this purpose."

4.3 Additionally, in paragraph 18(b), the Assembly instructed the Council to "further consider the establishment of a climate finance initiative or funding mechanism under ICAO, while addressing the possible financial, institutional and legal challenges, and **report** to the 42nd Session of the ICAO Assembly." (Emphasis added.)

4.4 The United States believes that finance is instrumental to aviation's decarbonization. Indeed, every analysis notes a significant cost to the sector to plan and build the necessary cleaner energy facilities. However, it is also clear from Resolution A41-21 that ICAO's role here is primarily to facilitate needed investment. To the extent that there is a larger role for ICAO to play, we look forward to supporting the Council in developing a report to the Assembly in line with the specific request from A41-21 paragraph 18(b).

5. COLLABORATION

5.1 While A41-21 paragraph 18 discusses ICAO's role in finance, that paragraph also highlights the need for significant collaboration and capacity building among Member States and with industry.

5.2 The United States firmly believes that all Member States should participate in the transition to alternative fuels, and that no country should be left behind. We believe Member States should support other Member States through assistance, capacity building, and training programs, both internationally coordinated through ICAO's ACT-SAF and through bilateral, regional, and other relevant relationships.

The United States is undertaking an effort to study supply chains in partner countries around the world and develop the necessary expertise locally in Sub-Saharan Africa, Southeast Asia, Latin America, and the Caribbean. We believe our program will provide meaningful, long-term benefits, and we hope to be able to expand our program soon.

5.3 The establishment of a meaningful framework to guide the necessary investments and domestic policy measures will enable all Member States to benefit from the growing SAF industry. Working with the direction from the Assembly, the United States welcomes a renewed collaborative spirit in the hopes of an outcome at CAAF/3 that will benefit Member States and their industries.

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

6.1 The CAAF/3 is invited to:

- a) acknowledge the importance of adhering to the delicately balanced Assembly resolutions on aviation and climate;
- b) work together in a spirit of collaboration and compromise to tackle the significant global challenge of climate change; and
- c) adopt a global vision for SAF, LCAF, and other aviation cleaner energies that will support and encourage private sector investment in these technologies.

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