

Opening Remarks by the President of the ICAO Council, Dr. Olumuyiwa Bernard Aliu to the ICAO Seminar on Alternative Fuels

(Montreal, 8 February 2017)

Good morning Ladies and Gentlemen.

It's my great pleasure to open this first important environmental event at ICAO since our landmark 39th Assembly last October, and to be joining you all in helping to generate further momentum on our shared climate change objectives.

As many of you will be aware, ICAO and its Member States, in close partnership with industry groups, are very actively addressing CO₂ emissions from international aviation, through a basket of measures.

This work is focused on sustainable alternative fuels, technology improvements including development of the first ICAO CO₂ standard for aircraft emissions, streamlined operating procedures such as enhanced Air Traffic Flow Management (ATFM), and more recently the landmark agreement we achieved on a market-based measure (MBM) known as the Carbon Offsetting and Reduction Scheme for International Aviation, or 'CORSIA', an MBM solution which makes ours the very first industry sector committed to a global emissions offsetting regime.

However while today's commercial aircraft may be 80 per cent more fuel efficient and 75 per cent quieter than the first commercial jets, we must also keep in mind that the fuel efficiency improvements achieved, whether through new technologies or more efficient flight procedures, will likely not be enough to keep up with projected traffic growth.

More must be done, and sustainable alternative fuels are now poised to make important contributions with respect to near-term gains. We will therefore be focusing greater attention this year on policies to enhance the use of alternative fuels.

Despite various initiatives under way on electrically-powered smaller aircraft and other propulsion innovations, commercial aircraft remain reliant on liquid fuels with very high energy density for the time being.

This helps us to understand why sustainable alternative fuels will be so important to our broader emissions goals over the coming years, and to explain the many related achievements and technological breakthroughs which have taken place.

But before reviewing with you some current and future developments in aviation biofuels, let me please take a moment to recall that the very first commercial flight powered by alternative fuels took place in 2008.

Since that pioneering accomplishment, the continuous progress in alternative jet fuel use has clearly established their technical feasibility and enormous potential. Their overall practicality is only made more apparent when we further appreciate that biofuel solutions require <u>no</u> modifications whatsoever to current aircraft engines, nor to airport fuelling infrastructure.

But while the technological feasibility of alternative jet fuels may be fully proven, barriers to large-scale deployment remain. The most significant challenge restricting their demand continues to be the price gap with conventional fuels, which in turn limits investment in the new refineries needed to scale up production. This is precisely the sort of negative cycle we must work to reverse.

A possible solution to this impasse would be to encourage long-term agreements between airlines and biofuel producers, in order to assure continuous demand and sufficient supply. Incentive schemes and amendments to national energy policies might also improve the competitiveness of biofuels, and their sustainable, commercial-scale deployment.

ICAO's Committee on Aviation Environmental Protection (CAEP) has been hard at work on future projections in alternative fuels production, and their life-cycle environmental benefits. The accounting methodology of these benefits will also be incorporated into the eventual Monitoring, Reporting and Verification (MRV) system for the CORSIA.

The CAEP will be submitting its MRV proposals shortly, and these will be considered for adoption by the ICAO Council later this year.

ICAO has also launched a study to compare the effectiveness of different policy instruments to incentivize the commercialization of aviation biofuels, and this will provide helpful support to a growing number of countries with respect to the adoption of their renewable energy policies.

During this two-day Seminar, you will have much to review within the state of worldwide activities in this domain, and your discussions will be instrumental to ICAO's High-level Conference on Aviation Alternative Fuels which will be convened in Mexico City from 11 to 13 October 2017.

It is my hope that this seminar will take us a step closer to realizing the full benefits that sustainable alternative fuels offer. With that, I wish you all a very productive and engaging Seminar.

Thank you.