

Possible CAAF/3 outcomes for consideration by pre-CAAF/3 consultation

(Montréal, Canada, 25 to 26 September 2023)

1. The draft document on possible CAAF/3 outcomes, provided in the Appendix, aims to help facilitate discussions in the pre-CAAF/3 outcomes consultation event, by providing a draft structure and ideas for the ICAO global framework, which States and Organizations can consider and provide their views.

2. This draft document is a work-in-progress and has been developed in the course of discussions by the Small Group for Preparations of CAAF/3, under the Climate and Environment Committee (CEC) of the ICAO Council. Substantial progress has been made in developing concepts across each of the four building blocks: policy and planning; regulatory framework; implementation support; and financing, and the Small Group has worked to identify as much common ground on these concepts as possible.

3. This draft document should not be considered as settled or agreed ‘text’, nor should it be seen to represent the views of States in the Small Group, either individually or collectively. It is simply a reflection of where the Small Group discussions have reached at the end of August 2023.

4. There are still some areas of the global framework where members of the Small Group have significant divergence of views. Broadly, the key points of differences, highlighted in the Appendix, centre around:

- a Vision for aviation cleaner energies (Paragraphs 1-3 of the Appendix);
- accounting methodologies for aviation cleaner energies (Paragraphs 14-15 of the Appendix); and
- financing for aviation cleaner energies (Paragraphs 25-39 of the Appendix).

5. More specifically, and to provide further context for this draft document, the following points reflect the views that some members of the Small Group have expressed, at this point in time, about the draft document in the Appendix:

- There is a key linkage between elements in Block 1 (policy and planning) and Block 4 (financing) and the current document does not provide an appropriate balance between these blocks;
- There are views that, whilst there have been some preliminary discussions on Block 4 (financing), further work needs to be done, including to identify means to support access to affordable financing; the necessary levels of financing/funding to support scale-up efforts; and articulate the role ICAO can play in supporting these efforts. To this end, some members have suggested language on the importance of consistency with broader multilateral climate finance efforts and commitments, particularly in the UNFCCC, which would need to be carefully considered. Further, there are also views that greater ambition is needed in Block 1 in order to make the elements in Block 4 agreeable.
- Whilst some text has been drafted on a Vision (Paragraphs 1-3), there has been no discussion of the potential quantification and measurement such a Vision, and further discussion is needed including discussion of the technical inputs provided by ICAO Committee on Aviation Environmental Protection (CAEP);
- Accounting methodologies for aviation cleaner energies (Paragraphs 14-15) also need further discussion including the technical inputs provided by CAEP;
- The global framework, particularly under the policy section in Block 1, should include further consideration of cost impacts, including airfares and fuel prices (both for SAF, LCAF and cleaner energies, and conventional fuels);
- The global framework, particularly Block 1, should include and/or better articulate the breadth of the challenges to the global scale-up of SAF, LCAF and other cleaner energies;

- Further language is needed with respect to the policy ‘toolkit’, mentioned in Blocks 1 and 3, to clarify that there is no specific endorsement of these policies or practices that is not in line with the principles and concepts laid down in the global framework; and
- The global framework needs to demonstrate greater ambition to provide a strong signal to stakeholders, particularly those in the financing community and outside the sector.

6. As per the State Letter (ENV 9/1-23/58), this draft document is made available on the ICAO website, in order to give participants of the pre-CAAF/3 outcomes consultation event sufficient time to properly consider the material ahead of the event on 25 to 26 September 2023. States/Organizations can provide views and inputs in the form of “submissions” by 19 September 2023, which will also be posted on the website to inform the event participants in a transparent way.

APPENDIX

ICAO Global Framework for SAF, LCAF and other Aviation Cleaner Energies

Scene-setting paragraphs:

- The 41st Session of the Assembly resolved under Resolution A41-21, paragraph 7 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”.
- Assembly Resolution A41-21, paragraph 8 further recognizes that “the LTAG is a collective global aspirational goal, and it does not attribute specific obligations or commitments in the form of emissions reduction goals to individual States, and urges each State to contribute to achieving the goal in a socially, economically and environmentally sustainable manner and in accordance with national circumstances”.
- Assembly Resolution A41-21, 17th preamble “recalls the UNFCCC and the Paris Agreement and acknowledges its principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances”.
- Assembly Resolution A41-21, 18th preamble “also acknowledges the principles of non-discrimination and equal and fair opportunities to develop international aviation set forth in the Chicago Convention”.
- Achieving the LTAG requires a comprehensive approach consisting of a basket of measures, including technology, sustainable fuels, operational improvements, and market-based measures. Sustainable Aviation Fuels (SAF), Lower Carbon Aviation Fuels (LCAF) and other aviation cleaner energies are expected to have the largest contribution to aviation CO₂ emissions reduction by 2050 and, whilst there are increasing initiatives to develop and deploy these fuels, current production levels of these fuels are still extremely low at only 0.2 per cent of all aviation fuel use.
- Accordingly, there is a need for urgent global action to accelerate the global scale up of SAF, LCAF and other aviation cleaner energies in order to achieve the LTAG and thus provide ICAO’s continuous leadership in addressing emissions from international aviation.
- The Assembly Resolution A41-21, paragraph 28. f) requested to “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 national circumstances and capabilities”.
- There is significant potential for States to economically, socially and environmentally contribute to, and benefit from, the value chain for the development, production and deployment of SAF, LCAF and other aviation cleaner energies, including as new economic streams and alternative sources for the energy security.

- SAF, LCAF and other aviation cleaner energies need to be developed and deployed in an economically feasible, cost-effective and socially and environmentally acceptable manner and in accordance with national circumstances.
- Means of implementation commensurate to the level of ambition, including financing, will promote the achievement of the LTAG and, by extension, the development and deployment of SAF, LCAF and other aviation cleaner energies.
- ICAO, through the ICAO Council Industry Consultative Forum; the ICAO Council's dialogues with energy and financial institutions; and the 2023 ICAO Stocktaking on Aviation in Sector CO₂ Emissions Reductions, have heard the industry calls to help reduce risk and attract investment by providing greater regulatory certainty governing SAF, LCAF and other aviation cleaner energies and better access to financing, and by establishing better collaboration and coordination between all stakeholders.
- The production of SAF, LCAF and other aviation cleaner energies is currently concentrated in a small number of States. The global framework intends to emphasize the benefits for States and ICAO in working toward the decentralization of such fuel production across all States and regions, providing a fair and equal opportunity to participate across the value chain, from feedstock to fuel production and use.
- No single fuel source will be produced at a level necessary to achieve the LTAG. Accordingly, the global framework needs to be flexible and not exclude any particular fuel source, pathway, feedstock or technology that meets the CORSIA agreed criteria.

Connecting Paragraphs

- The role of this global framework is to facilitate the global scale-up of SAF, LCAF and other aviation cleaner energies by providing greater clarity, consistency and predictability to all stakeholders, including those beyond the aviation sector, on the policies, regulations, implementation support, and financing and investments required, to ensure all States have equal opportunities to contribute to, and benefit from, the expected emissions reductions from such aviation cleaner energies.
- The global framework is built across four building blocks: policy and planning; regulatory frameworks; implementation support; and financing. These building blocks are interconnected and need to advance and work together to achieve their intended purpose.

Building Block #1 – Policy and Planning:

[Drafting note: The text in Paragraphs 1-3 and Box 1 below is included as a placeholder for an ICAO Vision as a potential element of the global framework in line with A41-21 para 28(f) and the CAAF/2 declaration. In light of the sensitivities of this topic, it is provided and square-bracketed to help prepare and facilitate a discussion on the potential inclusion of such an element but should not be read as pre-empting or pre-judging the outcome of those discussions.]

1. ICAO and its Member States will work together to strive to achieve a Vision for SAF, LCAF and other aviation cleaner energies (the Vision) for international aviation of x.
2. This Vision is intended to focus and align all stakeholders toward a collective global ambition to globally scale-up SAF, LCAF and other aviation cleaner energies. It recognizes that sustainable fuels are expected to have the largest contribution to aviation CO₂ emissions reductions in the ‘basket of measures’ to achieve the LTAG.
3. Each State’s special circumstances and respective capabilities will inform the ability of each State to contribute to the Vision within its own national timeframe, and it does not attribute specific obligations or commitments in the form of emissions reduction goals to individual States.

Box 1: Draft basis for consideration and potential quantification and measurement of a Vision

The Vision should (in no particular order):

- i enable the increased production and supply of SAF, LCAF and other aviation cleaner energies across all regions.
 - ii be attainable and feasible.
 - iii be ambitious, in order to send a positive market signal to induce demand, trigger supply and attract significant additional investment, taking into account special circumstances and respective capabilities of States.
 - iv be flexible.
 - v not negatively impact the growth of air transport, especially in developing countries.
 - vi avoid market distortion.
 - vii be supported by the appropriate means of implementation.
 - viii not exclude any particular fuel source, pathway, feedstock or technology, as long as it meets the CORSIA sustainability criteria.
 - ix take account of the projections included in the LTAG report and subsequent analysis by CAEP.
 - x note national fuel-related emissions reduction goals and roadmaps by States and any other industry commitments.
 - xi not give rise to any mandatory measures to achieve this Vision and the objective of this framework.]
4. States are encouraged to implement policies in support of the Vision, in a socially, economically and environmentally sustainable manner and in accordance with their special circumstances and respective capabilities.
 5. In developing these policies, States are invited to consider the usefulness and benefits of the non-exhaustive and non-prescriptive list of potential policy components contained within the ‘toolkit’ in

paragraph 17 below, noting that ICAO guidance provides further detail on these potential policy components.

6. In developing and implementing their policies, States are encouraged to recognize:
 - a) the need for, and benefits of, a combination of policies under a coherent and coordinated national plan for the scale-up in production and deployment of SAF, LCAF and other aviation cleaner energies, noting that no one single policy is likely to deliver the best and most efficient outcomes and that the appropriate policy-mix will differ between States due to different national circumstances;
 - b) the importance of the policy's transparency, certainty and stability, for aircraft operators, feedstock producers, fuel producers, financial institutions and other relevant stakeholders; and
 - c) the need for policies to be applied in accordance with the Chicago Convention and its relevant instruments and any appropriate bilateral and multilateral agreements in place between States, with particular regard for the fundamental principles of non-discrimination, fair and equal opportunity and the avoidance of market distortion.

7. States are encouraged to work together towards the harmonization of policies, to the extent possible and appropriate to circumstances, across States and regions as a longer-term objective.

8. The Vision is a collaborative effort with action required from different stakeholders, and States are to encourage relevant stakeholders (i.e. aircraft operators, airports, aircraft and engine manufactures, fuel producers, ICAO's approved Sustainability Certification Schemes, and fuel standards bodies) to plan, develop and implement their own actions to help achieve the Vision, as appropriate, including:
 - a) *Aircraft operators* to prioritize the signing of purchase agreements for SAF, LCAF and other aviation cleaner energies; facilitate access to travelers, air cargo shippers and businesses who wish to voluntarily reduce their air travel footprint through access to the purchase of SAF, LCAF and other cleaner fuels; and implement measures to increase SAF compatibility within their fleets;
 - b) *Airports* to plan and deliver changes in airport infrastructure necessary to ensure efficient supply and access to drop-in fuels and, in collaboration with aircraft operators, fuel producers and other stakeholders, explore innovative ways to share the cost of such infrastructure changes across the value chain;
 - c) *Aircraft and engine manufactures* to accelerate work to ensure 100 per cent SAF compatibility is feasible in new, in-production and existing aircraft, as soon as it is considered safe to do so and in line with their announced commitments, and innovate to understand and maximize the opportunities offered by other cleaner energy sources in the longer term;
 - d) *Fuel producers* to prioritize innovation and investment into SAF, LCAF and other aviation cleaner energies and demonstrate technological readiness, scalability and sustainability of these fuels in line with the CORSIA requirements;

- e) *ICAO's approved Sustainability Certification Schemes* to accelerate the sustainability certification of qualifying SAF, LCAF and other aviation cleaner energies in line with the CORSIA requirements; and
 - f) *Fuel standards bodies*, particularly ASTM, to work with all stakeholders to accelerate the certification and approval of additional fuel production pathways.
9. States are encouraged to include their respective policies, actions and roadmaps for the development and deployment of SAF, LCAF and other aviation cleaner energies, in their State Action Plans, and where possible, to:
- a) identify resources, capacity and other factors (e.g. capacity assistance and access to technology) required;
 - b) help ICAO to tailor capacity building and implementation support measures, including facilitating access to financing and funding, in line with the State's needs; and
 - c) to quantify their Plans, to support ICAO's work in monitoring progress towards achieving the LTAG.
10. The implementation of the global framework should be continually monitored and periodically reviewed, including through annual ICAO stocktaking, and the convening of CAAF/4. This ensures regular evaluation of:
- a) progress on emissions reductions from SAF, LCAF and other aviation cleaner energies toward the achievement of the LTAG, including through the gathering, compiling and analyzing, by ICAO, of actions undertaken by States according to their State Action Plans and other relevant State reporting mechanisms;
 - b) progress on means of implementation support, including financing, provided to achieve the emissions reductions from SAF, LCAF and other aviation cleaner energies toward the achievement of the LTAG, including through the gathering, compiling and analyzing, by ICAO, of actions undertaken by States, industry, and other stakeholders; and
 - c) impacts on the sustainable growth of the aviation industry, cost impacts (including airfares and the price of SAF, LCAF and other cleaner energies), and the maintenance of fair and equal opportunities for the development and deployment of SAF, LCAF and other aviation cleaner energies.

Building Block #2 – Regulatory Framework:

11. In the interests of providing regulatory transparency, certainty, stability and assurances of environmental integrity to feedstock producers, fuels producers and financial institutions, the CORSIA sustainability criteria, sustainability certification, and the methodology for the assessment of life cycle emissions used for 'CORSIA eligible fuels', should be used as the accepted basis for the eligibility of sustainable fuels used in international aviation.

12. ICAO, States and industry are encouraged to enhance efforts to increase the number of ICAO approved Sustainability Certification Schemes, in all regions, to accelerate the sustainability certification of qualifying SAF, LCAF and other aviation cleaner energies in line with the CORSIA requirements, without excluding any particular fuel source, pathway, feedstock or technology.
13. ICAO, States, industry and other relevant stakeholders are encouraged to work with fuel standards bodies, such as ASTM, to accelerate the certification of additional fuel production pathways, with a view to maximizing the number of certified sources of SAF, LCAF and other aviation cleaner energies.
14. Recognizing that the environmental benefits of sustainable fuels are already being traded across a virtual marketplace, including *inter alia*, so-called ‘book and claim’ concepts, it is important to consider if existing accounting methodologies on the use of SAF, LCAF and other aviation cleaner energies for international aviation can provide confidence in the use of such fuels and the claim of their environmental benefits by aeroplane operators. These accounting methodologies should take into account the following:

[subject to further discussion of CAEP technical inputs]
15. Using above, ICAO should study, with technical contributions of CAEP and other relevant stakeholders, the need and potential benefits of harmonizing fuel accounting methodologies for international aviation, noting that these methodologies could also help support the monitoring of progress towards the achievement of the LTAG.

Building Block #3 – Implementation Support

16. All States should have access to the means to participate across all stages of the development and deployment of SAF, LCAF and other aviation cleaner energies, and all States and regions are encouraged to work together in a spirit of solidarity to ensure there is a truly global effort to contribute to, and benefit from, the work to reduce emissions from such aviation cleaner energies.
17. The global scale-up in production of SAF, LCAF and other aviation cleaner energies requires a robust and substantial capacity-building and implementation support programme. States, ICAO, industry, academia and other relevant stakeholders are encouraged to work together to deliver such a programme that:
 - a) recognizes the need for tailored support to account for the various stages of readiness and different circumstances across States and regions;
 - b) facilitates partnerships, alliances and cooperation between States and all relevant stakeholders, including regional collaborations that may result in regional solutions that produce fuels efficiently;
 - c) includes exchange of information, sharing of best practices and technological developments among States, for which ICAO should provide a platform to facilitate this exchange and track progress;
 - d) supports States in their planning, development and implementation of national and regional policies that can be applied across all stages of fuel supply-chain, including the following

potential policy components that form part of a non-exhaustive ‘toolkit’ (referred to paragraphs 5 and 6 above):

Box 2: ‘Toolkit’ of potential components for national policies

- i. foster multi-stakeholder partnerships, alliances and cooperation, including with (as appropriate) aeroplane operators, airports, aircraft and engine manufacturers, energy producers and financial institutions.
 - ii. government incentives, including loans, grants, tax credits, regulatory support and other mechanisms for:
 - research and development, including determination of the technology readiness level.
 - sourcing of potential feedstock.
 - development and acceleration of feedstock production.
 - development and acceleration of fuel production.
 - iii. targets and/or mandates for:
 - emissions reduction levels.
 - uptake of SAF, LCAF and other aviation cleaner energies.
 - fuel blending levels.
 - iv. where beneficial, identify SAF, LCAF and other aviation cleaner energies as priorities for financing for economy-wide decarbonization efforts.
 - v. promote increasing the number of ICAO approved Sustainability Certification Schemes for SAF, LCAF and other aviation cleaner energies.
 - vi. promote feasibility studies for potential SAF, LCAF and other cleaner energy pathways.
 - vii. promote necessary changes in airport and energy supply infrastructure.
 - viii. promote the use of Public Private Partnerships to deliver SAF and LCAF projects.
- e) regularly updates the ICAO detailed guidance on the ‘policy toolkit’ and the ‘Rules of Thumb’, where applicable, to estimate the costs, investment needs and production potentials, to help inform States’ consideration of the selection of national and regional policies that are appropriate to their circumstances;
- f) supports the delivery, in a continuum, of feasibility studies, pilot projects, and ‘proof of concept’ plans, which may facilitate access to investment for their implementation;
- g) develops and provides training to enhance State’s awareness and readiness, as well as to support the SAF and LCAF project’s readiness to attract investment, including training on financial aspects of project development, financial planning and investment promotion; and
- h) assists in the development of relevant aspects of State Action Plans and roadmaps, including ICAO guidance and tools, and State-to-State support partnerships, noting that State Actions Plans may also include information on specific assistance needs for the implementation of measures to reduce aviation CO₂ emissions, which may facilitate access to investment and technology.
18. Access to technology is imperative for States to contribute to, and benefit from, cleaner energy development and deployment. Accordingly, States and industry are urged to promote and facilitate the

voluntary and effective transfer of technology, in particular to developing countries and States with particular needs, in line with the *No Country Left Behind* (NCLB) initiative and noting the global benefits that come from increasing the supply of cleaner energy.

19. The ICAO capacity-building and implementation support should be delivered in an efficient, effective and coordinated manner under the ‘one-ICAO’ approach, incorporating support for all stages of SAF, LCAF and other aviation cleaner energies development and deployment, and building upon the success of the ACT-CORSIA and ACT-SAF programmes. States are also encouraged to develop specific projects under the ICAO Technical Cooperation Programme.
20. In line with the *No Country Left Behind* initiative, States are urged to make regular and substantial contributions to the ICAO Voluntary Environment Fund and other in-kind contributions (e.g. secondments) to support delivery of the substantial ICAO capacity building and implementation support programme, aimed at assisting developing countries and States with particular needs, including, as a priority, for feasibility studies and technology adaption.
21. Industry is also urged to provide expertise and financial support to support delivery of the substantial capacity building and implementation support programme including, as a priority, for feasibility studies and technology adaption.
22. ICAO should regularly monitor the progress and effectiveness of the capacity-building and implementation support efforts, including ensuring there are sufficient resources to deliver its support programme, as part of the broader means of implementation. In this regard, ICAO should consider developing necessary methodologies for monitoring and reporting back to States.

Building Block #4 – Financing

23. As recognized in Assembly Resolution A41-21, paragraph 17, “means of implementation commensurate to the level of ambition, including financing, will promote the achievement of the LTAG. It requires substantial investments for States, according to their national circumstances, and that various possible modalities and/or funding mechanisms could be used by ICAO to facilitate financing and investment support for implementation of specific aviation CO₂ emissions reduction measures”.
24. Specific to financing and funding, Assembly Resolution A41-21, paragraphs 18. a) and b), request the Council to:
 - a) “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, as well as funding from financial institutions, such as development banks, for projects contributing to the decarbonization of international aviation, as well as encourage new and additional funding to this purpose”; and
 - b) “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”.

25. These two paragraphs of the Assembly Resolution must be urgently progressed, in parallel, if the challenge of scaling-up SAF, LCAF and other aviation cleaner energies is to be addressed at the global level in a sustainable manner, including economic, social and environmental concerns.
26. The primary objective for ICAO and its Member States with respect to financing should be to support developing countries and States with particular needs to improve access to financing and funding, and further de-risking of projects to develop and deploy SAF, LCAF and other aviation cleaner energies in order to stimulate investment.
27. Measures to attract greater investment in SAF, LCAF and other aviation cleaner energies from development banks and other capital markets should work in collaboration with, and not impact, ICAO efforts under Assembly Resolution A40-22, particularly paragraph 8, to “continue fostering ICAO’s partnership with financial institutions seeking the prioritization or inclusion of aviation in their agendas and work programmes in order to facilitate States’ access to fund or finance their aviation development projects”.
28. Some financing instruments (e.g. blended finance and Public-Private Partnerships) require significant cooperation and collaboration between stakeholders, including States, industry and public and private financial institutions, to mitigate the investment risk. There is a role for ICAO and its Member States to engage in this cross-stakeholder collaboration as appropriate.
29. ICAO, States and industry have a key role to play in advocating for greater investment in SAF, LCAF and other aviation cleaner energy projects by increasing awareness and understanding amongst the international finance community on:
- a) the collective commitment of States and the industry to achieve the LTAG;
 - b) the importance of the sustainable growth of the international aviation sector including the economic and social connectivity and trade flows;
 - c) the benefits of the use of SAF, LCAF and other aviation cleaner energies to address aviation’s contribution to climate change;
 - d) the strong action from ICAO, States and industry to the global scale-up of SAF, LCAF and other aviation cleaner energies;
 - e) the direct and indirect economic and social benefits to States across the value chain of SAF and LCAF production;
 - f) the scale of the demand for SAF, LCAF and other aviation cleaner energies;
 - g) the challenges to accessing adequate financing for projects for SAF, LCAF and other aviation cleaner energies; and
 - h) potential investment opportunities and returns.
30. As part of this advocacy and outreach, States and ICAO should enhance and deepen their engagement and dialogue with the international finance community and other relevant stakeholders, including:
- a) public and private financial institutions, including sub-national, national, regional and multilateral banks;
 - b) private capital markets, including investors and insurers;
 - c) capital and banking alliances;
 - d) donor States;
 - e) UN, and other internationally-recognized funds and investment vehicles; and
 - f) energy producers.

31. ICAO, in cooperation with States, should develop a series of case studies of successful SAF, LCAF and other aviation cleaner energies projects, drawing from examples in regions with different characteristic and investment risk. Such case studies could assist both project developers and prospective investors by providing examples of 'tried and tested' pathways for investment and instill confidence that investment opportunities can be realized.
32. [States acknowledge and welcome the establishment of the 'ICAO Finvest Hub' and look forward to its work to facilitate enhanced access to public and private investment capacities and funding from financial institutions, with a focus on developing countries and States with particular needs.
33. As a first step, ICAO should urgently put in place the necessary structures and capability, toward the operationalization of the proposed 'ICAO Finvest Hub' initiative.
34. Measures that the ICAO Finvest Hub could take to facilitate access to financing include:
 - a) developing a platform to connect projects with potential public and private investors, including a 'matchmaking' function;
 - b) working with various stakeholders to explore innovative funding mechanism adapted to the decarbonisation of aviation, incentivizing investments, and promoting collaboration among stakeholders to mobilize financial resources effectively; and
 - c) collaborating with financial institutions, such as development banks, to create pathways for the funding of projects.]
35. ICAO should also consider, [whether through the ICAO Finvest Hub or other initiatives]:
 - a) developing a database of funding and financing sources, together with their terms and conditions, for project developers to be able to draw on; and
 - b) developing a toolkit of term sheets templates (basic conditions to satisfy investors) for SAF, LCAF and other aviation cleaner energies financing or drafting of funding proposals.
36. Private capital alone will not be enough to fully address the challenge of scaling-up SAF, LCAF and other aviation cleaner energies. Sizeable public investment, including in the form of concessionary funding, will be required to support some SAF, LCAF and other aviation cleaner energy projects, particularly in developing countries.
37. States recognize the important role that ICAO can play in encouraging new, additional and predictable public funding flows and its transparent and effective disbursement. ICAO and its Member States need to ensure 'no stone is left unturned' in exploring avenues to support this public investment objective, including the potential for ICAO to establish its own climate financing initiative or funding mechanism.
38. To this end, States underscore the importance of Assembly Resolution A41-21, paragraph 18. b) and agree that ICAO should to expedite its work to further consider the establishment of a climate finance initiative or funding mechanism under ICAO, while addressing the possible financial, institutional and legal challenges. This work must be completed for consideration by the 42nd Session of the ICAO Assembly, in accordance with A41-21, paragraph 18. b).
39. ICAO and its Member States should also initiate a work stream to actively monitor developments in the UN and across the international financing community to identify and aggressively pursue opportunities to increase the allocation or earmarking of public and private capital devoted to aviation

decarbonization projects, particularly on SAF, LCAF and other aviation cleaner energies. [As an example, such opportunities could include:

- a) UN Green Climate Fund
- b) Net Zero Asset Owner Alliance
- c) Paris Multilateral Development Banks Vision Statement].

— END —