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North American, Central American and Caribbean Office

WORKING PAPER

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**Eleventh North American, Central American and Caribbean Directors of Civil Aviation Meeting
(NACC/DCA/11)**

Varadero, Cuba, 28 - 30 June 2023

Agenda Item 7: Promotion and Implementation of Regional Actions for Environmental Protection

ENVIRONMENT

(Presented by Guatemala on behalf of Central American States integrated in Central American¹ Corporation for Air Navigation Services (COCESNA) and Brazil)

EXECUTIVE SUMMARY

In the context of the aspirational goals that international civil aviation has set itself and the agreements made at the 41st ICAO (International Civil Aviation Organization) Assembly on the environmental issue, sustainable aviation fuels have been pointed out as the main means of reducing CO₂ emissions and considering its reduced production. Effective coordination between States is necessary to ensure that this measure generates the results to maintain the intention to achieve the objectives set. Especially considering the differentiated potentials of each region, the technical and regulatory requirements, which must be developed to increase production.

Action:	Under Section 4.
<i>Strategic Objectives:</i>	<ul style="list-style-type: none">• Strategic Objective 5 – Environmental Protection
<i>References:</i>	<ul style="list-style-type: none">• Resolution A41-21: “Consolidated Statement of ICAO Permanent Policies and Practices Related to Environmental Protection – Climate Change”

1. Introduction

1.1 In the context of reducing greenhouse gas emissions from international civil aviation, ICAO Member States had already established two aspirational goals: increasing average fuel consumption efficiency by 2% per year and global CO₂ neutral growth at 2020 levels.

¹ Belice, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua

1.2 At the 41st ICAO Assembly, the adoption of a Long-Term Aspirational Goal (LTAG) was agreed: net zero CO₂ emissions by 2050.

1.3 It should be noted that the majority of the emission reductions to achieve the goal will come from the use of Sustainable Aviation Fuels (SAF). However, currently the production of this type of fuel is below the needs of the sector. Therefore, coordinated action by States is necessary to increase the production and use of SAF and ensure that all States have access to this important decarbonization tool.

2. Analysis

2.1 In March 2022, ICAO published the LTAG report, prepared by the Committee on Aviation Environmental Protection (CAEP). The report presents three different scenarios for reducing CO₂ emissions from international aviation, each with a different degree of ambition. This report was used as the technical basis for establishing the LTAG.

2.2 In the most ambitious scenario, considering a high degree of commitment from States in relation to incentives and public policies, international aviation emissions would be reduced to 203 Mt of CO₂ in 2050. To achieve this volume of reduction, it would take between US\$75 and US\$870 billion by the States. Of the reductions obtained, 55% would come from the use of SAF, Lower Carbon Aviation Fuel (LCAF) and "non drop-in" fuels, considering that from 2040 all traditional fuel would be replaced by alternative energy sources.

2.3 Latin America has great potential for the supply of sustainable aviation fuels. This can be proven by the projects already announced to produce SAF in the region: BSBios will produce, in Paraguay 20,000 barrels of SAF per day from soybean oil, recycled oil and animal fat; and the BBF, in association with Topsoe, intends to produce 500 million litres of biofuel per year from palm oil in the Amazon zone.

2.4 However, to take advantage of this industry, high levels of financing and training are needed, not only in fuel production, but also in research and development, infrastructure, logistics and incentives.

2.5 Still in the year of 2023, after the ICAO Regional Seminars, high-level meetings will be held in preparation for the ICAO Conference on Alternative Aviation Fuels (CAAF/3), where decisions will be made on the policy directions and global objectives in relation to the development and implementation of SAFs. Pre-CAAF/3 calls will take place in July and September 2023, at exact locations and dates yet to be confirmed by ICAO. CAAF/3, in turn, is scheduled to take place in Dubai, United Arab Emirates at the end of November 2023.

2.6 Considering the great potential for SAF production in Latin America, it is essential that States act in a coordinated manner and actively participate in discussions on SAF incentive policies to ensure that CAAF results support all States in the promotion measures of SAF and guarantee the supply of this product in a balanced way between the different regions.

2.7 In this way, the NACC States are invited to participate in the Ad hoc group formed in the Environment Macro-task of the Latin American Civil Aviation Commission (LACAC), which is led by the States of Brazil and Guatemala to formulate proposals, discuss common positions and present the needs of the region at the CAAF/3.

2.8 Schedule of the CLAC-LACAC Ad hoc SAF group:

Date	Group coordination	Objective
May to June 2023	Virtual preparatory meetings of the Ad hoc group	Align information on the ICAO studies and presentations preparatory to the CAAF. Exchange proposals and positions.
<i>July 2023- Pre-CAAF on SAF funding</i>		
August 2023	Face-to-face meeting of the Ad hoc group	Formulation of proposals for the pre-CAAF in September 2023.
<i>September 2023- Pre-CAAF on possible CAAF results</i>		
September 2023	Meeting of the LACAC Executive Committee	Presentation of the first results of the Ad hoc group
October 2023	Virtual preparatory meetings of the Ad hoc group	Considering the pre-CAAF discussions and the conclusions of the Executive Committee, prepare possible working papers and positions of the region for the CAAF in November 2023.
<i>November 2023- CAAF</i>		

3 Conclusions

3.1 The establishment of cooperative alliances for mutual benefit between different interested parties in the international aviation sector is very important to face the challenges of increasing SAF production and the established LTAG objective. For this, this working group is proactively promoted to be a core of coordination between various sectors for a Sustainable Development with alternative technical solutions.

3.2 The TCB/ICAO is urged to support the management before various organizations that allow the facilitation of technological and economic resources that make the energy transition possible as a method to achieve the aspirational objectives set in environmental matters and the LTAG.

4. Suggested Actions

4.1 The Directors of Civil Aviation of the NACC States are invited to:

- a) promote the participation of their States in the SAF ad-hoc group of the Environment Macro-task of LACAC, in preparation for CAAF/3;
- b) consider the need for cooperation between States to fulfil the aspirational objectives set out in the LTAG with a horizon of 2050; and
- c) request the opportune intervention of the TCB/ICAO for cooperation coordination mechanisms, bilateral, multilateral and south-south, in technical and financial resources for the execution of these initiatives.

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