



CONFERENCE ON AVIATION AND ALTERNATIVE FUELS

Mexico City, Mexico, 11 to 13 October 2017

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS FROM THE SECOND MEETING

1. AGENDA ITEM 2: FINANCING AND ASSISTANCE PROGRAMMES FOR AVIATION ALTERNATIVE FUELS (CONT'D)

1.1 Conclusions

1.1.1 Discussions continued under Agenda Item 2: Financing and Assistance Programmes for Aviation Alternative Fuels, the Conference agreed to the following additional conclusion:

...

- h) Off-take agreements have been very beneficial to confirming the market for SAF and reducing market risk for SAF developers and investors, opening the initial markets that have been demonstrated to date.

1.2 Recommendations

1.2.1 From the documentation and ensuing discussion under Agenda Item 2: Financing and Assistance Programmes for Aviation Alternative Fuels, the Conference adopted the following recommendations:

- a) ICAO to act primarily as a facilitator, sharing information and best practices, communicating the economic and environmental value of SAF to the international aviation community, facilitating discussions between financial institutions and industry;
- b) ICAO to facilitate capacity building and assisting States to develop and deploy SAFs that are well suited to the circumstances and resources of individual States; and
- c) States be encouraged to evaluate available funding sources, advertise the need for investing in SAF production and opportunities for investing in SAF production, and to the extent possible, facilitate accessibility to funding sources appropriate to development needs. This includes supporting airports that decide to implement the supply of SAFs and support new feasibility studies for the supply of SAFs at airports.

2. **AGENDA ITEM 1: DEVELOPMENTS IN RESEARCH AND CERTIFICATION OF AVIATION ALTERNATIVE FUELS (CONT'D)**

2.1 **Recommendations**

2.1.1 Discussions continued on Agenda Item 1: Developments in Research and Certification of Aviation Alternative Fuels, the Conference adopted the following additional recommendations:

...

- e) defining terminologies is an important part of the work on aviation alternative fuels. The terminologies “sustainable aviation fuels”, “aviation alternative fuels”, “conventional aviation fuels”, “conversion process”, “feedstock”, and “pathway” are under consideration by ICAO deliberative bodies as part of the work on CORSIA, and once adopted will be used for work on aviation alternative fuels; and
- f) encourage States to foster the further development of innovative technological routes to produce SAF from sources such as renewable electricity, while additional efforts should be made to scale up the market of these fuels.

3. **AGENDA ITEM 3: CHALLENGES AND POLICY MAKING**

3.1 **Conclusions**

3.1.1 From the documentation and ensuing discussion under Agenda Item 3: Challenges and Policy Making, the Conference concluded the following:

- a) adequate policies are needed to reduce the production cost gap between SAF and CAF, reduce the risk of SAF investments, and integrate efforts among all stakeholders involved in the SAF supply chain;
- b) few policies are in place for the deployment of SAF, in contrast with the several policies for ground transportation alternative fuels;
- c) commercial aviation has currently no alternatives to liquid fuels as a source of energy, while in many cases ground transportation can rely on other sources such as electricity. For these reasons, States should be encouraged to promote the use of SAF for the aviation sector or promote policies that strive to establish a level playing field between aviation and other transportation sectors;
- d) States may realize economic, social, and environmental advantages by building a new SAF industry, contributing to the ambitious and transformational vision set out in 13 of the United Nations SDGs;
- e) there is a need for inter-institutional and inter-sectoral coordination for the development of policies, research, and financing for aviation alternative fuels, in order to avoid inconsistent actions; and

- f) there are several potential policy options for incentivizing SAF production and deployment, such as SAF blending mandates or targets, subsidies, production facility grants, loan guarantees, and tax credits.

3.2 **Recommendations**

3.2.1 From the documentation and ensuing discussion under Agenda Item 3: Challenges and Policy Making, the Conference adopted the following recommendations:

- a) States are encouraged to provide examples of successful renewable energy and sustainable aviation fuels policy implementation case studies; results and possible lessons learned which could be useful to other Member States and current CAEP work, and could be used to promote the economic, social, and environmental advantages that may arise from the development of an SAF industry;
- b) States are encouraged to evaluate the policy effectiveness by means of qualitative metrics such as flexibility, certainty, financial costs and benefits, price sensitivity to externalities, ease of implementation, contribution to SAF deployment and GHG reduction, unintended consequences, and robustness, while recognising the importance of quantitative metrics, where possible, to inform policy decisions;
- c) States are encouraged to support the development and implementation of stable policy frameworks that facilitate the deployment of sustainable aviation fuels, including via policy incentives, collaborative research, and assistance, while avoiding distortions of fair competition; and
- d) States are encouraged to develop policies that promote the use of SAF for the aviation sector or the promotion of policies that strive to establish a level playing field between aviation and other transportation sectors.

— END —