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ICAO SEMINAR ON
ALTERNATIVE FUELS 2017
ICAO Headquarters, Montréal, 8-9 February 2017



Project Overview

- March 2015: ICAO & UNDP
- GEF funds
- Assist identification/implementation measures reduce CO2 emissions
- Substitute kerosene/diesel with electricity from clean & renewable source
- Design element: high level of replicability
- Mitigation measure: Solar-to-gate project
- Components: pilot project Jamaica & specific guidance
- Financing mechanisms





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- Pilot project
- Guidance material
- Financing mechanisms
- Accessing GEF funding



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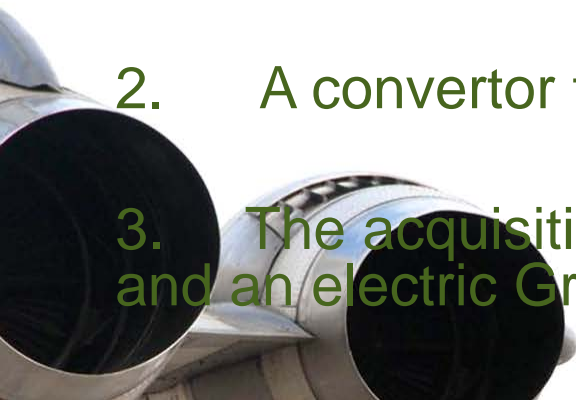
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Pilot project

- Jamaica airports: Norman Manley & Donald Sangster
 1. The installation of solar panels;
 2. A convertor to transform the solar energy into electricity;
 3. The acquisition of an electric Pre-Conditioned Air (PCA) unit and an electric Ground Power Unit (GPU).





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Guidance material

- 1.- Use of renewable energy at airports;
- 2.- Regulatory and organizational improvements to promote low emissions in aviation;
- 3.- Use of drop-in biofuels for the aviation sector in developing States and Small Island Developing States (SIDS);
- 4.- Financing of clean energy projects for aircraft and airports



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Financing mechanisms: future ICAO guidance on financing

- **Chapter 1** - *introduction to financing climate change mitigation in the aviation sector*. This overview includes an introduction to the basics of project finance, a description of the barriers to private investment, a summary of the relationship between public and private financial instruments, and a detailed description of the architecture of public climate financing.
- **Chapter 2** - how aviation interests can *identify and access financing for climate change mitigation projects*. This includes how to prepare a compelling project for financing, the need to build in-country support for the project, the process for building a funding database and identifying appropriate programs to pursue, followed by soliciting project funding from those sources.



Financing mechanisms: future ICAO guidance on financing

- **Chapter 3** - the **types of financing instruments and specific programs**. It includes loans from international organizations and public and private banks, grants for risky pre-development costs and local capacity building, various types of bonds to meet long-term financing requirements, and direct foreign investment and the ancillary requirements.
- **Chapter 4** - **financial policies and tools**. The policies are those that encourage market investment in low carbon investment such as deregulation, public procurement programs, and tax policy. Tools include some of the legal instruments used to facilitate public-private partnerships including power purchase agreements, and property and equipment leases.



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Financing mechanisms: future ICAO guidance on financing

- **Chapter 5** - examples of low carbon financing in specific industry areas: **renewable energy, electrification, and drop-in biofuels** which are most applicable to the aviation sector.



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Accessing GEF funding

- GEF funds available to developing countries and countries with economies in transition to meet the objective of international environmental conventions and agreements;
- GEF support is provided to government agencies, civil society organizations, private sector companies, research institutions to implement projects and programs in recipient countries;
- Both developed and developing countries are donors to the GEF TF (39 countries);
- The GEF has 18 partner agencies. The Operational Focal Point decides which Agency would be best suited to develop and implement the project idea.



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Eligibility Criteria

- **Eligible country:** a) if the country has ratified the conventions the GEF serves, or b) if the country is eligible to receive World Bank financing or if it is an eligible recipient of UNDP technical assistance;
- **National priority:** The project must be driven by the country (rather than by an external partner) and be consistent with national priorities that support sustainable development.



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Eligibility Criteria

- **GEF priorities:** The project has to address one or more of the GEF focal area strategies (Biodiversity, International Waters, Land Degradation, Chemicals and Waste, and Climate Change Mitigation, as well as cross-cutting issues like sustainable forest management).
- **Financing:** The project has to seek GEF financing only for the agreed incremental costs on measures to achieve global environmental benefits.
- **Participation:** The project must involve the public in project design and implementation, following the Policy on Public Involvement in GEF-Financed Projects and the respective guidelines.

<https://www.thegef.org/about/funding>
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