Japan's comment to the CAAF/3 possible outcome document

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1 Preamble/General

- 1.1 While the draft document can be supported, it should be noted that CAAF/3 is based on the Assembly resolution A41-21 and should not go beyond the scope of the resolution in terms of its level of ambition, means of implementation, financing, and other issues.
- 1.2 Furthermore, environmental issues in the field of international aviation should be addressed under the jurisdiction of ICAO, and Japan does not support automatic linkage with discussions in other international fora beyond general principles, as this would hinder the raison d'etre of ICAO itself.
- 1.3 The original text has a large gap between the descriptions of each block, and it is necessary to describe in a balanced manner especially Block 1 (Policy and Planning), Block 2 (Regulatory Framework), Block 3 (Implementation Support), and Block 4 (Financing).
- 1.4 All Member States should recognize that the current global production capacity of SAF, LCAF, and the other aviation cleaner energies is extremely limited, and that urgent action is needed towards the LTAG. Although the circumstances of each State should be taken into account, each Member State should strive to find a compromise position with a harmonized approach, recalling the overwhelming situation when the LTAG was adopted.

2 Building Block #1 – Policy and Planning

- 2.1 Japan supports the original text in principle, but we should be cautious about setting ambitious targets beyond what was agreed upon in the Assembly resolution A41-21.
- 2.2 While avoiding the exclusion of specific fuel types, feedstocks, and conversion processes, Japan believes that the Vision should have a quantitative target in terms of carbon intensity (CI) and/or CO2 reductions, not just a simple volume target.

- 2.3 Setting reasonable intermediate targets based on scientific analysis, such as the CAEP LTAG report, will send a positive message to producers, investors, financial institutions, etc., and lead to the expansion of the production of cleaner aviation fuels. Japan would like to emphasize the need to set targets within a predictable and achievable range.
- 2.4 SAF production capacity varies from state to state and region to region, and international cooperation is a key to achieving the long-term goal for international aviation as a whole. Japan believes that it is useful to take the initiative in policy coordination for the expansion of SAF bilaterally or multilaterally within the region, as well as among like-minded states, etc.

3 Building Block #2 – Regulatory Framework

- 3.1 Currently, the number of certified SAF is very limited, and Japan supports increasing the number of certified sustainability certification schemes (SCS) in order to increase the supply of cleaner aviation fuels.
- 3.2 Japan believes that it is necessary to compare the benefits of existing accounting methods, including Book & Claim, and also believes that it is necessary to avoid imposing excessive administrative and economic burdens on SAF producers, aeroplane operators, governments and the like.

4 Building Block #3 – Implementation Support

- 4.1 SAF, LCAF and other cleaner aviation fuels are mainly produced in the private sector, and most of the related technologies also remain in the private sector. On the other hand, while it is basically allowed to pursue profits in the production of SAF in developing states as well, there should be certain restrictions on the free technology transfer, and we should be cautious on this issue.
- 4.2 The ACT-SAF is a comprehensive capacity-building programme in line with the principles of *No Country Left Behind* (NCLB), and we fully support its efforts and encourage all Member States that have not yet participated in the programme to do so as soon as possible.
- 4.3 Support from the ICAO Voluntary Environment Fund should be provided in a transparent manner.

5 Building Block #4 – Financing

- 5.1 Japan does not support the establishment of a climate finance initiative or funding mechanism under ICAO and strongly emphasizes that it is not feasible given ICAO's administrative capacity and the possible financial, institutional and legal challenges.
- 5.2 ICAO should only provide a platform for Member States that need to secure access to existing international financial institutions. In this regard, Japan supports the concept of the Finvest Hub proposed by ICAO.
- 5.3 All Member States should recognize that current SAF production capacity is extremely limited and, thus, immediate action is needed. Rather than considering the unrealistic establishment of a funding mechanism under ICAO, we should agree to promote realistic initiatives, such as the ICAO Finvest Hub.