

**59<sup>th</sup> CONFERENCE OF  
DIRECTORS GENERAL OF CIVIL AVIATION  
ASIA AND PACIFIC REGIONS**

*Cebu, Philippines  
14 to 18 October 2024*

**AGENDA ITEM 7: AVIATION AND ENVIRONMENT**

**EFFORTS TO EXPAND SAF PRODUCTION THROUGH POLICIES**

(Presented by the Republic of Korea)

**SUMMARY**

This paper emphasizes the importance of regional cooperation and national policy development in expanding the production of Sustainable Aviation Fuel (SAF) and achieving international carbon reduction targets. Cooperation is especially necessary in the Asia-Pacific region, where the aviation industry is rapidly growing. SAF is essential for achieving the International Civil Aviation Organization (ICAO)'s Long-Term Aspirational Goal (LTAG) by 2050 in line with the ICAO Assembly Resolution A41-21. This paper explains the need for policy coordination, industrial cooperation, capacity building, and international support, presenting policies of the Republic of Korea for expanding SAF production as a case study.

## **EFFORTS TO EXPAND SAF PRODUCTION THROUGH POLICIES**

### **1. INTRODUCTION**

1.1 ICAO adopted the Long-Term Aspirational Goal (LTAG) at its 41st Assembly, aiming to achieve net-zero carbon emissions in the aviation sector by 2050. This resolution encourages each State to contribute to the LTAG in accordance with its special circumstances and respective capabilities to support the temperature goals of the Paris Agreement. This is essential for the sustainable growth of international aviation. Moreover, ICAO's leadership plays a crucial role in steering States to establish and implement decarbonization policies for the aviation industry, providing support to ensure the development and execution of effective policies.

1.2 To achieve LTAG, the Third ICAO Conference on Aviation and Alternative Fuels (CAAF/3) adopted the "ICAO Global Framework," which promotes the use of Sustainable Aviation Fuel (SAF), Low-Carbon Aviation Fuel (LCAF), and other cleaner energies. This framework emphasizes the significant role that aviation cleaner energies including SAF will play in reducing carbon emissions in the aviation sector, and it encourages States to leverage these technologies to achieve LTAG. Specifically, the framework aims to reduce carbon emissions in international aviation by 5% by 2030 through the use of SAF, LCAF and other cleaner energies.

1.3 However, SAF production requires substantial initial investment and poses technological challenges, making collaboration among various stakeholders under clear carbon reduction targets essential. Especially in the Asia-Pacific region, where aviation is rapidly growing, cooperation is vital for expanding SAF production and use. This will maintain sustainable growth and enable all States to contribute to the global expansion of clean energy.

### **2. DISCUSSION**

2.1 As outlined in the ICAO Global Framework, integrated regional cooperation is essential to achieve the vision of reducing carbon emissions from international aviation by 5% by 2030 through the use of SAF, LCAF, and other clean energy sources. The Asia-Pacific region, where the aviation industry is growing rapidly, can benefit from regional cooperation to create a favorable environment for the international aviation sector. Targeted regional seminars and educational programs on SAF-related policies and sharing information on technological innovations can help States resolve policy and technical challenges, and explore practical methods to expand SAF production and use.

2.2 It is important for governments to develop policies that encourage SAF production. For example, policies providing tax benefits, incentives, and support for research and development have the potential to induce companies to actively participate in SAF production. Such policy support would improve the efficiency of SAF production, reduce costs, and lower the production price, while promoting SAF consumption and contributing to national carbon reduction goals. Governments are also able to contribute to creating a stable investment environment to attract investment in SAF production facilities. This includes streamlining the approval process for new SAF production facilities and providing policy certainty to attract both domestic and foreign investors.

2.3 The ICAO Global Framework also emphasizes that close cooperation between governments and industry stakeholders is essential for expanding SAF, LCAF, and clean energy sources. Major aviation stakeholders such as airlines, refineries, and airport operators are expected to understand their roles and work together to develop and implement policies that promote SAF production and use. Through this collaboration, States can develop optimal policies suited to their circumstances and effectively expand the use of SAF.

2.4 On August 30, 2024, the Ministry of Land, Infrastructure, and Transport (MOLIT) and the Ministry of Trade, Industry, and Energy (MOTIE) of the Republic of Korea jointly announced the "SAF Expansion Strategy". This policy fosters collaboration not only between governments but also

among various stakeholders, such as airlines, refineries, and airport operators, to reduce carbon emissions in international aviation and foster new industries. The strategy has eight key elements including plans to implement a mandate SAF blend by 2027. Additionally, incentives such as reductions in airport facility fees, expanded international flight route allocations, and tax credits for SAF production were announced. Furthermore, nine Korean airlines have begun regularly scheduled flights using SAF, encouraging voluntary participation from airlines and providing fuel producers with predictable SAF demand, which is expected to contribute to the expansion of SAF production.

2.5 The Asia-Pacific States should actively consider expanding SAF production and use through close cooperation and SAF-specific policy initiatives based on ICAO's Global Framework. Energy transition is a key tool for achieving carbon reduction in the international aviation sector. Governments are encouraged to strengthen cooperation with industry stakeholders to effectively implement policies that promote SAF production and use. Tailored SAF policies help predict SAF demand, attract investment in related industries, and expand the SAF supply chain. Accelerating SAF production in the Asia-Pacific region is poised to contribute to international aviation decarbonization.

### **3. ACTION BY THE CONFERENCE**

3.1 The Conference is invited to:

- a) Encourage the Asia-Pacific Office and States to work together to strengthen capacity building through regional cooperation, such as sharing best practices by holding seminars and educational programs for the expansion of SAF and sustainable growth in the region.
- b) Encourage Asia-Pacific States to strengthen cooperation between governments and industry stakeholders and to establish SAF-specific national policies to promote SAF production and use.

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