59th CONFERENCE OF DIRECTORS GENERAL OF CIVIL AVIATION ASIA AND PACIFIC REGIONS

Cebu, Philippines
14 to 18 October 2024

AGENDA ITEM 7: AVIATION AND ENVIRONMENT

ENHANCING COLLABORATION ON THE DEVELOPMENT OF CORSIA-ELIGIBLE FUELS AND EMISSIONS UNITS IN THE ASIA-PACIFIC REGION

(Presented by Indonesia)

SUMMARY

This paper highlights the critical role of CORSIA-Eligible Fuels (CEF) and Emissions Units (CEUs) in advancing global efforts to reduce the CO2 emissions from aviation sector and in achieving the ICAO's global aspirational goals, including Carbon-Neutral Growth (CNG) and the collective Long-Term Global Aspirational Goal (LTAG). However, current availability of CEF and CEU is very limited to reach the goals. It is therefore strongly recommended that all States in the Asia-Pacific region collaborate to promote the development and deployment of CEF and CEU, taking into account their national circumstances and respective capabilities.

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1. INTRODUCTION

1.1 During the 41st Session of the ICAO Assembly in 2022, ICAO Member States adopted a collective Long-Term Global Aspirational Goal (LTAG) to achieve net-zero carbon emissions from international aviation by 2050.

1.2 According to the LTAG report – Sustainable Aviation Fuels (SAF), Lower Carbon Aviation Fuels (LCAF) and other aviation cleaner energies are essential for the international aviation sector to achieve its LTAG. They are expected to have the largest contribution to aviation CO2 emissions reductions, up to 55% by 2050 (LTAG Report (icao.int)).

1.3 Before the adoption of the LTAG, an emissions reduction mechanism – the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) – had already been implemented to complement in-sector CO2 reduction measures and achieve ICAO's medium-term goal of carbon-neutral growth (CNG) from 2020 onward for international aviation.

2. DISCUSSION

2.1 CORSIA

2.1.1 During the 39th Session of the ICAO Assembly in October 2016, the CORSIA was adopted as the first-ever global market-based measure for any industry sector.

2.1.2 As of 1 January 2019, in accordance the CORSIA CO_2 MRV requirements outlined in the ICAO Annex 16 Volume IV, aeroplane operators started monitoring, collecting and reporting CORSIA-specific data to their States; and States started reporting CORSIA-specific information and data through the ICAO CORSIA Central Registry (CCR) on an annual basis.

2.1.3 The implementation of CORSIA is divided into three phases: the Pilot Phase (2021 – 2023), the First Phase (2024 – 2026), and the Second Phase (2027 – 2035). The Pilot Phase began on 1 January 2021, marking the start of calculating CO2 offsetting requirements.

2.1.4 Although the CORSIA Annual Sector Growth Factor (SGF) for 2021 and 2022 was zero due to the impact of the COVID-19 pandemic, a positive SGF is expected in subsequent years. This will lead to the compliance of CORSIA's offsetting obligations, potentially starting from 2027 – after the conclusion of the First Phase (2024-2026), which will require applicable aeroplane operators to comply using CEUs and CEFs.

2.1.5 The development of CEU must be adhere to the CORSIA Emissions Unit Eligibility Criteria (CORSIA Eligible Emissions Units (icao.int)). In addition, the use of CEU must also comply with the credit issuance mechanism, such as host country authorization and corresponding adjustments.

2.1.6 Considering the current limited availability of CEU in the region, the timeline for offsetting requirements for the First Phase, and the estimated development period for CEUs (approximately 1 to 3 years), it is crucial to initiate the CEU development process as early as

possible.

2.2 LTAG

2.2.1 The LTAG is a collective global aspirational goal to reduce aviation emissions, without imposing specific obligations or emissions reduction targets on individual States.

2.2.2 The ICAO Assembly encourages each State to contribute to the achievement of this goal in a socially, economically, and environmentally sustainable manner, and in accordance with national circumstances (Resolution_A41-21_Climate_change).

2.2.3 Recognizing that cleaner energy sources will play a pivotal role in achieving Net-Zero 2050 for international aviation, the Third ICAO Conference on Aviation and Alternative Fuels (CAAF/3), held in Dubai, UAE, adopted the ICAO Global Framework for Sustainable Aviation Fuels (SAF), Lower Carbon Aviation Fuels (LCAF), and other cleaner aviation energy sources. Under this framework, ICAO and its Member States have committed to strive towards a collective global aspirational Vision to reduce CO2 emissions in international aviation by 5 percent by 2030, compared to zero cleaner energy use.

2.2.4 While SAF is recognized as a key driver for achieving net-zero CO2 emissions in aviation by 2050, various sources, including IATA - SAF Production report, indicate that current global SAF production levels are insufficient to meet this target.

2.2.5 As discussed in paragraph 2.1.4, CORSIA provides methodologies that allow aircraft operators to reduce their offsetting requirements through the use of CEF, including CORSIA SAF and CORSIA LCAF (refer to ICAO Environmental Report 2019).

2.2.6 The ICAO Environmental Report 2019 also specifies that CEF must be sourced from fuel producers certified by a Sustainability Certification Scheme (SCS) approved by the ICAO Council.

2.3 Ensuring the Availability of CEF and CEU in the APAC Region

2.3.1 Given the critical role of CEUs and CEF in meeting CORSIA offsetting requirements and achieving the LTAG, and acknowledging the current limited availabilityand complex development processes, it is essential to enhance collaboration among Asia-Pacific (APAC) states to expedite the development and availability of CEFs and CEUs.

2.3.2 In addition, considering the geographical advantages of APAC states along with their abundant natural resources, diverse feedstocks for SAF production, and growing economic capabilities, many states in APAC region are well-positioned to become major producers of CEF and CEU.

2.3.3 Furthermore, collective efforts will facillitate the development of a robust regional ecosystem that supports the entire CEF and CEU supply chain, from production to delivery.

2.3.4 The Government of Indonesia has actively promoted the development of CEF and CEU in the national level to ensure the production can, at minimum, meet domestic demand

starting from 2027 onwards[1].

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to:

a) Note the information contained in this Paper;

b) urge states/administration in the APAC region to strengthen collaboration in developing CORSIA-Eligible Fuels (CEF) and CORSIA-Eligible Emissions Units (CEU) to ensure the availability of these critical resources for complying with CORSIA offsetting requirements and significantly contributing to CO2 emissions reduction in the aviation sector;

c) promote information exchange and knowledge sharing on the development of CEFs and CEUs;

d) discuss any relevant matters as appropriate.

— END —

1 Indonesia to require SAF for flights from 2027 | Latest Market News (argusmedia.com); Pertamina and Airbus Explore Collaboration on Sustainable Aviation Fuel Development in Indonesia | Pertamina; Govt launches action plan for environmentally friendly aviation fuel - ANTARA News