



**INTERNATIONAL
CIVIL AVIATION
ORGANIZATION**



SAF bankability in practice

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Bankability considerations aimed to support Civil Aviation Authorities, SAF Projects and the SAF Support Eco-System.

**Can this project earn enough cash, reliably enough,
to attract investment and repay its debt?**

Illustrative teaching case (hypothetical)

A sponsor proposes a 100,000 tonne/year SAF plant using used cooking oil.
The project has a feasibility study, supplier letters and airline interest.
It still needs finance to complete engineering and prepare for construction.



Each lesson links a financing term to an action, an owner and evidence.

The project sponsor should own the development plan

“Integrate contracts and manage interfaces” means that the project’s commitments fit together

Who acts	What they do in this case	Evidence to show a financier
Sponsor / developer	Appoints a project lead and funds the next engineering stage. Sets owners and dates for unresolved risks.	Development budget, team record and a risk register with named owners.
Research institution / technical adviser	Tests representative oil samples and validates yield assumptions against operating evidence.	Test results, independent review and limits of the evidence.
Sponsor’s advisers	Check that feedstock quality, plant design and promised fuel delivery dates agree.	A consistent financial model, contract schedule and project data room.



Financing benefit: fewer hidden gaps between contracts and the delivery plan.

Feedstock security means dependable supply

“Improve input certainty” means enough suitable material at a cost the project can withstand

Who acts	What they do in this case	Evidence to show a financier
Feedstock suppliers + developer	Replace general supply letters with contracts covering volumes, quality, price rules and delivery.	Signed contracts, collection records and a supply assessment allowing for competing uses.
Utilities + developer	Agree power, hydrogen and water supply. Confirm connection dates and interruption arrangements.	Supply agreements, capacity confirmation and connection schedule.
Developer + sustainability specialist	Track oil origins and test eligibility. Model a 20% input price rise and loss of the largest supplier.	Traceability records, certification plan and downside cash-flow results.



Financing benefit: the lender can test input availability and operating margins.

Technology and construction risks have owners

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“Proven solutions and guarantees” means evidence of performance and clear contractual remedies

Who acts	What they do in this case	Evidence to show a financier
Licensors + independent engineer	Compare operating plants with the proposed feedstock, equipment and scale. Test expected output.	Operating references, performance review and agreed acceptance tests.
EPC contractor	Agrees scope, completion date and performance obligations, with defined exclusions.	Construction contract, cost estimate and delay / performance remedies.
Sponsor + lenders	Budget for overruns and ramp-up. Check who pays if the contractor's liability limit is reached.	Contingency budget, sponsor support and contractor credit review.



Financing benefit: delays and output shortfalls have credible responses and funding.

Airline interest becomes a revenue commitment

“Underwrite revenues” means an enforceable purchase obligation with a workable delivery chain

Who acts	What they do in this case	Evidence to show a financier
Airline / fuel buyer + developer	Negotiate a 10-year purchase contract for 60,000 tonnes/year, with price rules and start conditions.	Offtake contract specifying volume, pricing, eligibility and termination rights.
Buyer + sponsor + lenders	Test whether the buyer can pay. Agree payment security and remedies if either party fails.	Credit review, security terms and a downside revenue model.
Fuel supplier / blender + airport operator	Agree where blending, testing, storage and delivery happen, and who funds each step.	Logistics contracts, available capacity and fuel-quality procedures.



Financing benefit: assessable cash flows and a credible route to the customer.

Policy support and certification need separate owners

“Regulatory certainty” means a defined route to permits, fuel compliance and sustainability eligibility

Who acts	What they do in this case	Evidence to show a financier
Ministries + public agencies	Set any support scheme’s eligibility, funding, payment rules and duration. Authorities issue site permits.	Enacted rules, confirmed awards and permits with clear conditions.
Producer + scheme / certifier	Prepare traceability and lifecycle emissions evidence for CORSIA sustainability certification.	Certification plan, audit evidence and certification when available.
CAA + fuel-quality bodies	Clarify national aviation requirements and the fuel compliance route. Coordinate with other agencies.	Documented requirements and responsible authorities for each approval.



Financing benefit: the model uses support and market access the project can substantiate.

Repayment under stress

“Allocate, price and transfer risk” means deciding who bears a specific loss and on what terms

Illustrative annual case	Cash available for debt service	Debt payment and coverage
Base case	USD 24 million	USD 18 million payment Coverage: $24 \div 18 = 1.33\times$
Input-cost shock	USD 16 million	USD 18 million payment Coverage: $16 \div 18 = 0.89\times$

Sponsor / equity investor Bears the first business losses. Tests more equity or lower debt.	Lender Sizes and prices debt using downside cash flows and conditions.	Public financier / insurer May cover a defined risk or lower financing cost, subject to terms.
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A guarantee can cover a loss. Feedstock and revenue actions address its cause.

A workshop turns the risk list into a workplan

10-minute exercise: choose the first actions for our SAF project and explain why they come first

Gap in the teaching case	Lead owner and first action	Evidence of progress
Supplier letters only	Developer + suppliers agree quality, volumes and commercial terms.	Supply contracts and a validated input-demand estimate.
Airline interest only	Developer + buyer negotiate price, volume and delivery obligations.	Offtake terms and buyer credit evidence.
Unclear certification route	Producer engages a certification scheme. CAA clarifies aviation requirements.	Certification plan and an approval map naming each authority.

ICAO Fininvest connection



Sponsor submits project information and evidence. Fininvest identifies readiness gaps, supports capacity building and facilitates introductions as the project progresses.

Thank You



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