



ASSEMBLY — 42ND SESSION

EXECUTIVE COMMITTEE

Agenda Item 16: Environmental Protection – International Aviation and Climate Change

LONG-TERM ASPIRATIONAL GOAL (LTAG) CAPACITY BUILDING AND FINANCING

(Presented by South Africa)

EXECUTIVE SUMMARY

This paper seeks to acknowledge the work done by the Council of the International Civil Aviation Organization (ICAO) towards the implementation of ICAO Assembly Resolution A41-21.

This paper further seeks to acknowledge the efforts of developed countries in taking steps aimed at providing Means of Implementation to developing countries' aviation sectors through contributions to ICAO initiatives such as Assistance, Capacity-building and Training for Sustainable Aviation Fuel (ACT-SAF), feasibility studies, and others.

The ICAO Council is urged to accelerate efforts towards full implementation of Resolution A41-21, paragraphs 18 a) and b) taking into consideration the contents of para. 2.5.

A call is further made for these States to continue their support, and for those who have not yet done so to join hands in assisting developed States in their decarbonisation initiatives, in line with the spirit of No Country Left Behind.

Action: The Assembly is invited to:

- acknowledge the progress made by ICAO in the implementation of Assembly Resolution A41-21, paragraphs 18 a) and b);
- acknowledge developed States' support, financial and in-kind, towards decarbonization measures in developing States, including through the ICAO ACT-SAF;
- urge developed States to continue supporting these efforts as well as the establishment of funding and financing initiatives; and
- request the Council to accelerate efforts aimed to achieve full implementation of Assembly Resolution A41-21, particularly paragraphs 18 a) and b) taking into consideration the contents in para 2.5 of this paper.

<i>Strategic Goals:</i>	This working paper relates to the Strategic Goal – <i>Aviation is Environmentally Sustainable</i> .
<i>Financial implications:</i>	The activities referred to in this Assembly working paper will be funded by the 2026-2028 Regular Budget supported by contributions from States and partners.
<i>References:</i>	Doc 10184, <i>Assembly Resolutions in Force</i> ICAO Global Framework for SAF, LCAF and Other Aviation Cleaner Energies

1. INTRODUCTION

1.1 The International Civil Aviation Organization (ICAO) Assembly through the Resolution A41-21, paragraphs 18 a) and b), requested the Council to:

- a) “initiate specific measures or mechanisms so as to facilitate, in particular for developing countries and States having particular needs, better access to private investment capacities, as well as funding from financial institutions, such as development banks, for projects contributing to the decarbonization of international aviation, as well as encourage new and additional funding to this purpose”; and
- b) “further consider the establishment of a climate finance initiative or funding mechanism under ICAO, while addressing the possible financial, institutional and legal challenges, and report to the 42nd Session of the ICAO Assembly”.

1.2 This paper seeks to acknowledge the work done by the ICAO Council towards the implementation of this Resolution as well as to urge the Council to intensify its efforts in pursuit of its full implementation, particularly paragraphs 18 a) and b).

2. DISCUSSION

2.1 The above Resolution seeks to address the need for Means of Implementation and support that will enable climate action in the aviation sector amongst developing States.

2.2 The Council must be commended for the following progress on implementation support and financing to aviation decarbonization measures:

- a) the establishment of the ICAO Finvest Hub, which is a platform to facilitate enhanced access to public and private investment, as well as funding from financial institutions, for projects contributing to the decarbonisation of international aviation;
- b) the ICAO Assistance, Capacity-building and Training for Sustainable Aviation Fuels (ACT-SAF) programme, which includes ACT-SAF feasibility studies and business implementation studies, which aims to support States with technical assistance in collaboration with project developers towards the preparation of bankable, investment-ready aviation decarbonization projects; and
- c) research towards the establishment of a climate finance initiative or funding mechanism under ICAO.

2.3 This paper further seeks to acknowledge the efforts of developed countries in taking initiatives to provide Means of Implementation to developing countries’ aviation sectors through contributions to ICAO initiatives such as ACT-SAF, feasibility studies and others. A call is further made for these States to continue their support, and for those who have not yet done so to join hands in assisting developing States in their decarbonisation initiatives, in line with the spirit of No Country Left Behind.

2.4 Recalling that the ICAO Global Framework for Sustainable Aviation Fuels (SAF), Lower Carbon Aviation Fuel (LCAF) and other Aviation Cleaner Energies adopted by the Third ICAO Conference on Aviation and Alternative Fuel (CAAF/3) on 24 November 2023, states that: “These two paragraphs of the

Assembly Resolution must be urgently progressed, in parallel, if the challenge of scaling-up SAF, LCAF and other aviation cleaner energies is to be addressed at the global level in a sustainable manner, including economic, social and environmental concerns”.

2.5 With the above view there is an urgent need to increase the speed towards the implementation of climate finance initiatives. In the development of the climate finance initiatives the following considerations should be borne in mind:

- a) the level of indebtedness of developing countries should not be adversely worsened;
- b) the replenishment mechanism for such finance should be sustainable;
- c) there should be predictability in how the option is capitalised and inflows contributed into the mechanism, which will help build confidence and boost continuity in implementation;
- d) developing countries should be the main beneficiaries in terms of getting allocation and drawing from the mechanism, including through support needs they will have expressed through their State Action Plans;
- e) the Funding vehicle should cater for both mitigation and adaptation infrastructure needs, in a balanced manner, for developing countries, within the context of sustainable development;
- f) there should be a tracking, reporting and periodic review to check performance and progress reported at each Assembly – the Council will have to come up with a methodology. Lessons can be drawn from under the Standing Committee on Finance under the United Nations Framework Convention on Climate Change (UNFCCC) and;
- g) the governance mechanism should be represented by developed and developing countries.

3. CONCLUSION

3.1 Access to financial resources is crucial for the deployment and scaling-up the production of SAF, LCAF and other cleaner energies for aviation, towards the attainment of the Long-term aspirational goal (LTAG).

3.2 As stated in the ICAO Global Framework for SAF, LCAF and other Aviation Cleaner Energies “Private capital alone will not be enough to fully address the challenge of scaling-up the development and deployment of SAF, LCAF and other aviation cleaner energies. Sizeable public investment, including concessionary funding, as appropriate, will be required to support some SAF, LCAF and other aviation cleaner energy projects, particularly in developing countries and in States with particular needs”.

3.3 Crucial to the success of efforts towards attainment of the LTAG is the support, both financial and in-kind, provided by developed countries.

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