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International Civil Aviation Organization
ICAO South American Regional Office
Eighteenth Meeting of the Civil Aviation Authorities of the SAM Region (RAAC/18)
(Sao Paulo, Brazil, 24- 26 February 2025)

Agenda Item 3A: Environment

PROGRESS IN IMPLEMENTING SAF POLICIES IN THE SAM REGION

(Presented by the International Air Transport Association (IATA))

SUMMARY

This working paper aims to provide the industry's perspectives on Member States' actions to implement Sustainable Aviation Fuel (SAF) policies in Latin America, highlighting efforts and strategies for achieving net-zero emissions in aviation across Latin America.

Action: The meeting is invited to:

a) take note of this working paper;
b) encourage Member States to develop and implement incentive policies supporting aviation energy transition, including SAF production, distribution, and infrastructure;
c) recommend knowledge sharing and capacity building between Member States to replicate successful policies and initiatives;
d) advocate for international collaboration to harmonize policies and standards for sustainable aviation fuel and emerging technologies.

***ICAO Strategic Objectives*:**	This working paper relates to the Strategic Objective- *Environmental Protection.*

1. INTRODUCTION

1.1 Like in other parts of the world, aviation connects people, businesses, and economies across Latin America, contributing to regional development and integration. Recognizing the need to address its carbon emissions while continuing its growth, the industry has set stringent goals to reach net-zero carbon emissions by 2050. As global efforts intensify to achieve net zero carbon emissions by 2050, the aviation sector in Latin America also faces challenges in enabling the energy transition to sustainable fuels while maintaining its vital role in regional connectivity and economic growth.

1.2 Historically, the Americas Region has seen both successful and unsuccessful policies promoting renewable fuels. Renewable energy emerged as a promising solution to mitigate the environmental impact in the transport sector, offering a pathway towards reducing greenhouse gas (GHG) emissions and improving energy security and resilience. As nations around the globe endeavor to address climate change and embrace renewable energy alternatives, states in this region have witnessed significant policy developments aimed at promoting the adoption and production of renewable energy.

1.3 Sustainable Aviation fuel (SAF), recognized as a drop-in renewable hydrocarbon fuel- holds the potential to revolutionize the aviation industry by providing a cleaner, more sustainable alternative to conventional fossil fuels. From North to South America, governments, industry stakeholders, and international organizations are increasingly prioritizing the re-development and implementation of renewable policies to accelerate the deployment of SAF and realize its environmental and economic benefits.

1.4 However, SAF production remains low compared to total jet fuel demand, reaching a disappointing global production level of just 1 million tons (1.3 billion liters) in 2024. SAF accounts for 0.3% of global jet fuel production and only 11% of global renewable fuel, none of which has been produced in Latin America[1].

2. GOVERNMENT POLICY: A KEY DRIVER FOR AVIATION ENERGY TRANSITION

2.1 Governments are responsible for developing policies that efficiently accelerate the commercial production and deployment of SAF. Challenges to the rapid development and deployment of SAF that could be addressed through policy measures include[2]:

a) Insufficient policy support in promoting the scaling up of SAF
b) Absence of a harmonized approach in SAF accounting methodology
c) Lack of access to SAF in existing fuel logistics and airport infrastructure
d) Lack of understanding of SAF as an insetting measure in addition to carbon offsets
e) Limited cost-effective and sustainable SAF feedstock and feedstock treatment infrastructure availability.
f) Competition for resources and incentives with other sectors such as road transport and renewable.

2.2 Countries will contribute to the growth of SAF supply based on their available feedstocks and the maturity of their clean aviation fuel industries. This presents a unique opportunity to develop SAF and feedstock industries in the region, leading to substantial social and economic benefits. These include job creation, enhanced energy security, increased exports, effective waste management, and improved natural habitats. Therefore, promoting sustainable aviation should be a top priority for governments, as it is vital for economic development and complements the air transport industry's contributions to society.

2.3 The ICAO Assistance, Capacity-building, and Training for Sustainable Aviation Fuels (ICAO ACT-SAF) initiative has established a collaborative platform for States to unlock their full potential in developing and deploying Sustainable Aviation Fuels (SAF). This effort aligns with the ICAO Global Framework for SAF, LCAF, and other cleaner aviation energy initiatives adopted at the ICAO Third Conference on Alternative Aviation Fuels (CAAF/3)[3]. Through the ACT-SAF program, numerous States in the region have accessed funding to conduct feasibility studies and create policy recommendation reports. These activities are essential steps in building a domestic SAF market.

3. REGIONAL EXAMPLES OF POLICY SUPPORT IN LATIN AMERICA

3.1 Brazil:

[1] IATA Global Media Day, accessible here
[2] IATA SAF Deployment Policy Approach, accessible here
[3] ICAO Assistance, Capacity-Building and Training for Sustainable Aviation Fuel (ICAO, ACT SAF), accessible here

3.1.1 Brazil's long-standing leadership in biofuel production positions it as a key player in SAF development. In 2021, the National Energy Policy Council (CNPE) established the *Combustivel do Futuro Program* (Fuel of the Future), which aims to expand the use of sustainable and low-carbon fuels and regulate the integration of decarbonization policies in Brazil.

3.1.2 In July 2021, the Government initiated a public consultation process through the ProBioQAv subcommittee, enabling diverse stakeholders with vested interests in the development of SAF to contribute to the national decarbonization strategy. The primary objective of the ProBioQAv subcommittee was to compile a final Bill that integrates all input received, establishing foundational premises to form part of a comprehensive effort to revise the renewable fuel legislation within the market[4].

3.1.3 In 2024, Congress approved the Combustivel do Futuro Project into Law, which includes a 1 percent emission reduction target set for 2027 using SAF impacting domestic aviation, increasing one percentage point per year until reaching 10% in 2037. The Brazilian National Council for Energy Policy (CNPE) will monitor the increase based on actual production to avoid market spillovers and potential increases in transport prices. Notably, the law is structured around an emission reduction framework rather than a volume-blended approach.

3.1.4 To achieve these ambitious targets, it is crucial for the Brazilian government to provide robust incentives for the production, distribution, and usage of SAF. These incentives could include tax breaks, subsidies, and grants for research and development. By supporting the industry, the government can help ensure a steady supply of SAF, foster innovation, and make SAF more economically viable. This proactive approach will not only help meet emission reduction goals but also position Brazil as a leader in sustainable aviation.

3.2 **Colombia:**

3.2.1 In 2021, the national government approved Law 2169, which mandates that the Ministries of Energy and Transportation promote SAF development and usage in the country. Similarly, the National Council for Economic and Social Policies published document 4045 on energy transition policy, which provided guidelines for the Ministry of Energy to create a national standard for promoting and using SAF. Notwithstanding, at present, there is no SAF policy proposal.

3.2.2 Since then, the Civil Aviation Authority -Aerocivil- has been conducting a public consultation involving industry stakeholders, government representatives, and producers to develop a roadmap for decarbonizing aviation. This roadmap focuses on using domestic feedstock to produce SAF. Recently, Aerocivil released a work plan for implementing the SAF Roadmaps, which includes five key pillars and 30 specific actions to be executed over two years.

3.3 **Chile**:

3.3.1 High external dependencies characterize Chile's energy sector[5]. The country currently lacks a policy framework to support the use of biofuels. However, Chile has set ambitious renewable energy targets and has expressed interest in promoting SAF as part of its efforts to decarbonize the transportation sector. In 2022, the Ministry of Transport and the National Sustainability Agency launched the Vuelo Limpio program, which aims to reduce emissions from the domestic aviation sector. The Agency has also published a roadmap for public consultation with ambitious targets for SAF usage by 2050.

[4] Brazil State Action Plan, 4th edition, accessible here
[5] USDA, accessible here

3.3.2 The country has also emerged as a global leader in green hydrogen production, a key component for future synthetic aviation fuels. The government's National Green Hydrogen Strategy includes incentives for renewable energy projects and public-private partnerships to promote production and potential export of this commodity.

4. POLICY GAPS AND CHALLENGES

4.1 While progress varies across countries, the growing recognition of SAF's potential to reduce greenhouse gas emissions (GHG) and enhance energy security drives increased attention and action to revamp renewable fuel policies. These can significantly contribute to the Americas' more sustainable energy future, including SAF production for aviation. By learning from past experiences, addressing current challenges, and embracing emerging opportunities, the region can unlock the full potential of SAF and other biofuels to reduce emissions and enhance energy security.

4.2 Policymaking is a complex process that requires setting clear policy objectives within specific timelines. To achieve net-zero CO2 emissions in air transportation by 2050, states must fully utilize every available lever for energy transition. The choice of policy instruments, the combination and intensity of these instruments, and the order in which they are implemented will depend on the type of technology, its development stage, the ability of the related value chains to scale up adequately, and various country- or region-specific factors[6].

4.3 Furthermore, decarbonizing air transport cannot be achieved by the transportation sector alone. This challenge calls for a new approach to problem-solving that we refer to as "radical collaboration" across both government and industry. The decarbonization of air transportation is not only crucial in its own right but also interconnected with the overall energy transition of the global economy. Therefore, it must be included in national, regional, and global strategic priorities.

4.4 The role of policy is not only to provide certainty but also to help correct the market by balancing supply and demand. Policies should not be implemented as a one-time measure; they need to be periodically assessed to avoid any unintended consequences and to ensure they remain effective in achieving their intended outcomes.

5. SUGGESTED ACTIONS BY THE MEETING

5.1 **The meeting is invited to:**

a) Take note of this working paper;

b) **Encourage Member States** to develop and implement incentive policies supporting aviation energy transition, including SAF production, distribution, and infrastructure through radical collaboration across the aviation value chain;

c) **Encourage collaboration** among Member States to share best practices and harmonize policies; and

d) **Promote international partnerships** to accelerate the aviation energy transition.

- END -

[6] IATA NetZero CO2 Emissions Roadmap, October 2024, accessible here