



Policy options to support the development of a scaled SAF market



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- ✓ **SAF feedstock sustainability,**
- ✓ **Supply, demand and enabling policies,**
 - ✓ Branch A: Stimulating growth of SAF supply,
 - ✓ Branch B: Demand-side measures to stimulate SAF uptake
 - ✓ Branch C: Enabling SAF markets

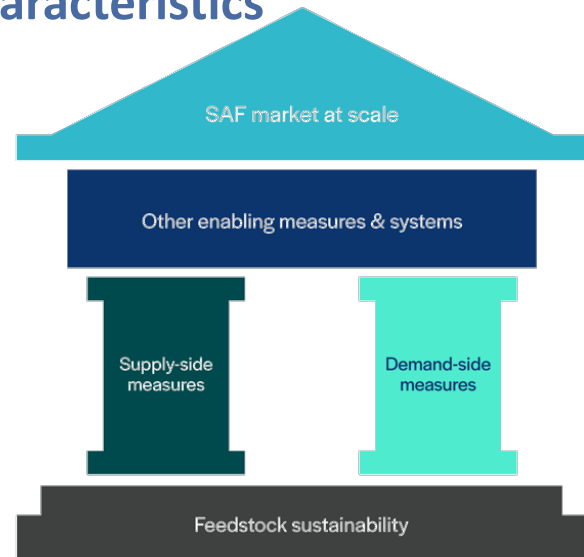


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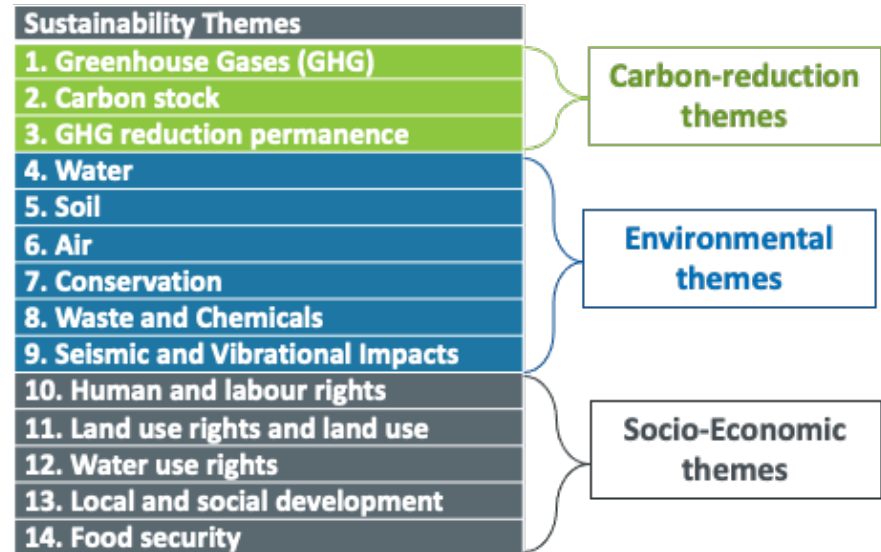
Policy options to support the development of a scaled SAF market

- The most suitable SAF policies, can **vary for each country** according to their **geographic, economic, social and political characteristics**
- A range of policy measure are structured to:
 - **Stimulate SAF supply,**
 - **Stimulate SAF demand, and**
 - **Enable implementation**
- ✓ **Sustainability** is identified as a **transversal element**



SAF feedstock sustainability

- While there is not a single applicable sustainability standard to SAF feedstock: will **depend on the applicable regulatory context**
- But a global reference standard is the **ICAO CORSIA Sustainability framework**, which is result of a global consensus in ICAO to ensure the environmental and socio-economic integrity of SAF



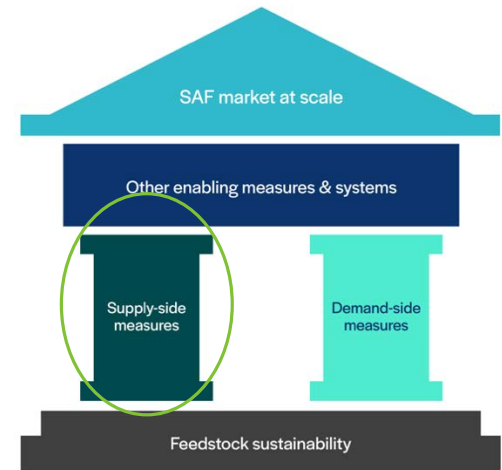


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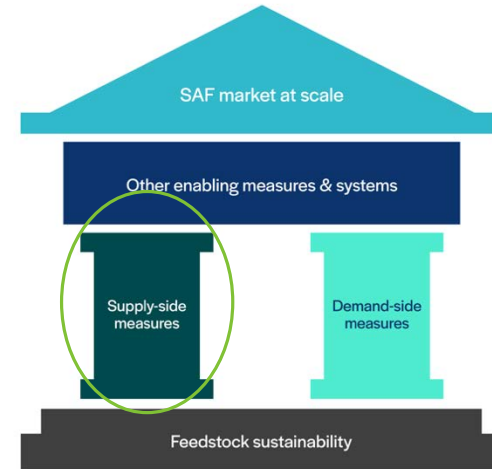
Branch A: Stimulating growth of SAF supply,

- Stimulating growth of SAF supply can be done via:
 - **Fund and promote SAF RDD&D**
 - **Policy option 1:** Establish dedicated innovation funds or financing options to support early- stage SAF production pathways at lower technology readiness levels (TRL)
 - **Support first-of-a-kind SAF production plants**
 - **Policy option 2:** Establish contract-for-difference (CfD) schemes to reduce the price gap between SAF and conventional jet fuels based on life-cycle assessment (LCA) of GHG emissions



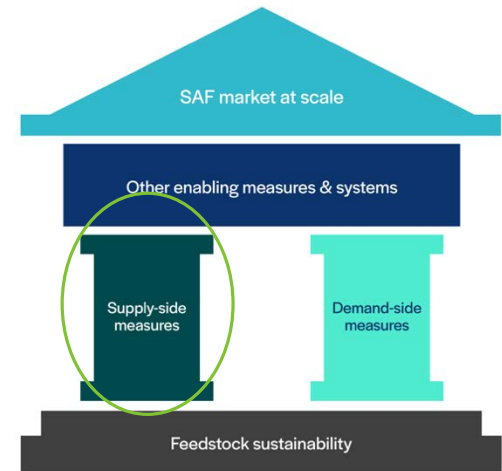
Branch A: Stimulating growth of SAF supply,

- Stimulating growth of SAF supply can be done via:
 - **Support the expansion of SAF infrastructure and high TRL pathways**
 - **Policy option 3:** Provide a combination of up-front capital grants and low-interest loans for the building and running of SAF production facilities to attract private investments
 - **Policy option 4:** Eligibility of SAF for tax advantages and blending or production incentives
 - **Policy option 5:** Bonds/Green bonds
 - **Policy option 6:** Support for feedstock supply establishment and production
 - **Prioritise feedstock for SAF production & optimise conversion yields**
 - **Policy option 7:** Support the development of non-bio-based decarbonisation options in competing sectors to incentivise the redirection of feedstocks and national renewable fuel production for aviation



Branch A: Stimulating growth of SAF supply,

- Stimulating growth of SAF supply can be done via:
 - **Stimulate sustainable feedstock production and valorise SAF benefits**
 - **Policy option 8:** Grant tax exemptions for SAF with a focus on the regional location of production and the provenance of the feedstock while ensuring strict sustainability criteria
 - **Policy option 9:** Recognise SAF benefits under carbon taxation or cap-and-trade systems
 - **Policy option 10:** Recognise non-carbon SAF benefits such as improvements to air quality or reduction in contrail formation



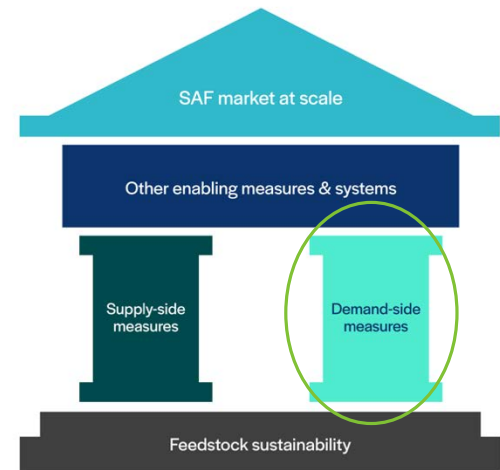


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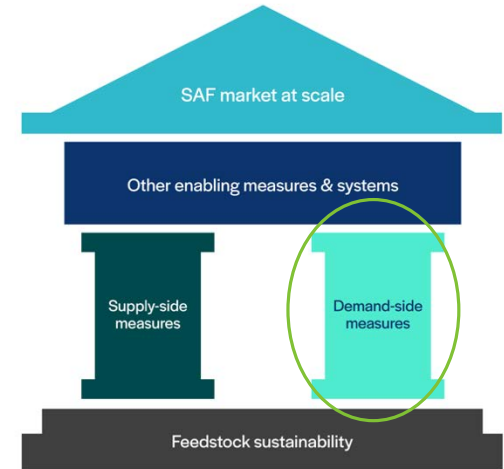
Branch B: Demand-side measures to stimulate SAF uptake

- Stimulating growth of SAF demand can be done via:
 - **Update of existing policies and creation of SAF blending mandates**
 - **Policy option 11:** Establish a SAF blending mandate with a blending level that increases progressively over time
 - **Policy option 12:** Update existing policies to incorporate SAF
 - **Provide direct or indirect subsidies for SAF**
 - **Policy option 13:** Provide direct tax incentives for SAF offtakers, producers or blenders to reduce the cost differential between SAF and conventional jet fuels
 - **Policy option 14:** Levy a dedicated SAF fee on flights to finance SAF acquisition, with possible variation accounting for flight distance and SAF blending target levels



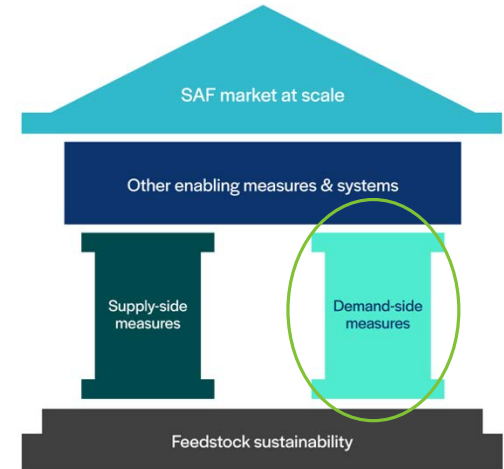
Branch B: Demand-side measures to stimulate SAF uptake

- Stimulating growth of SAF demand can be done via:
 - **Introduce disincentives for conventional jet fuel**
 - **Policy option 15:** Introduce a domestic carbon price or cap-and-trade mechanism, potentially aviation-specific, to price-in the cost of GHG emissions for fossil fuel
 - **Include SAF in public procurement**
 - **Policy option 16:** Policy statements and SAF supply goals to establish direction
 - **Policy option 17:** Impose a minimum public SAF procurement quantity for military and state flights, and for commercial flights by public servants



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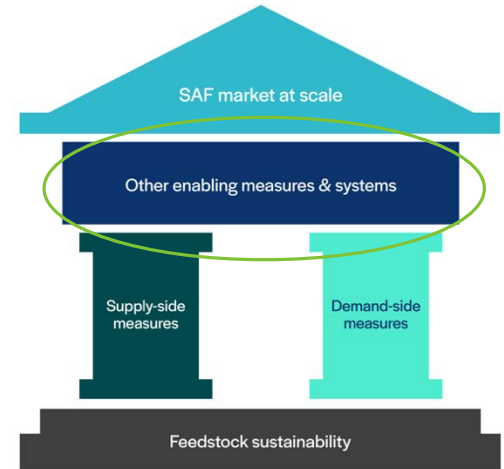


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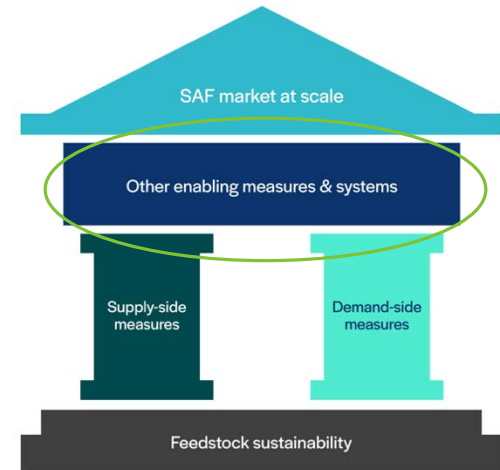
Branch C: Enabling SAF markets

- Enabling SAF markets can be done via:
 - **Create a virtual SAF marketplace**
 - **Policy option 18:** Establish or recognise an existing environmental attribute ownership transfer system, such as book and claim, to facilitate and promote the trade of SAF volume credits or GHG emissions reductions
 - **Ease SAF-related imports and exports**
 - **Policy option 19:** Reduce import barriers on SAF-related products if national production is not feasible or insufficient to meet the domestic demand
 - **Adopt recognised sustainability standards, and harmonise certification**
 - **Policy option 20:** Adopt clear and globally or regionally recognised sustainability standards for feedstock supply



Branch C: Enabling SAF markets

- Enabling SAF markets can be done via:
 - **Other measures to enable supply and demand connection**
 - **Policy option 21:** Support SAF stakeholder initiatives



- **Policy option 22:** Support the roll-out of existing SAF production technologies and international capacity-building to developing countries to promote the adoption of SAF production globally



**Thank you for your
attention!**



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