# 2024 ICAO REGIONAL SEMINAR ON ENVIRONMENT

Hosted by ICAO MID

**MID Region**

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Cairo, Egypt

ICAO ENVIRONMENT

ACT SAF

CORSIA

# Public funding for SAF

1 Industry and governments global net zero commitments

2 Technology solutions to reach net zero

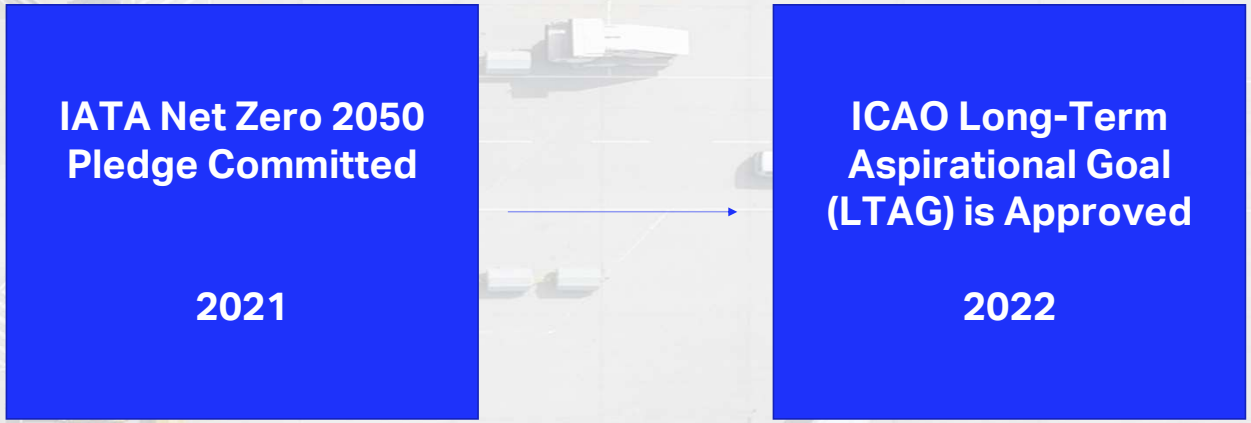
3 Importance of public funding

4 Mitigating SAF financing risks

5 Key public funding available for SAF

6 Conclusions

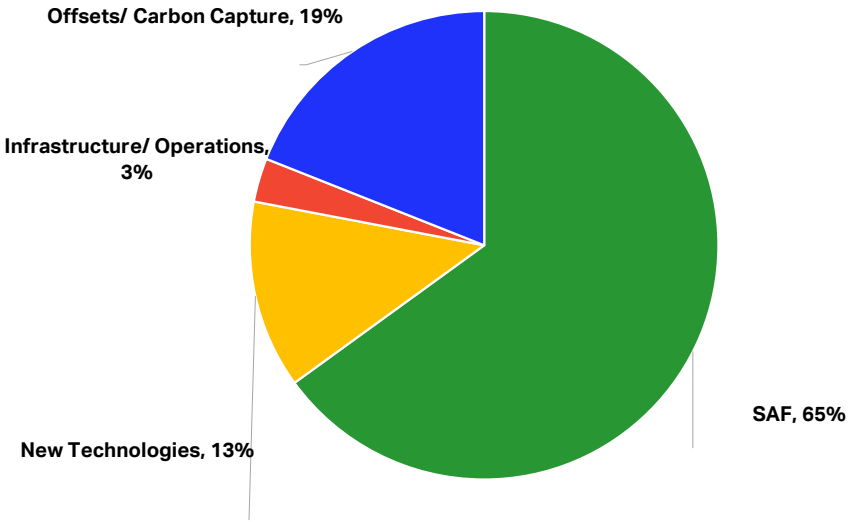
# From Industry Commitment to UN Approval




The confirmation of the UN aviation body, ICAO, aligning themselves with the Long-Term Aspirational Goal was a landmark agreement for the aviation industry. In attaining this approval from over 190+ member state countries, it represented:

- A firm global commitment from governments toward aviation's Net Zero 2050 goal
- A clear recognition and acceptance that SAF would be the key driver of achieving the success of the goal

# Technology Solutions to reach Net Zero



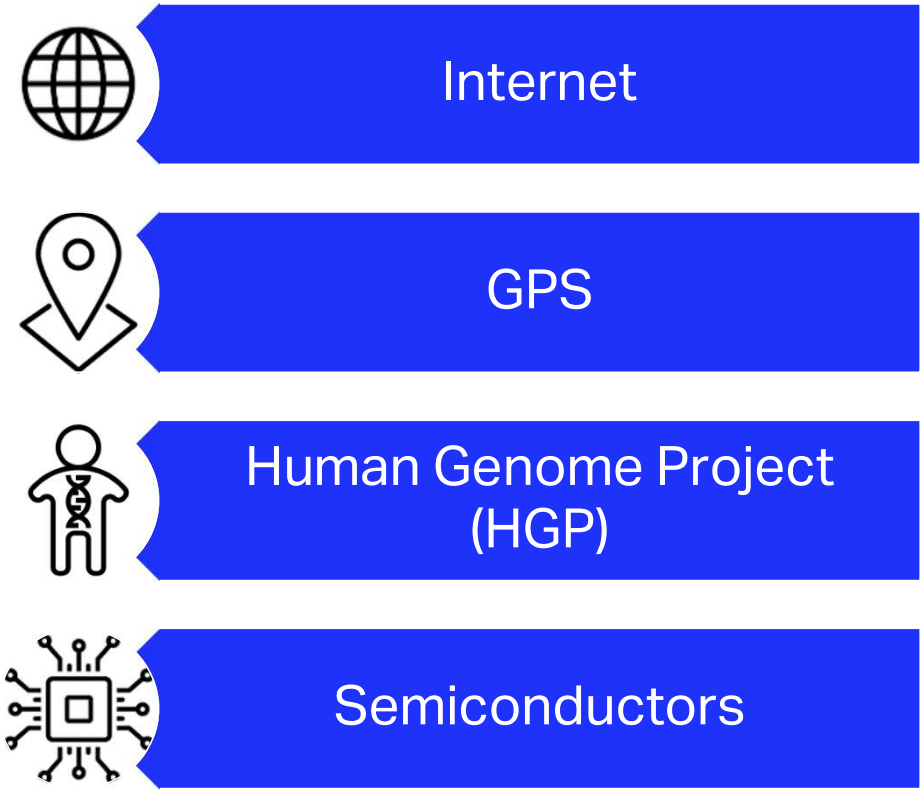

| Year | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 f |
|---|---|---|---|---|---|---|
| Estimated SAF Output (Mt) | <0.02 | 0.05 | 0.08 | 0.24 | 0.5 | 1.5** |
| Global Jet Fuel (Mt)* | 288 | 157 | 182 | 254 | 271 | 285 |
| SAF % of Global Jet Fuel | <0.01% | 0.03% | 0.04% | 0.1% | 0.18% | 0.5% |

**SAF responsible for the greatest amount of $CO_2$ reductions by 2050 (65%)**

**1,000x increase in production is needed by 2050 (500 Mt)**

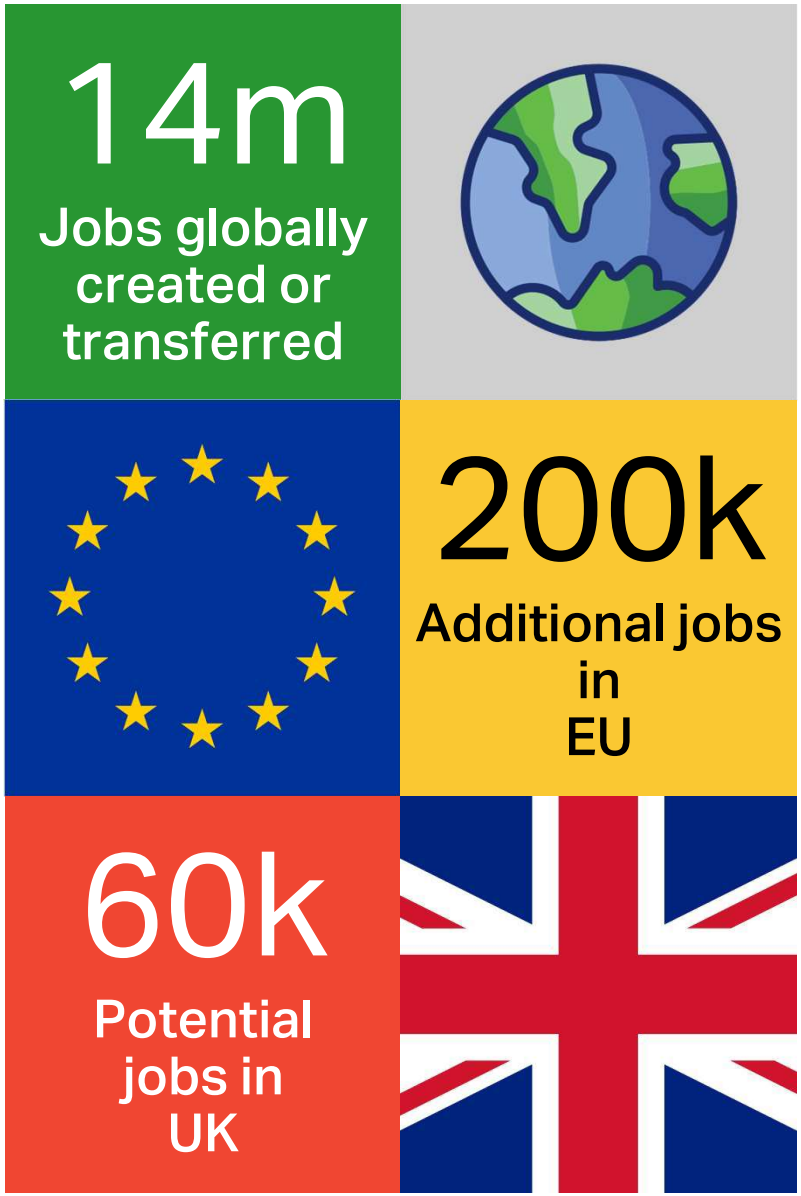
# Public funding important for early-stage tech

## Particularly crucial in R&D stage





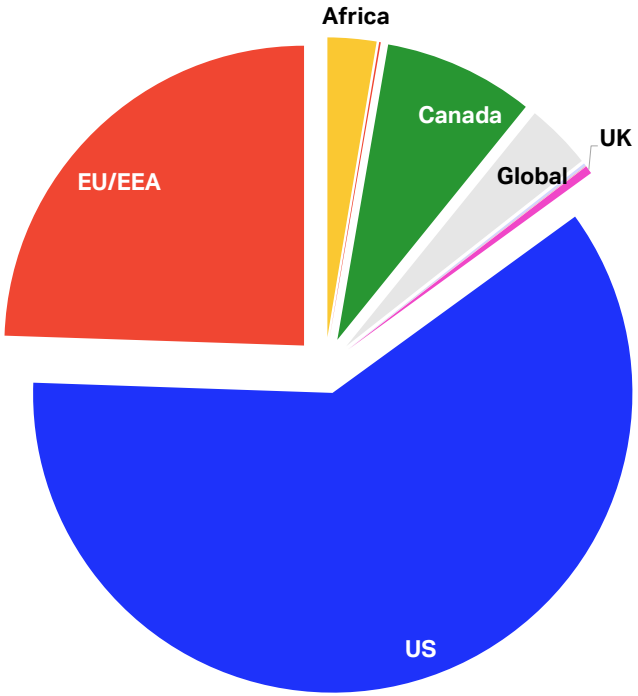

Note: Governments' crucial role also in the development of new energy markets is a main takeaway of IATA's publication A reflection on policies used to support the creation of new renewable energy markets.




# Public funding of SAF supports broader sustainability benefits

- Economic growth and job creation
- Energy resilience and security
- Recultivation of degraded land

# Key public funding available for advanced biofuels
IATA analysis **preliminary** results




IATA analysis' results on key public funding available for advanced biofuels, including SAF, will be released by end of 2024 on iata.org

# Mechanisms mitigating SAF financing risks

## Technology risk

–Risk: Uncertainty around technology performance at commercial.

–Mitigator examples: Grants, equity, technical assistance, and technology insurance.

## Feedstock risk

–Risk: Uncertainty around consistent, sufficient and scalable feedstock supply, yield and quality.

–Mitigator examples: Long-term agreements, grants focused on advanced biofuels feedstock development.

## Revenue risk

–Risk: Uncertainty around future revenue streams.

–Mitigator examples: Subsidies, loan guarantees, contract for difference, equity.

# Need for more targeted public funding for SAF

## IATA analysis **preliminary** results

**More public support needed for R&D stages**

**Funding essential for first-of-a-kind (FOAK) projects**

**Support to improve supply chains and feedstock**

# Conclusions

1. Public funding support is essential for **early-stage technologies**.

2. Currently, majority of public funding for advanced biofuels, including SAF, is available in **North America and EU/EEA**.

3. More public funding for SAF is needed **in emerging markets,** and particularly targeted towards R&D stages, FOAK projects and **improved supply chains** and SAF feedstock development.

# Thank you

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