

**INTERNAL AVIATION INDUSTRY REPORT / OCTOBER 2025** 

## ICAO ASSEMBLY/42

At the 42nd ICAO Assembly (23 September to 3 October 2025) discussions reinforced the global commitment to ICAO's long-term aspirational goal (LTAG) and for CORSIA as the single global market-based measure for aviation emissions. It was all-in-all a very "calm" ICAO Assembly on climate change and environment files, but not so much in other areas. Being the largest ICAO Assembly ever, with over 3,000 delegates, access to the Assembly Hall itself became an issue with restrictions on the number of delegates which could enter the 800-seat venue. In sport, a red card signifies you need to leave the game. At the ICAO Assembly, a red pass was used to give exclusive access to the Plenary sessions for those lucky enough to have one!

Whereas climate change has been the key item for discussion at the last four or five Assemblies, wider geopolitical issues were at the forefront this year. State interference with air navigation systems, unannounced missile launches and use of drones in civil airspace created tension between States. Elections excluded the Russian Federation from the ICAO Council for another three years and the Assembly was forced into voting on several procedural issues after points of order from one State. Climate change was one of the less controversial topics!

In the long-term goal discussions, industry's keen focus was to ensure there was no back-sliding on the commitments made at the last Assembly to the long-term goal. As predicted before the Assembly (based on the working papers received), there was no real surprise in the discussions and, importantly, no significant calls for a re-think of climate policy from ICAO.

An interesting development occurred once all the reports had been approved in the plenary. China asked for the floor and made a statement which seemed to indicate a much more open approach on the long-term goal and CORSIA. Historically, China has raised objections (or 'reservations') to the ICAO work on these matters. Highlights from the statement include:

"We hope A42 will be a new starting point for States' collaboration on climate change... In past Assembly resolutions on climate change, China has filed its reservations on related goals and CORSIA implementation standards... considering in this Assembly in the two resolutions [LTAG and CORSIA], implementation support has been significantly strengthened compared to the past, and China's advocation on fairness, justice and win-win cooperation is better reflected, we are willing to reduce the scope of our reservations and reconsider our position on the paragraphs on the long-term aspirational goals... we support multilateralism and the role of ICAO in aviation and climate change and promote the fair implementation of CORSIA".

For those who have been following this ICAO process for the past 15 years, this is a significant shift in position.

ICAO considered three agenda items of particular interest to ATAG activities:

- 1. Agenda item 16: Environmental protection international aviation and climate change (including long-term goal)
- 2. Agenda Item 17: Environmental protection (CORSIA)
- 3. Agenda item 26: Economic development of air transport (taxes)
- Agenda item 15: Environmental Protection general provisions, aircraft noise and local air quality was not an area that received great attention at A42, but the final report and resolution text can be found at http://ataglink.org/3V0cxsS

- » The Assembly website is here: http://ataglink.org/3KyJdnE
- » All working papers, by agenda item, can be accessed here: http://ataqlink.org/4mXs44M
- » Video recordings of all plenary and committee meetings can be found here: http://ataglink. org/42r1ZUe





# Agenda item 16 | International aviation and climate change (including long-term goal)

During the session, ATAG presented its Working Paper 'Industry Views on Climate Action', which reaffirmed the air transport industry's support for the LTAG, CORSIA, the outcome of the CAAF/3, and the work of ICAO to support continued progress towards these climate goals.

It elaborates that governments at a regional and national level should implement supportive policy environments for technology deployment, infrastructure improvements, low-carbon options, SAF and consideration of aviation needs as part of government hydrogen strategies. It also highlighted the role of the energy sector, financial institutions and customers in supporting the energy transition.

ATAG Executive Director Haldane Dodd presented ATAG's Working Paper with the following remarks:

"Thank you, Mr. Chair. As you yourself noted in opening today's session, we can be proud of the progress we have made as a sector in setting a very strong foundation for our climate strategy. Following milestone goals adopted over recent years, the industry continues to support in many ways the fundamental work ICAO undertakes at CAEP, on capacity building and the Finvest Hub. But we also must take the opportunity here to note increasing urgency if we are to achieve our aims. Despite sounding far away, we do not in fact have the luxury of time before we reach 2050. The scale-up of SAF, in particular, will need to be robust and steep post-2030. For this, we need an acceleration of policy support and action across multiple stakeholders: aviation industry, governments, the energy sector and finance community. And we need that in the next five years if we are to be on the trajectory we need to 2050. In our working paper 382 we reconfirm industry's support for LTAG, CORSIA and CAAF/3 as well as the core ICAO climate activity. Alongside WP 249 by the Climate Ambition Coalition, the action items urge continued progress and a renewed spirit of cooperation and opportunity by all States to help meet this challenge of a lifetime."

The ATAG paper gained support from a number of States, including Canada, France, Italy, Spain, United Arab Emirates, the United Kingdom, Saudi Arabia and others.

The International Coalition for Sustainable Aviation (ICSA) proposed two significant items on ICAO'S climate work: to propose a pathway with interim  $CO_2$  emissions reduction targets (i.e. 2030, 2035, 2040...) and to recognise that non- $CO_2$  emissions represent a significant proportion of the net climate warming from international aviation; and encouraging further science, target setting and mitigation; as well as an integrated trajectory assessment of both  $CO_2$  and non- $CO_2$  emissions impacts to 2050. Both suggestions received minimal support from States and will not be part of the ICAO work programme beyond what is already in action.

» The ATAG working paper 382 can be accessed here: http:// ataglink.org/4q7k1Fg

» The full report and resolution text from Agenda Item 16 can be found here (some minor editorial changes will be made to the final text, available in the coming days): http://ataglink. org/487WzB7



## Agenda Item 17 | Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

In a separate agenda item, the Executive Committee considered progress on the implementation of CORSIA. The ICAO Council reflected that CORSIA implementation is on track and continues to proceed as had been anticipated at the time of its adoption in 2016.

While there were no major surprises during the session, the discussion focused on the importance of scaling up CORSIA Eligible Fuels (CEFs) and Emissions Units (CEEUs), urging faster certification of pathways and greater government support for Letters of Authorisation to unlock supply.

Through its Working Paper 'Industry Views on Climate Action', ATAG reaffirmed the air transport industry's support for CORSIA as the only global market-based measure applying to carbon emissions from international aviation. The paper acknowledged the significant contribution of the ICAO ACT-CORSIA programme to support States in CORSIA implementation.

» The ATAG working paper 382 can be accessed here: http:// ataglink.org/3WkGK2J



During the Executive Committee, ATAG's Executive Director presented the Working Paper with the following remarks:

"Thank you, Mr. Chair. In this paper we reconfirm industry support for CORSIA as the global mechanism designed and implemented by States for addressing aviation's carbon emissions. This world-first system is now in operation and should be the main focus for States looking to fund climate action projects through aviation, particularly in developing economies. Other proposals being discussed outside ICAO are a distraction to the full support CORSIA deserves – particularly the need to boost supply of eligible emissions units to meet the needs of CORSIA obligations. Thank you."

» The full report and resolution text from Agenda Item 17 can be found here (some minor editorial changes will be made to the final text, available in the coming days): http://ataglink. org/4pJNvZs

### Agenda item 26 | Economic development of air transport

In the Economic Commission, a discussion was held on taxes in aviation - both the corporate tax rate on ticket sales, which is currently being worked on in another part of the United Nations, as well as the Global Solidarity Levies Task Force discussions.

IATA and the United States presented Working Papers on these topics:

- IATA submitted a Working Paper on the UN Model Double Taxation Convention titled
  'Recent challenges to ICAO policies on the imposition of taxes on the income of
  international air transport enterprises and on the use of international air transport
  services', expressing concern over taxation and urging the Assembly to encourage
  States to implement ICAO's taxation policies to avoid double or discriminatory taxation
  on air transport, and to prevent the proliferation of inconsistent and duplicative
  measures.
- The United States also submitted a Working Paper titled 'Preserving ICAO principles on taxation and countering emerging air transport taxes', challenging a global aviation tax. It emphasised that such measures, which are not linked to the provision of aviationspecific services are inconsistent with ICAO's policies on taxation, risk distorting market competition and place disproportionate burdens on developing and tourism-dependent economies.
- » The IATA working paper can be accessed here: http://ataglink. org/4ny9wJl
- » The US working paper can be accessed here: http://ataglink. org/3lstqX1



ATAG, along with a number of other industry associations, made interventions in this session and almost all States supported the industry positions. Despite both these discussions taking place outside the ICAO structure, this is a positive signal from States about the importance of the ICAO process to deal with some of these items.

States highlighted that a patchwork of taxation on aviation should be avoided and CORSIA should be the only market-based measure.

Interestingly, despite being in the room, only one member of the GSLTF coalition made a comment about the discussion: Spain said they disagreed with the US paper while voicing support for air transport's role in achieving the Sustainable Development Goals and assisting States in addressing climate change, stressing that any actions must be implemented in a balanced way. France, who have been co-leading the GSLTF, notably, did not intervene.

During the session of the Economic Commission, ATAG's Executive Director intervened with the following remarks:

"Thank you chair and good morning colleagues from the Air Transport Action Group. There is only one global sector with a market-based measure agreed, by States, as part of a package of climate change measures – aviation. We urgently need support to help ensure there are enough CORSIA eligible emissions units to meet the needs of this world-first programme. These units can be a significant source of climate financing, ensuring that carbon mitigation projects in developing economies and communities all over the world can be funded. As identified in WPs 122, 181, 267 and 374, it is important not to be distracted by measures being discussed in other fora that seek to target aviation simply as a source of money. The Global Solidarity Levies Task Force was expected to look at a wide range of novel options for raising climate finance. After two years of work, it has managed to come up with only one possible source – aviation. There are no details of how such a levy would work, how much it would cost or importantly what the impact would be on trade, tourism, business and family connections. It would almost certainly not reduce aviation carbon emissions. And the money raised might not even make it to the developing nations that need the support. CORSIA should be the focus. Let's get the climate finance flowing with a system which has already been designed, adopted and is in action right now. Thank you."

In addition to the intervention during the session, ATAG, together with other industry associations, had submitted an Information Paper highlighting aviation's broad contribution to global sustainable development. Drawing from the 2024 report *Aviation: Benefits Beyond Borders*, the paper outlined aviation's role in driving global socio-economic growth and supporting nearly all UN SDGs. It emphasised the need for continued collaboration between industry, governments, and international institutions to maximise aviation's development impact and ensure sustainable growth.

- » The full report and resolution text from Agenda Item 26 can be found here: http://ataglink. ora/4qQuK2p
- » The ATAG information paper can be accessed here: http:// ataglink.org/4mIV1B5

### United States statement on climate financing

There were a few headlines (including from Reuters: 'US criticizes climate, social focus of UN aviation group') about US Secretary of Transportation Sean Duffy's speech at the beginning of the Assembly. Whilst he did mention in passing that ICAO needed to focus on security, safety and not be distracted by climate finance initiatives, in fact the body of his speech did not talk to ICAO's work on climate at all. Part of the speech did focus on the Global Solidarity Levies Task Force, which of course is not an ICAO initiative. On balance, for ICAO's climate work, the speech was not too concerning.

- » Reuters article: http://ataglink. org/3lw9lcW
- » Link to U.S. Secretary Duffy's speech: http://ataglink. ora/42m4tTL



#### Launch of Emerging Leaders in Sustainable Aviation (ELSA)

On 22 September 2025, at the ICAO Innovation Fair the day before the Assembly opened, we launched the Emerging Leaders in Sustainable Aviation (ELSA) initiative with a panel of young aviation professionals (all ELSA committee members in the picture below) and a speech by the initiator of the network, Amy Strang, and ATAG's Executive Director. The launch received very positive responses and in fact, already 185 young professionals have already signed up to the ELSA network and nearly 300 are following the ELSA LinkedIn page!



- » The ELSA website can be accessed here: www.elsa-network.org
- » The ELSA LinkedIn page is available here: http://ataglink. ora/3KRz45v
- » Media article by AIN about the ELSA launch: http://ataglink. orq/42Zj2wE

#### Other notable outcomes

- ACT-LTAG: ICAO will build upon ACT-SAF and ACT-CORSIA in creating an ACT-LTAG
  programme to include other aviation decarbonisation measures. It will provide a
  structured and comprehensive framework to support the development and update of
  State Action Plans to voluntarily contribute to the LTAG and aims to collaborate with
  regional initiatives and platforms to deliver targeted, practical support tailored to Statespecific needs, in line with the ICAO "No Country Left Behind" motto.
- The ICAO Finvest Hub platform has officially been launched, including a collaboration
  with the International Renewable Energy Agency (IRENA), to facilitate funding to SAF
  and aviation clean energy projects.
- The ICAO Council has been elected for the next three years, with the following States representing their regional groups on the 36-person strong permanent body in Montreal. Part I: Australia, Brazil, Canada, China, France, Germany, Italy, Japan, the United Kingdom, and the United States. Part II: Argentina, Colombia, Denmark, Egypt, India, Mexico, Nigeria, Saudi Arabia, Singapore, South Africa, Spain, and Switzerland. Part III: Angola, Belize, Cuba, Ecuador, Equatorial Guinea, Malaysia, Mali, Morocco, Poland, Qatar, Republic of Korea, Uganda, the United Arab Emirates, and Uruguay.