

Supplementary questions (15 June) - Stakeholder Engagement on the EIB Group's Climate Bank Roadmap 2021-2025

About you

First name
Laurent

Surname
Donceel

Function
Senior Policy Director

Organisation name
Airlines for Europe A4E

Country
Belgium

Email address
laurent.donceel@A4E.eu

Type of organisation
Trade/business/professional association

How did you hear about this engagement exercise?
Colleague

By submitting my contribution to this transparent stakeholder engagement process, I consent: to the publication of my contribution on the EIB's website (https://www.eib.org/en/about/partners/cso/consultations/item/cb-roadmap-stakeholder-engagement); and to the use of my personal data solely for the purpose of the EIB's internal processing of my contribution and for contacting me in relation to this stakeholder engagement. This does not entail the publication of my first name, surname, email address and function in connection with my contribution (see below).
Yes

I give my consent for the EIB to publish, in relation to this engagement process, my first name, surname, email address and function.

No

Green recovery

Question 1A: How can the EIB Group help turn the current health and economic crisis, related to the COVID-19 pandemic, into an opportunity to promote and accelerate the green transition?

The COVID-19 outbreak has caused an unprecedented crisis, resulting in the collapse of air connectivity and putting at risk the future of the entire aviation ecosystem – with far-reaching consequences for tourism and countless businesses and citizens across Europe. Restarting air transport will play a crucial role in the overall recovery of European economies. But if civil aviation is amongst the hardest hit sectors by COVID-19, it is also one that faces far greater challenges when it comes to climate change – and its ability to decarbonize. Therefore, air transport must be at the very core of the strategy the EU is charting for its recovery.

The European aviation sector welcomes the approach taken by the European Commission to combine the economic recovery from the COVID-19 crisis with a strong commitment to sustainability and the European Green Deal objectives. A4E believes that we should use the current crisis as an opportunity to “build back better”, by reducing carbon emissions from flying the most cost-efficient way. This is even more important as COVID-19 has shown that early action is critical to address a looming crisis, and that delays have a significant human and economic cost. Delaying or reducing the rate at which emission reductions are made today is not an option as it will require more ambitious cuts in the future.

Accelerating the transformation to sustainable aviation will also pave the way for a more resilient tourism sector and will keep Europe as the first destination in the world.

Due to the current dramatic revenue losses across the entire air transport eco-system in Europe, it will be challenging to achieve timely and ambitious investments into climate action. Public support, including from the EIB, for the decarbonisation of European civil aviation, as well as other public support measures, are therefore important now, more than ever.

Policymakers need to consider smart measures to support the decarbonisation of the European civil aviation sector during its recovery. This requires ensuring that aviation climate action is eligible for funding under the mechanisms foreseen by the EIB, the Next Generation EU and the new MFF.

Benefitting from these support measures will help the EU aviation sector regain its economic viability – a prerequisite for safeguarding both air connectivity and our ability to keep investing in decarbonisation.

Decarbonisation pathways, investment

Question 2: Do you agree with the key themes of the decarbonisation pathway presented? Are there additional areas of investment for mitigation that the EIB Group should be considering?

Boost the production and uptake of Sustainable Aviation Fuels (SAFs) in Europe through a dedicated and stable set of policy measures and public investment plans. Support measures should include:

- o Direct capital investment (or ownership) in SAF production facilities enabling the necessary de-risking required to debt finance projects as well as the execution of offtake contracts with aircraft operators.
- o Making Europe the centre of excellence for the development and production of SAF's through the construction and funding of commercial scale SAF projects from globally approved technology pathways.
- o Support scheme for SAF technology development and capacity build-up in Europe, including deployment of SAF pathways with higher TRL and support for market readiness, but also development of low TRL SAF technology pathways;
- o Development of projects for non-ASTM approved fuels in line with the European standard programmes;
- o Production and availability of HEFA feedstock for SAF production;
- o Sustainable production and availability of other (next to HEFA) SAF feedstocks.

Consistency of “hard to abate” sectors with low-carbon pathways

Question 4A: How should the EIB approach supporting “hard to abate” sectors – such as energy-intensive industry, airports, strategic roads, agriculture – to decarbonise? (See also additional, sector-specific questions – 4D-4H – on the next page)

Implement a green incentive scheme for airlines and aircraft operators to replace older aircraft (fixed wing and helicopters) with more modern and environmentally friendly aircraft; use public funds dedicated to the recovery to provide such incentives to aircraft operators. On average, new aircraft models are 20% - 25% more fuel-efficient, and are producing less noise compared to previous generations. Such an incentive scheme would speed up the green transition towards the EU’s shorter term ambition of 2030.

Consistency of “hard to abate” sectors with low-carbon pathways (continued)

Transport For further information see paragraphs 3.56 to 3.80 of the EIB Group’s Position Paper. Question 4E: What kinds of investments in transport systems should the EIB prioritise to simultaneously serve the goals of decarbonisation; accessibility in all regions and by all groups in society?

A4E’s core objective is that aviation can grow sustainably while continuing to benefit the social and economic development of countries across Europe in the coming decades. This requires a coherent policy framework that promotes sustainability while supporting competitiveness.

The EU institutions, Member States and the EIB should find ways to support the industry’s substantial efforts to become more sustainable and its ambitious goals to cut CO₂ emissions. This requires public incentives for investment in sustainable technologies and fuels, which offer a real prospect for the future decarbonisation of air travel. This should be complemented by smart economic instruments to enable carbon pricing and cost-effective emissions reductions in other parts of the economy.

CO₂ emissions from aviation represent 3.6% of the EU’s total CO₂ emissions. The EU’s Emissions Trading System (ETS) addresses emissions from intra EEA flights whilst the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) will also address intercontinental flights, representing around 80% of Europe’s aviation emissions.

Due to the global nature of air transport, European airlines, the aviation industry, other stakeholders as well as European institutions have for many years been consistently advocating a global solution. The development and deployment of Sustainable Aviation Fuels (SAFs), Research and innovation on alternatives to fossil fuels are ongoing and should be supported. In the absence of an alternative to liquid drop-in sources of energy for mainstream commercial flights in the next years, coupled with the commitment for aviation to reduce its CO₂ footprint, this reduction will have to be achieved by switching to aviation fuels that are increasingly CO₂ neutral, whilst remaining cost-competitive.

To mobilise the huge amounts of investment needs, financing for research, development and deployment must be improved. To this end, measures to support the development of SAFs are crucially missing and were not sufficiently considered in the 2018 Review of the Renewable Energy Directive (REDII); the remaining structural funds and the new Multiannual Financial Framework (MFF) should be leveraged;