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Aviation Industry Call for Policy Action on SAF

Accelerating the availability and affordability of sustainable aviation fuel (SAF) is essential to achieving the European Union (EU) and aviation industry climate goal of net zero CO_2 emissions by 2050.

The aviation industry ecosystem reiterates its full commitment to the decarbonisation of air transport, in line with the objectives of the European Green Deal and the Paris Agreement. The ReFuelEU Aviation Regulation provides an essential and forward-looking framework for scaling up SAF production and uptake across the EU. It is imperative that this framework is effective and predictable, by safeguarding the long-term SAF policy trajectory on the one hand, and on the other that it is complemented with mechanisms that foster the long-term investment stability needed to develop a robust and competitive SAF value chain in Europe.

The Draghi report on European competitiveness highlights that decarbonisation is a competitive challenge for the hardest-to-abate segments of the transport sector, such as aviation (and maritime) and that decarbonising the aviation sector will necessitate approximately €61 billion annually. Civil Aviation is, however, an indispensable part of the global mobility of passengers and goods contributing to the welfare of the entire European society. In 2019, air transport supported 14 million jobs (387,000 direct jobs in Europe) and €851 billion to GDP in Europe.

Achieving the transition requires substantial investment to develop and deploy SAF, to upgrade infrastructure, to support technological innovations within the industry and to preserve the competitiveness of the sector. ReFuelEU Aviation largely stimulated bio-SAF production capacity from being almost inexistent to around 1.2 million tonnes in 2024. This is a positive and necessary signal. Achieving the higher overall targets, and the e-SAF sub-target in 2030 and beyond, requires unlocking significant private investment, which today is hindered by high capital costs, regulatory complexity, and a lack of market-based de-risking instruments.

Critical challenges persist

- **The market for commercially available SAF (HEFA) remains nascent**, with the corresponding challenge of the high cost gap with conventional kerosene, and possible competitive gap with non-EU airlines and SAF producers.
- **Next-generation SAF pathways**, **notably e-SAF, and advanced biofuels, continue to face strong challenges in securing investment decisions** for commercial deployment. To this date, with exception of one small pilot-scale project, none of the 40+ EU e-SAF commercially-full-scale projects have reached final investment decision (FID).

Therefore, the aviation industry ecosystem calls for urgent and targeted actions in the upcoming Sustainable Transport Investment Plan (STIP) aimed at creating a healthy EU SAF market and unlocking investment into SAF production in the EU, as well as ensuring competitiveness of the EU aviation industry and of the SAF value chain. The following 10-point action plan for 2025-2026 aims to overcome the early movers' disadvantage; please refer to the annex for further context.

The European Commission should build upon existing instruments by:

1. **Proposing to extend in volume and time the mechanism for Fuels Eligible under EU ETS (SAF allowances)** to bridge the price gap between SAF with conventional kerosene and further support SAF uptake as part of the 2026 EU ETS review.
2. **Holding dedicated calls under the Innovation Fund, Industrial Decarbonisation Bank and European Innovation Council to increase the uptake of advanced bio-SAF and e-SAF projects, as well as charging / refuelling stations,** starting from 2025. The European Commission should establish dedicated aviation calls with clear criteria to allow the selection of the best SAF projects. Investing at the right time and in the right locations will be key to maximising impact and enabling the transition to zero-emission aviation. In line with the Clean Industrial Deal, a clear and coordinated deployment strategy, with defined timelines and geographic priorities will be required to ensure the successful use of existing SAF infrastructure and the rollout of the required net zero infrastructure, with electric charging stations and hydrogen refuelling.
3. **Ensuring the European Investment Bank Group tailors its financial products** (guarantees, equity and debt) **to suit the risk profile and financing needs** of e-SAF and advanced bio-SAF projects and to increase financing and advisory support to SAF projects as soon as possible.
4. **Accelerating initiatives bringing new SAF projects and plants to the market**, relying notably on the available expertise and the collective work of the RLCF Alliance (e.g. labelling, matchmaking) in close coordination with Member States, the fast-track permissions under the Net-Zero Industrial Act, and the Hydrogen Mechanism to help aggregate supply and demand for e-SAF.

The European Commission should establish new instruments to overcome market failures by:

5. **Creating a revenue certainty instrument to overcome the offtake mismatch between long-term production and short-term uptake**. The European Commission should consider establishing new market-based mechanisms, such as double-sided auctions via an EU intermediary, contracts for difference, demand aggregation mechanisms or feed-in tariffs, to create a dynamic and self-sustaining SAF market through the 2030s. This should cover e-SAF and advanced biofuels and be funded by revenues from the EU ETS Aviation, introduced as part of the 2026 EU ETS review. Ahead of this, a coalition of willing Member States could provide near-term support by designing auctions with a market intermediary or other relevant mechanisms.
6. **Exploring the potential of a system allowing obligated parties under ReFuel EU to claim SAF environmental attributes through an EU virtual ticketing** mechanism that could help support an efficient and effective SAF market — by expanding market access, stimulating demand, streamlining logistics, and enabling production in locations with optimal cost efficiency. Any such system should ensure robust safeguards for environmental integrity and emissions reductions, remain transparent and credible, and be used until SAF is widely available in larger volumes.

The European Commission should create greater regulatory certainty by:

7. **Creating a level playing field for the European aviation industry,** by ensuring the same level of enforcement and anti-fraud policies for both volumes produced in the EU and imports, and by **exploring ways to boost EU production competitiveness.**
8. **Proposing targeted simplification (Omnibus) measures to reduce the administrative burden** for early movers and SMEs in SAF, while maintaining the level of ambition. This should include the recognition of the Common European Pipeline System (CEPS) and supporting infrastructure for SAF blend quality as key components for uptake and cost-efficiency.
9. **Taking the necessary measures to increase the availability of (European) feedstocks for SAF production, including renewable electricity capacity and ensure the aviation ecosystem can access sufficient eligible biomass**. This includes finalising the definition and certification of crops grown on severely degraded land and intermediate crops, as well as continued review of the alignment of the EU's feedstock eligibility with international standards.
10. **Working together with the industry to accelerate the testing and certification of e-SAF technologies** like Methanol-to-Jet and advanced Ethanol-to-Jet.

ReFuelEU Aviation is the backbone of Europe's SAF strategy, but its success relies on swift, coordinated action to resolve the remaining investment and implementation barriers. SAF is no longer a distant solution, it is a reality that must scale now. It presents the opportunity to improve the EU's energy security, strengthen its economic prosperity and bolster climate innovation.

We urge policymakers at EU and national levels to take immediate action and work together with industry to ensure a timely and robust ramp-up of SAF in Europe. This call for action for SAF should form part of a more comprehensive and dedicated EU aviation & aeronautics strategy (including new aircraft and engine technology, ATM, carbon removals, industrial aspects etc.) to deliver a leading, competitive and sustainable European industry.

The time to act is now.

ANNEX: Context for policy action on SAF

SAF is widely recognised as one of the most important levers to reduce aviation's greenhouse gas emissions both in the short and long term. DESTINATION 2050 presented an updated roadmap charting a scenario for aviation to reach net zero by 2050 whereby SAF account for up to 56% of aviation's pathway. SAF goes hand in hand with more energy-efficient technology. Increased (doubling) funding for civil aviation research (Clean Aviation, SESAR, as well as collaborative research) based on a ring-fenced budget in the next EU Multi-Annual Financial Framework is therefore crucial. More efficient use of SAF, thanks to improved aircraft, engine and ATM performance, is essential.

FIDs for production of around 600,000 tonnes of e-SAF should materialise by end of 2026. This requires the construction of circa 12 new industrial-scale first-of-a-kind e-SAF plants to meet the EU demand and bridging investment needs of at least EUR 10 billion from private and public sources. To this date, only one unit of 2.500 tonnes per year reached FID in the EU. As permitting and construction typically takes five to seven years from FID, commissioning sufficient capacities in-time for 2030 has become uncertain. Challenges of a similar scale are expected for advanced biofuels, which require substantial R&D investments and improved access to feedstock. Those fuels will be needed to reach EU SAF targets after 2030, with investment needs of at least EUR 4 billion.

Market transparency and collaboration is essential to ensure a fair and efficient SAF ramp-up in the EU. Building a trusted and functioning SAF market requires clear, predictable conditions that allow aircraft and airport operators to access, use, and claim the climate benefits of SAF under EU and international frameworks. Enhanced visibility of SAF availability, pricing signals, and eligibility for support mechanisms — alongside appropriate incentives — will foster confidence across the value chain, unlock investments, and accelerate supply growth in a commercially viable manner.

Electricity will play a key role in decarbonising aviation, whether to produce hydrogen (as a direct fuel or as a feedstock for e-SAF) or for charging points for hybrid or full electric propulsion. This is crucial in the short term, especially for regional air transport, where new aircraft technologies will become available and economically viable first. Therefore, the STIP shall also support the deployment a clean electricity market for aviation applications supporting the complete value chains.

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