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**SUBJECT: AVIATION SUSTAINABLE FINANCE TAXONOMY**

Through our earlier statement we called for the entire aviation sector (manufacturers, leasing companies, airlines and other aircraft operators, airports, ground handling and Air Navigation Service Providers) to be included into the EU Taxonomy building on the work done by the EU Platform for Sustainable Finance. We would like to follow up on this earlier joint statement in response to some inaccuracies which have been spread by some stakeholders.

We share the view that the EU Taxonomy rules should be aligned with the ambitions of the EU Green Deal and Paris Agreement. This is fully aligned with the work achieved under the Platform for Sustainable Finance, the recent work done in close cooperation with the European Commission defining a roadmap for the full decarbonisation of EU aviation in 2050, and the inclusion of the aviation sector in the ambitious objectives of the EU 'Fit for 55' legislative package.

Our ambition is not only to include European aviation in the objective of the EU Green Deal but lead on the transformation of the whole aviation sector in order to make it a fully decarbonised industry. This is a great opportunity for Europe, and also a great opportunity for the world in the fight against climate change and we count on your support for our high ambition levels.

Some stakeholders are claiming that aviation is not on track to meet net zero by 2050 but that is not correct. The IEA report they referenced was issued prior to the adoption by the ICAO Assembly in November 2022 of a Long Term Aspirational Goal (LTAG) to meet net zero by 2050 for the whole international aviation sector and therefore out of date. This is in addition to the commitment taken in 2021 by the whole aviation industry regrouped in ATAG to reach net zero emission by 2050. This is probably a unique example of a global industry making such a collective commitment to be aligned with the objectives of the Paris Agreement.

You are also aware of all the work that has been performed by the European aviation sector through the Destination 2050 initiative which sets a robust European roadmap to include aviation in all the objectives of the EU Green Deal and to define all the actions needed to reach these objectives. This is further underpinned by the 'Toulouse Declaration' (February 2022) in support of aviation's goal to reach Net Zero CO<sub>2</sub> emissions by 2050, signed by the EU-27 Member States, 11 States of the European Civil Aviation Conference (ECAC), civil aviation industries and energy companies.

At the same time, a number of aerospace, airline/aircraft operators and airport companies are progressively receiving validation from the Science Based Target Initiative (SBTi) to confirm their climate targets and trajectories to meet the Paris Agreement, further underpinning the credibility of aviation's decarbonisation roadmap.

We believe our ambitions can only be achieved if the EU institutions and civil aviation sector are working together in close partnership to set the appropriate policies and mobilize the investments required.

To be successful, the transition to net-zero needs to be built on all legitimate pathways – all credible analysis (including the pathways used by the European Commission Renewable and Low-Carbon Fuels Alliance and Alliance for Zero Emission Aviation in developing EU policy) concur that these include significant investment in the latest generation of fuel-efficient aircraft to replace current aircraft; the optimisation of operations technologies, the extensive use of sustainable aviation fuel (SAF) by all operators (and as a consequence the development of production and use of SAF in Europe); and the deployment of resources for the research and development of next generation aircraft/engines/Air Traffic Management systems. As the pace at which these elements will make a real contribution to our common objectives depends on a variety of factors (research and development; building of production facilities, regulatory progress, etc.), all of which will require significant investment, if any of them are not supported we will likely fail together in meeting our targets. We estimate that at least €820 billion of additional investments will be required over the next 32 years to achieve our ambition. The EU Taxonomy should be in line with other EU-initiatives on sustainable aviation, and complementarities and coherence between EU-policies should be ensured.

The integration of aviation in the EU taxonomy (including manufacturers, leasing companies, airlines and other aircraft operators, airports, ground handling and Air Navigation Service Providers) is fundamental to leverage such level of investment by all aviation stakeholders. This also can enable acceleration of the decarbonisation of the sector. Indeed, the proposals of the Platform are encouraging a faster replacement of old generation of aircraft with new and more efficient aircraft, an extensive use of SAF (going beyond the objectives of the EU 'Fit for 55' Package), and the introduction into the market of ultra-efficient or zero emissions aircraft. Without a Taxonomy basis for aviation, there is a risk that finance will not be diverted from higher carbon-emitting current technology aircraft to lower emitting new-technology aircraft (forecasted reduction of CO<sub>2</sub> emissions by 30% or more per flight compared to predecessors) and SAF investments.

This is fully aligned with the objective of the EU Green Deal and also fully supportive of the last initiative of the President Von der Leyen to make EU industry a leading industry in the world regarding the shift to net zero. In this context, the EU Taxonomy should be an enabler in the response to the US Inflation Reduction Act.

As a follow-up of our earlier joint statement, we would therefore urge again the EU Commission to include the entire European aviation sector (manufacturers, airlines and other aircraft operators, leasing companies, airports, ground handling and Air Navigation Service Providers) – without excluding any contributing stakeholder – into its planned Delegated Acts on sustainable finance with no further delays or restrictions.

Aviation's inclusion is clearly aligned with the EU's objectives to promote the transition to a net-zero economy, including for the transition of difficult-to-abate industries.

Aviation is a vital enabler of European business, culture and family connectivity and integration, both within the Union (and particularly to remote regions and island nations) and from the EU to trading partners around the world. We sincerely hope that the EU will seize this opportunity to support the transition of EU and global aviation to net-zero and thereby solidify its leadership position globally in the area of sustainable finance.

We look forward to strengthening the dialogue with you on this ambition.

Yours sincerely

On behalf of

Aerospace & Defense Industries Association of Europe (ASD)  
Airlines for Europe (A4E)  
Aircraft Leasing Ireland  
Airport Council International (ACI)-Europe  
Air Transport Action Group (ATAG)  
International Air Transport Association (IATA)  
Aviation Working Group (AWG)  
European Regions Airline Association (ERA)  
General Aviation Manufacturers Association (GAMA)  
Civil Air Navigation Service Organization (CANSO)-Europe  
European Business Aviation Association (EBAA)  
European Helicopter Association (EHA)

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