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Consultation of the memorandum "Sustainability criteria for certain fuels and a new reduction obligation" (KN2024/01751)

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Comments from the International Air Transport Association (IATA)

IATA is a global trade association, representing some 340 airline members across the world and accounting for over 80% of total global air traffic. IATA supports many areas of aviation activity and helps to formulate industry policy on critical aviation issues to drive a safe, secure, and a sustainable industry. For more information on IATA and its work, visit: www.iata.org

On 4 October 2021, a resolution was passed by IATA member airlines committing them to achieving net-zero carbon emissions from their operations by 2050. This pledge brings air transport in line with supporting efforts of the Paris Agreement-Since then, 190+ States have agreed on a similar long-term aspirational goal (LTAG) at the international level, while the aviation industry has been undertaking its transition. However, it is not solely a transportation challenge. It is a global energy transition one. Thus, not only airlines but also all supply chain stakeholders and governments must strategically collaborate to develop a more sustainable connectivity around the world.

In this context, IATA welcomes the opportunity to comment on the memorandum Sustainability criteria for certain fuels and new reduction obligation (KN2024/01751). In short, IATA shares the Swedish Government's ambition to reduce CO2 emissions and agrees that this must be done through a coordinated approach at the national, the regional and the international levels.

We would like to draw your attention to the following comments:

IATA welcomes the alignment of Swedish legislation with EU regulation but calls for dual conformance of sustainability criteria, regular industry consultation on the impact of the implementation of ReFuelEU Aviation, and enhanced consideration of international standards.

IATA supports the Swedish government's initiative to align with the EU regional framework, as policy fragmentation is highly counterproductive in regulating the aviation industry, which is, by definition, global.

However, IATA would like to take this opportunity to advocate for the dual conformance of sustainability criteria with CORSIA and RED, allowing, for example, a single batch of SAF being compliant with two different schemes (such as EU RED and CORSIA). Should the concept of dual conformance be implemented in the future, an economic operator certified under the CORSIA and EU RED schemes would then be in the position to issue a Proof of Sustainability (PoS) for a batch of SAF that indicates compliance with both schemes (provided that the SAF actually meets the sustainability requirements of CORSIA and EU RED along the full supply chain). To avoid improper double counting of GHG emissions reductions, the aircraft operator will choose only one scheme under which that SAF will be claimed (i.e., generally, either EU ETS or CORSIA).

In addition, IATA would like to emphasize the critical importance for Swedish authorities to consider international standards elaborated by the International Civil Aviation Organization (ICAO) and maintain a regular dialogue with the industry to concretely assess the impact of the EU regulation on all supply chain stakeholders, being mindful of the European Commission's next review of the regulation in 2027.

Swedish authorities shall take additional actions to ensure effective emission reduction: the immediate need for incentives to scale up SAF production.

In addition, mandates should not be used in isolation to prevent the risk of Sustainable Aviation Fuel (SAF) scarcity on the market and, therefore, the risk of having a policy framework that does not lead to actual emission reductions. We, thus, encourage the Swedish government to adopt national supportive policies to urgently scale up SAF production and supply in line with our shared Green Deal objectives. While SAF demand exists, its production currently represents a mere 0.5% of total jet fuel consumption.

It is crucial to ensure that SAF production is being prioritized in refinery output, leading to the share increase of SAF production in the product mix of existing renewable fuel production facilities, including co-processing in conventional refineries, as an essential step for supply to meet near-term demand.

Governmental support can be translated into several concrete policy incentives, including tax incentives benefiting to producers, grants, and contracts for difference.

IATA's Net Zero CO2 emissions roadmaps provide step-by-step detailing of critical actions for aviation to achieve net zero CO2 by 2050. These publications address aircraft technology, energy infrastructure, operations, finance, and policy. They are the first detailed assessment of the key steps necessary to accelerate the transition to net zero CO2 emissions by 2050. Our Finance Roadmap offers a detailed view of the required investments to reach net zero CO2 emissions by 2050, and the costs involved to airlines in procuring the new solutions. Our Policy Roadmap emphasizes the importance of strategic policy sequencing and addresses the need for global collaboration, including beyond the aviation sector. The recommendations recognize that while there is no one-size-fits-all

solution, policymakers shall ensure that all technologies are being considered (highlighting the need for technology and feedstock-agnostic policies), that policies are often being reviewed and assessed, and that all countries can participate in the future global SAF market.

We remain available to further elaborate on this subject at your best convenience, while we appreciate the opportunity to contribute to this important discussion. A strategic and collaborative approach between industry and policymakers can lead to better attaining our shared goals on sustainability while preserving and enhancing connectivity.

Yours sincerely,

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