

# Joint statement by Czech and European civil society organisations on priorities for the Czech presidency of the Council of the European Union

June 21st 2022

Dear Prime Minister Fiala,

The approaching Czech presidency of the Council of the European Union comes at a most difficult time. After the endurance test of the COVID pandemic, the Russian invasion of Ukraine is further exposing vulnerabilities and long-term problems in our societies, such as ever increasing inequalities, high dependence on fossil fuels and the fragility of globalised economic chains. Soaring gas prices have left millions across Europe at the mercy of a volatile energy market. The cost of living crisis is only now reaching its peak, with energy prices set to remain high far into next year and over 80 million Europeans estimated to be unable to pay their energy bills.

The next winter season will take an extreme toll on the population of Europe unless we quickly tackle the social, economic and geopolitical impacts of dependency on Russian fossil fuel imports. However, the crises do not end here. The latest IPCC reports clearly spell out the urgency of drastic climate action, as the climate crisis is already having destructive effects around the world. Loss of biodiversity and deterioration of ecosystems endanger food security and hamper mitigation and adaptation to climate change. At the same time, Europe consumes double a sustainable level of resources, driving a host of harmful impacts globally.

As civil society organisations fighting for social and climate justice throughout Europe, we are convinced that these intertwined crises cannot be played off against each other. On the contrary, they demand an integrated approach, a clear long-term vision and sound leadership in order to avert high risk lock-ins to fossil fuel dependency and delays in policy implementation. As it stands, the European Green Deal risks falling short of its potential to deliver for all Europeans.

We see the following key areas where substantial progress beyond current policy plans needs to be achieved in order to tackle the multiple crises and deliver Europe's fair share of action to tackle the climate emergency. The Czech presidency should henceforth **substantially raise its ambitions and strive for the fastest possible adoption of this legislation**. The Czech government also needs to **commit to climate goals at the global level and meet the target for our climate financing before COP27**.

## Phasing out fossil fuels: the way out of dependency, climate chaos and poverty

More than ever before, Europe's energy transition is also a project for peace. Further expansions in European fossil gas pipelines and the LNG infrastructure, which will take years to be operational, would deepen Europe's import dependency while financing other authoritarian regimes and pose important geopolitical risks in the long term.

At the same time, the economic repercussions of the climate crisis are increasingly impacting upon both public and private budgets, and EU legislation needs to step up to make polluters pay. **Member States, led by the Czech presidency, need to discuss new sources of energy transition funding such as a carbon tax or taxation of polluting energy utilities with windfall profits, while at the same time ensuring parallel support for vulnerable social groups.**

The EU legislation needs to be reinforced in order to reflect these costs and continue in the process of pushing the most polluting energy source – coal – out of the market. Loopholes allowing polluters to evade emission reductions in emission trading, effort sharing and land use change need to be closed in order to increase both the ambitions and the fairness of European policies.

### **Insulate Europe: Delivering energy savings and quality homes for all**

While buildings are the most important sector for energy savings and 50 million Europeans are unable to adequately heat, cool or light their homes, the proposed legislation falls short of using the full potential of energy efficiency, lacks sufficient public funding, especially to protect the most vulnerable, and provides little guidance on how to achieve decent living standards in fossil free homes.

The cleanest and cheapest energy is the energy we do not use. In order to save energy, cut emissions and reduce funding for totalitarian regimes, **the headline target of the Energy Efficiency Directive by 2030 needs to be increased to at least 45%, and Member States' contributions should be converted to binding targets.** The increase of the target proposed in the RePowerEU initiative is an important step forward. However, this still is not sufficient in order to put the EU on a trajectory to meet the Paris Agreement target to limit global temperature increases to 1.5 °C. **The EU needs to provide at least €90 billion a year in grants up to 2030 to achieve the Renovation Wave, not only from repurposed sources for the Recovery and Resilience Facility, but also from additional sources.**

The Czech Republic is proud of its Green Savings programme, which has helped more than 70 000 households to insulate their homes. However, such programmes now need to be widely available and increase their subsidy rate for vulnerable people and those on low incomes. Minimum energy performance standards with social safeguards and ambitious funding in the residential sector needs to be introduced in order to tackle the problem of inordinately expensive housing across Europe and low energy performance of rental homes.

The Renovation Wave also cannot take off unless we address the lack of skilled people and technology, invest in reskilling workers to provide good quality jobs, simplify conditions for employment of vulnerable people, including refugees, and create an environment for investment and innovation.

### **Guarantee access to renewables for all**

Every European should have the right to clean, affordable energy and renewable energy can deliver that, providing energy independence, security and resilience. But the pace of renewable development lags behind the volume that we need in order to tackle climate change and free Europe from dependence on totalitarian regimes. **The EU's renewable energy target should be increased to at least 50% by 2030 to replace coal, gas and oil imports and ease the energy bills of European households.** We believe access to clean, affordable energy must be recognised and promoted as a human right.

The RePowerEU package includes several measures which could help to achieve such development, such as simplification of permitting and administrative processes and preferential conditions for energy communities. All Member States should undertake a commitment to the EU Solar Strategy and at least double their installed photovoltaic capacity by 2025, identifying dedicated areas for renewables with a particular requirement to implement subsidised renewable programmes for vulnerable households. However, the massive deployment of renewables cannot come at any price, and in the implementation process we must ensure we do not deepen the biodiversity crisis: the combination of RES and nature protection is the best chance we have to achieve climate neutrality. The way forward is to remove bureaucratic barriers, not weaken environmental protection legislation (such as through the blanket exemption of RES from EIA). **We propose a “differentiated approach” which identifies priority go-to areas, followed by “second choice areas” to be used after the space in the go-to areas is exhausted, alongside clear no-go areas such as Natura 2000 sites and other protected areas.**

### **Make the transition work for everybody**

Tens of millions of Europeans suffer from energy poverty. To lift this burden, we need continuous crisis funding at the EU level in order to cover investments, services and compensation for the vulnerable.

**The Social Climate Fund could fulfil this role – but we would need to substantially increase its allocation from the current 72 billion Euros, detach it from the launch of ETS II in order to speed up its roll-out and find new resources such as continued NextGenerationEU, reallocation within a multiannual financial framework, revenues from the existing ETS or a carbon tax.** This is even more crucial in the light of the European Parliament's decision to reduce the first phase of funding

from 23.7 billion to 16 billion and to leave a question mark over funding for the period from 2028 until 2032.

While accessibility of investment in energy efficiency and small-scale renewables is a necessary condition for solving the structural causes of energy poverty, it must be accompanied by dedicated energy advice services linked to social services and technical assistance for vulnerable households. In the Czech Republic, various ministries are preparing similar programmes, but coordination is lacking and financial and practical assistance is not targeted sufficiently towards vulnerable people. To ensure both transparency and targeted use of these funds, their disbursement should be based on bottom-up governance, cross-sectoral collaboration and stakeholder participation. Energy communities and municipalities shall take on an important role in implementing such programmes.

Nonetheless, the distributional effects of the climate and energy crisis will still be unequal, impacting especially upon those who cannot easily cut out fossil fuels. We therefore need to look into new ways to improve livelihoods and look for new resources. **Fair green tax systems should be implemented across the EU, their impacts assessed within the context of wider enabling policies such as adequate salaries, social safety nets, social protection and working conditions. Revenues from decarbonisation mechanisms are high, and could be used (among other measures) in the form of a climate dividend, a fixed amount for each citizen that offers easy distribution and low transaction costs.** The industry should participate to a greater extent in the redistribution – we need to look at windfall profits, profit margins and an end to free EU ETS allowances for industry. It is time for the presidency to coordinate Member States in the process of producing their own initiatives such as a progressive carbon tax and windfall tax to subsidise renovations and renewable schemes to find resources for overcoming the energy crisis.

### **Restore key European ecosystems to increase resilience**

Well-functioning ecosystems are of key importance in tackling the interrelated goals of climate mitigation, climate adaptation, resilience to future pandemics and biodiversity preservation. Restoring degraded habitats that fall under the EU Habitats Directive could sequester around 300 million tonnes of carbon dioxide a year, equivalent to the annual GHG emissions of Spain. **The EU Restoration Law must include a robust and understandable EU numerical headline target to restore at least 15% of EU land and sea area, as well as 15% of**

**river length by 2030, overarching the individual ecosystems (and species) specific targets.** We need to design the legislation so that nature restoration takes place in the coming decade. The most obvious measure that will have a large benefit in terms of climate mitigation is the rewetting of all drained organic soils currently under agricultural use, in close cooperation with farmers. We also need to include safeguards to ensure that the restoration and protection of any restored habitats are permanent.

### **Ensure food security through sustainable agriculture**

The agrilobby is opportunistically misusing the war in Ukraine to preserve business as usual. However, pressure for more yields is not rational – it is not environmental regulations that are limiting yields, but rather climate shocks, loss of pollinators, and soil degradation. Increasing soil fertility and restoring biodiversity is the key to ensuring the resilience of food production for the future. **We therefore need to push for legally binding targets for pesticide use reduction (80% reduction for the EU and minimum of 40% for each Member State by 2030), enforce integrated pest management and ensure reliable and regular data collection from the earliest date possible.** Overall Czechia is sufficient in terms of food production, regarding several commodities it is a heavy exporter – it is thus not availability, but affordability that is the problem. This points to the high risks linked to the dependency of industrial agriculture on energy, pesticide and fertiliser inputs, and disturbances in the international supply chains.

### **Reduce our material footprint**

Sustainable products need to become the norm. In particular, **the proposed Ecodesign for Sustainable Products Regulation (ESPR) must be strengthened by reintroducing an immediate ban on the destruction of unsold goods, ensuring that online marketplaces are subject to the same rules as physical shops, and that there are no self-regulatory measures, which we know have so far failed to deliver.** As part of this debate, there needs to be broader action on ensuring that the EU consumes within planetary limits. The extraction and processing of materials, fuels and food make up about half of total climate emissions and are responsible for more than 90% of biodiversity loss and lack of clean water. **The EU thus needs to introduce a binding reduction target for EU material footprint, and detailed plans to achieve it.** The commitment to develop this needs to be in the European Commission Work Programme for 2023.

Dear Prime Minister Fiala,

Difficult times require bold political action. The Czech Republic is now in the privileged position of being able to make a historic impact upon European policy. We call upon you to use this opportunity to tackle the roots of the multiple concurrent crises and provide long term solutions to the problems of poverty and environmental destruction.

Yours sincerely

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