Fueling change: leveraging the Social Climate Fund to prepare for the next fossil crisis in Europe

Briefing

LIFE ACCE Plus | Work Package 4

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Background

While Europe was living through one of its hottest summers on record, causing tens of thousands of casualties and an estimated 180 billion euros in economic damages, EU governments had to react to the energy crisis that resulted from the continuing Iran war. The persistent hostilities have kept fossil prices (and inflationary pressures) dangerously high. EU countries have shouldered an additional 100 billion euros burden to import fossil fuels since the start of the Iran war.

In an attempt to cushion the energy price increases caused by the war in the Middle East, many EU countries have reduced taxes or provided other types of subsidies for fossil fuels. However, subsidising fossil fuels stimulates their consumption at a time when **climate sciences indicates a clear need to shift away from fossil fuels**. Out of the €11.8 billion in fiscal measures that EU governments have implemented to cushion the impacts of the Israeli-US-Iran war on energy bills, €10.19 billion actually increases fossil consumption - with only €0.41 billion leading to a decrease.

Moreover, these subsidies benefit mostly affluent individuals, as the wealthiest 10% of the EU population consume 8 times more transport fuel than the poorest 10%. Thus, the subsidy increases social disparities, which contradicts the EU's aim of improving social cohesion.

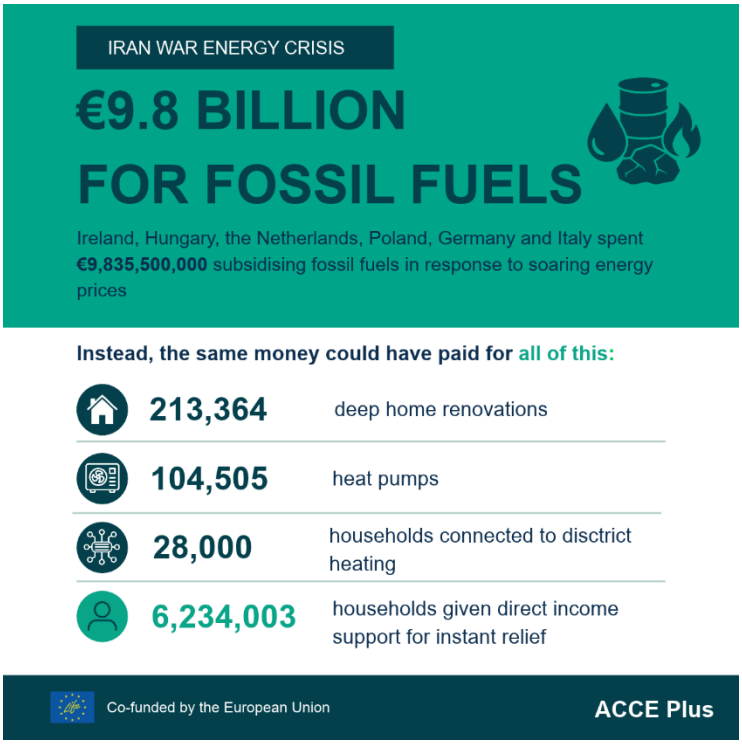
The United Nations has, for the first time, warned that global warming will exceed 1.5ºC in the next few years, indicating that global heating is accelerating faster than originally predicted. As the European Central Bank warns, fossil fuels - the main culprit of climate breakdown - are also a major threat to macroeconomic stability.

Accelerating the transition to sufficiency measures, homegrown renewables and energy efficiency is the surest way to build long-term resilience against fossil shocks. The EU strives to embed social considerations in the transition; hence the Social Climate Fund is a powerful tool that Member States can immediately rely on. Q3 2026 saw a noticeable uptick of EU countries submitting their Social Climate Plans (SCPs), with some already being approved. This unlocks much-needed funding for investments in electric mobility, public transport, renewable heating and cooling, and building renovations. For example, Sweden, the first country with an approved SCP, has already started disbursing its EV subsidy.

Structural measures may be complemented by direct income support (instead of subsidies at the pump) because direct support can be targeted to those who really need it, and it does not stimulate fuel consumption.

The full potential of the Social Climate Fund can be unlocked by:

1) **Providing sufficient capital** - both through the submission of Social Climate Plans as soon as possible, as well as through the use of broader ETS2 revenues to top up the planned measures.
2) **Reducing fossil subsidies and shifting the tax burden from electricity to gas** (as per the Commission's Regulation on future-proofing electricity bills) can provide important market signals that can mobilise private capital.
3) **Cultivating demand-side activation** to bring onboard millions of European households and small businesses. Research shows that community-led approaches can stimulate citizen trust and accelerate efficiency/renovation interventions. Inclusive energy communities can be a powerful tool to tackle energy poverty, and they are an eligible investment under the Social Climate Fund Regulation. Their role can be considered during the implementation of the Social Climate Plans, as well as an investment from broader ETS2 revenues.
4) **Scaling Impact**: The Social Climate Fund's budget is not enough to tackle the large scale problems of energy and transport poverty in the EU. Innovative financial instruments will be needed to crowd in additional capital. The LIFE ACCE project has piloted the idea of Community Energy Financing Schemes: i.e, revolving funds that pool public and private funds to support community energy projects - such as in renewable heating and housing renovations. The follow up LIFE ACCE Plus is now aiming to create additional such schemes with replication activities across the EU.

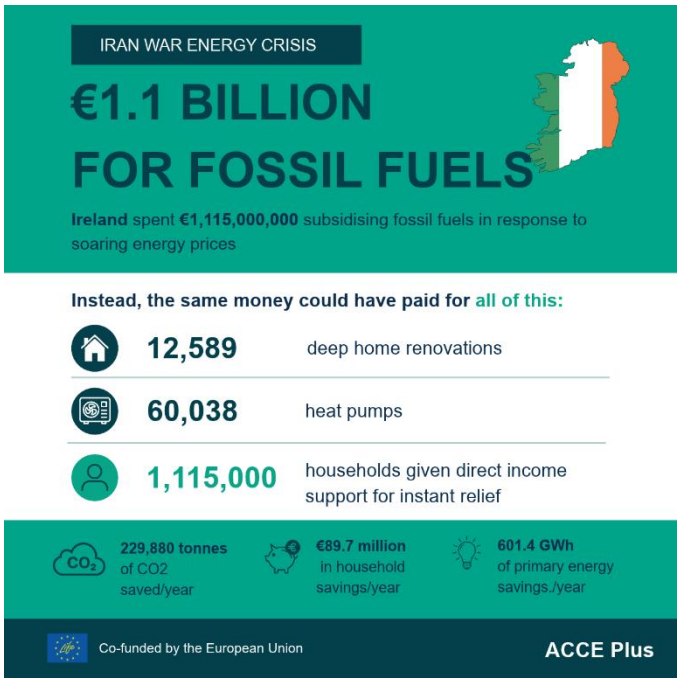


What if EU countries turned fossil subsidies into Social Climate measures?

The current briefing takes stock of the fiscal packages that EU countries announced in order to cushion the cost-of-living effects of the Iran war. This briefing projects the social, economic and environmental impact if EU countries had redirected fossil subsidies to direct income support (30%) and measures foreseen in their Social Climate Plans (70%).

The figures in the table below are directly extracted from the submitted Social Climate Plans. Where no such Plans exist, they are extrapolated from official national statistics. A list of references per country can be found in the ‘References’ Section.

IRELAND



As a response to the Iran war the Irish Government launched a three tiered package totalling €1.115 billion:

- **Initial Excise Package (approximately €250 Million):**[1] Introduced in March following the spike in fuel prices. It delivered a VAT-inclusive reduction in Mineral Oil Tax of 15 cent per litre on petrol, 20 cent per litre on auto diesel and 3 cent per litre on marked gas oil (green diesel), alongside a temporary reduction in the National Oil Reserves Agency (NORA) levy from 2 cent per litre to a nominal amount. Taken together, these measures reduced pump prices by 17 cent per litre of petrol and 22 cent per litre of diesel. The package also extended the Fuel Allowance season by four weeks, providing an additional €38 per week, or €152 in total, to 470,000 households, and increased the maximum repayment under the Diesel Rebate Scheme from 7.5 cent to 12 cent per litre.

[1] Government of Ireland (2026). Government Announces Measures to Reduce Energy Costs.

- Spring Relief Package (€505 million):[2] Announced on 12 April following six days of national fuel protests. It extended the excise reductions from the end of May to the end of July, applied a further reduction of 10 cent per litre on petrol and auto diesel and 2.4 cent per litre on green diesel, postponed the scheduled May increase in carbon tax until the October budget, enhanced transport support schemes for haulage operators, Local Link and school transport providers, and introduced a fuel subsidy support scheme for farming and fisheries.
- **Second Extension (approximately€407 Million):**[3] Approved by the Government on 27 August 2026 and given effect by a financial resolution in the Dáil the following day. It deferred the phased restoration of the excise reductions for a second time, keeping the cuts on petrol, auto diesel and marked gas oil fully in place until 31 October 2026, extending the reduced NORA levy to the same date, and extending the enhanced Diesel Rebate Scheme to the end of December 2026. Excise rates are being restored from 1 November in four stages, concluding at the end of February 2027. The €407 million is the Government's estimated cost of the reductions from 1 September to the end of that restoration, not the cost of the two-month extension alone. The Government cited continuing volatility in fuel prices, noting that proceeding with the scheduled restoration would have added 10 cent per litre to diesel and 9 cent to petrol

Investing 70% of Ireland's €1.115 billion response package (€780.5 million) into deep housing renovations for worst performing homes and heat pumps for dwellings of higher energy classes, split equally, would allocate €390.25 million to the former and €390.25 Million to the latter. Based on standard Sustainable Energy Authority of Ireland (SEAI) retrofit grant benchmarks, here is what this allocation could deliver:

Scope of Implementation

- Deep Housing Renovations (€390.25 Million): At an average grant subsidy of €31,000 per home[4] (for comprehensive insulation, high-performance windows/doors, and draught-proofing under BER B2 standards), this would fully retrofit approximately 12,589 worst-performing homes.

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[2] Government of Ireland (2026). Government announces new package of fuel supports.
[3] Government of Ireland (2026). Government approves extension in reductions in excise on petrol and diesel.
[4] Departmental Schemes Dáil Éireann Debate, Tuesday - 12 May 2026

- Heat Pump Conversions (€390.25 Million): At an average grant subsidy of €12,500 per home[5] (transitioning homes off home heating oil or legacy gas boilers to air-to-water systems), this would upgrade approximately 72,627 homes.

Key Impact Metrics

Impact Metric	Housing Renovations (€390.25M)	Heat Pump Conversions (€390.25M)	Combined Total Impact
Dwellings Targeted	12,589 homes	60,038 homes	72,627 homes (reaching 18.16% of fuel allowance recipients)[6]
Primary Energy Savings	~151.1 GWh / year	~450.3 GWh / year	~601.4 GWh / year (~2.16 PJ/yr)
Annual Household Financial Savings[7]	~€17.6 Million / year	~€72.0 Million / year	~€89.7 Million / year
Annual CO_2 Emissions Avoided[8]	~37,760 tonnes CO_2 / year	~192,120 tonnes CO_2 / year	~229,880 tonnes CO_2 / year

[5] Sustainable Energy Authority of Ireland (2026) Heat pump system grant.
[6] Total: 400,000
[7] Central Statistics Office (2026) Focus on Fuel and Home Heating Costs September 2026.
[8] Sustainable Energy Authority of Ireland (2022) Heating and cooling in Ireland today.

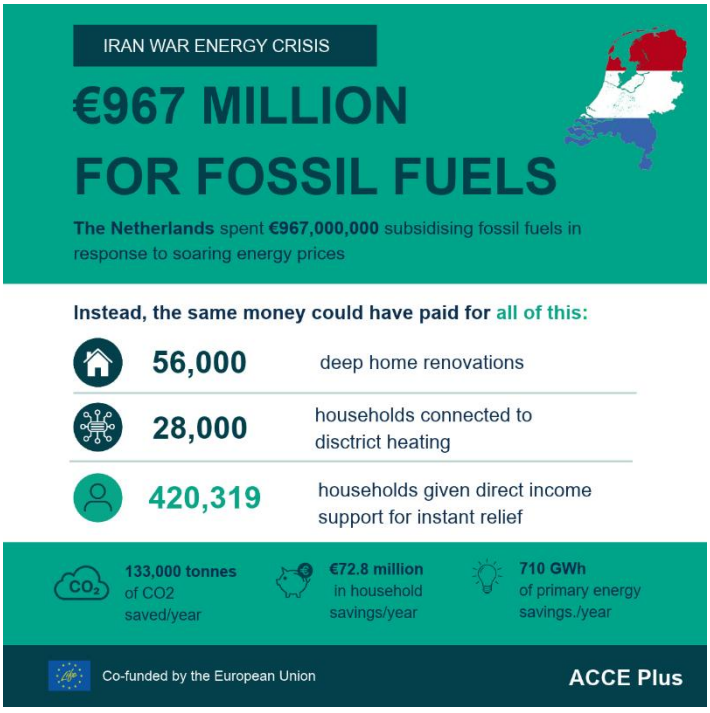
At the same time, 30% of Ireland's fiscal package (i.e., €334.5 million) could be reserved for direct income support from the Government, helping citizens cope with the increased cost of living crisis, while the medium-term effect of structural measures starts being felt. In Ireland, the average household experienced an estimated €300 per year in additional costs due to fossil fuel price spikes.

300 euros of direct income support could be provided for a year to 1,115,000 vulnerable households (receivers of the fuel allowance). This would fully offset the effects of the fuel price increases.

As discussed, **the unique role of energy communities may be considered here.** In Ireland, through "citizen-led renovations" local communities have been self-organising to adopt a peer-to-peer and not-for-profit approach to energy efficiency. Ecovision has managed to renovate over 1000 dwellings through citizen led approaches, triggering over 19 million euros in investments. Through the ACCE Plus project EcoVision will develop a community energy finance scheme to enable upscaling of home energy upgrades and to develop mechanisms for community energy finance enabling. This can create a strong leverage factor for Social Climate Fund grants to have an even greater impact. The original LIFE ACCE project showed that a CEFS can turn 1 euro of public subsidy into 40-60 euros of private capital mobilisation.[9]

[9] https://acce.rescoop.eu/resources/enabling-framework-report

The Netherlands



As a response to the Iran war the Dutch Government mobilised ~€967 million:

- **Tax Relief Measures (€300 Million):** Reductions in energy tax rates and extended lower excise duty brackets to cap pump inflation. This is considered a direct fossil subsidy.[10]
- Expenditure & Target Supports (€617 Million): Direct allocations focused on raising the tax-free travel allowance for commuters (to offset higher personal driving costs), temporarily lowering public transit fares to encourage alternative travel, and expanding energy relief funds for lower-income households. If accounting strictly for fossil fuel vehicles (which make up roughly 85–90% of total personal vehicle kilometers driven in the Netherlands), approximately €420million of this commuter compensation acts as an indirect subsidy to fossil fuel combustion.

[10] Government of the Netherlands / Ministry of Finance. https://www.rijksoverheid.nl/themas/klimaat-milieu-en-natuur/duurzame-energie/toekomst-fossiele-brandstoffen/fossiele-subsidies

- **EV Transition Incentive Top-Up (~€50 Million):** Targeted scrap-and-switch bonuses to help low- and middle-income drivers transition out of fossil-fuel vehicles into used electric vehicles during the peak of high fuel costs.

Thus of the total package, €720 million can be considered direct/indirect fossil subsidies.[11]

If 70% of the €720 million were split equally between housing renovations (€252 million) and district heating (€252 million) in the Netherlands, here is what this allocation could deliver:

Scope of Implementation

- Light-Medium Housing Insulation (€252 Million - a tailored measure included in the Dutch Social Climate Plan)[12]:
    - Grant Benchmark: Target subsidies for vulnerable households cover comprehensive packages (cavity wall, floor/roof insulation, and high-efficiency double/triple HR++ glazing) averaging €4,500 per dwelling.
    - Homes Supported: ~56,000 homes.
- District Heating Connections (€252 Million):
    - Grant Benchmark: District heating infrastructure deployment and in-home adaptation subsidies under national district heating schemes (*Warmtenetten Investeringssubsidie* / ISDE) average €9,000 per dwelling connection.
    - Homes Connected: ~28,000 homes.

Projected Energy, Financial, and Emission Impacts

[11] Government of the Netherlands-Ministry of Finance (2026) Afbouw fossiele subsidies voor bedrijven

[12] Government of the Netherlands (2026) Sociaal klimaatplan.

Impact Metric	Housing Insulation (€252M)	District Heating (€252M)	Combined Total
Dwellings Targeted	~56,000 homes	~28,000 homes	~84,000 homes
Primary Energy Savings	~374 GWh / year (~1.35 PJ/yr)	~336 GWh / year (~1.21 PJ/yr)	~710 GWh / year (~2.56 PJ/yr)
Annual Household Financial Savings	~€47.6 Million / year	~€25.2 Million / year	~€72.8 Million / year
Annual CO_2 Emissions Avoided	~70,000 tonnes CO_2 / year	~63,000 tonnes CO_2 / year	~133,000 tonnes CO_2 / year

At the same time, 30% of the Netherlands' fiscal package (i.e., €216 million) could be reserved for direct income support from the Government, helping citizens cope with the increased cost of living crisis, while the medium-term effect of structural measures starts being felt. The extra cost for the average vulnerable household from the energy crisis stands at around €460 per household/year.[13]

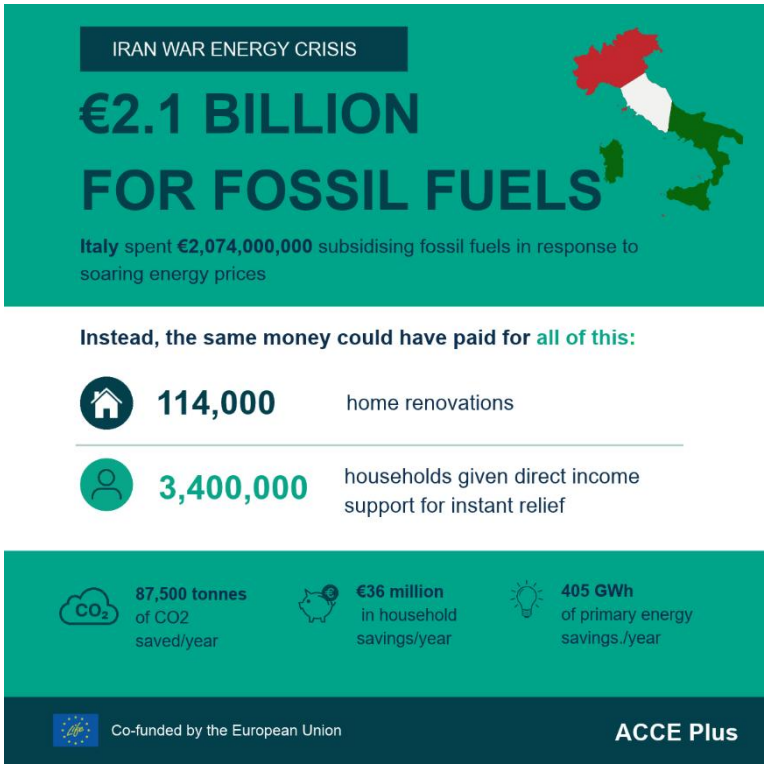
The Dutch Social Climate Plan specifies that 420,319 households in the Netherlands are estimated to be in energy poverty. The plan fixes the direct income support allowance at a lump sum of €200 per household per year. **Thus the 216 million euros could support all 420,319 households, covering ~44% of the extra burdens of the energy crisis for over 2 years.**

13 https://www.tno.nl/nl/newsroom/2026/04/hoge-brandstofprijzen-raken-kleine-groep/

Again here the role of energy communities can be taken into consideration. In the Netherlands energy communities are offering tailored solutions both for housing renovations and switching to renewable heating systems (particularly district heating).

Energie Samen, the Dutch federation of 450 energy communities already operates Community Energy Financing Schemes for the development phase of community led district heating projects currently supporting a portfolio of 25+ projects ranging from initiation to nearing financial close. Whilst the pipeline is growing, financial challenges in the realisation phase remain as the financial principles of communities do not seamlessly fit into the expected financial models by financiers. Through the LIFE ACCE Plus financing challenges for the realisation phase of such projects will be addressed by developing bespoke Community Energy Financing Schemes for the realisation phase of DHC projects. These schemes can therefore be catalytic to mobilise finance to decarbonise the heating & cooling sector, contributing to the broader objectives of ETS2 and the Renewable Energy Directive.

Italy



To react to the energy crisis stemming from the conflict in the gulf Italy has already spent roughly 2.074.5 billion euros (up to early September), allocated for fuel excise duty cuts throughout 2026 This amount was disbursed through twelve different intervention periods to keep pump prices down.

- Breakdown of Key Interventions:
    - March 19 - April 7: €444.7 million
    - April 8 - May 1: €527.6 million
    - May 2 - June 6: €471.5 million
    - June 7 - July 3: €149.4 million
    - July 30 - September 5: €400.4 million

These measures were financed primarily through the extra VAT revenue generated by higher fuel prices, along with new withholding taxes on major energy companies.

The diesel tax cut was recently extended to September 5, 2026, at an estimated cost of about €130 million, bringing the cumulative spending on fuel tax relief since mid-March to approximately €2.2 billion.

However, independent estimates indicate that Italian households shouldered €2.6 billion in total costs due to the energy crisis.

After seeking permission to spend €14B debt in bills support for households, the money will probably be redirected into the existing support scheme ("bonus") for energy efficiency, raising the share of contribution from 50% to 65% for heat pumps and other energy efficiency renovations that would result in raising the building category in the EPC. The scheme is conceived as a tax reduction.

Investing 70% of Italy's €2.2B response package (€1540 million) **into mid- intensity housing renovations (a tailored measure included in the NSCP)** would leave some 660M for **direct payments.**

The Italian NSCP identifies about 4.7 million vulnerable households and about 1.8 million households in transport poverty.[14] The core investment in buildings is focused on social housing, with a target for mid-renovation of 40.000 buildings -out of 162.000 in need of renovations (class G/F)- at a cost of €190/m². These renovations include the application of high-performance windows and the shift from a gas boiler to an air-to-water heat pump

This would entail that, with the sums invested by the Italian government into the energy crisis, the following interventions could have been possible

Scope of Implementation

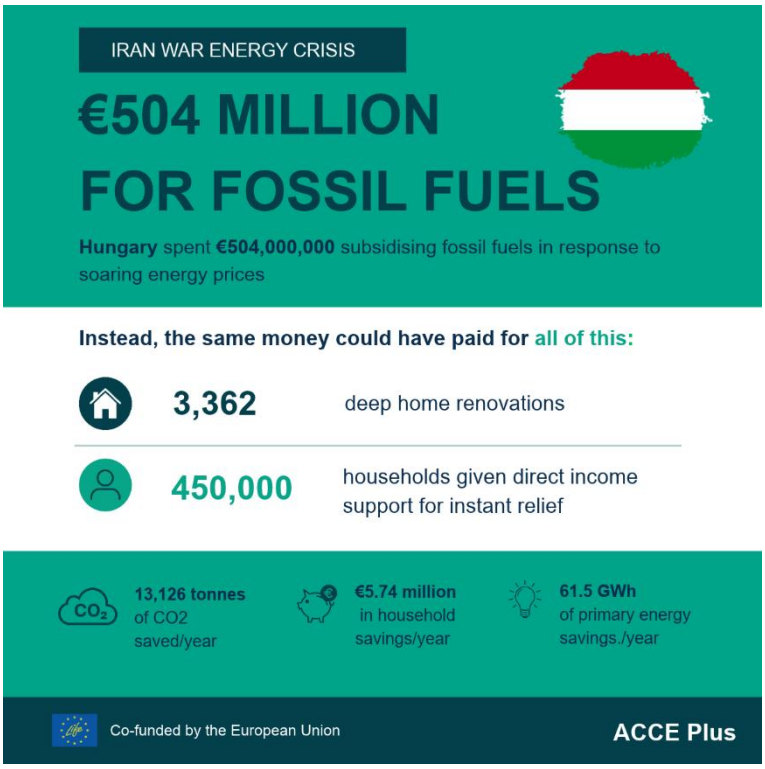
- Mid Housing Insulation (**€1540** million):
    - Grant Benchmark: Target subsidies for vulnerable households cover comprehensive packages (high-efficiency double/triple HR++ glazing) averaging €15.000 per dwelling (71m²)
    - Homes Supported: ~**114,000 homes**, or ~**50%** of the 2032 renovations target and **~25%** of the households strictly living in Social Housing
    - Expected savings:~**405,6 GWh/y or ~50M**/y **long Payback**
- **Direct Income Support Option 1:** (**€660** million) (also supported by the IMF):
    - Sums could have been allocated similarly to the "*reddito di cittadinanza*" (living allowance) and loaded onto dedicated debit cards every month, to both households struggling to heat their homes (**2.6M**) and suffering from transport poverty (1.8M)
    - **Households reached ~3.4 million** homes.

[14] https://www.mase.gov.it/portale/piano-sociale-per-il-clima

    - Extra income: **€ 194** or **56%** of the estimated extra cost due to the energy crisis.
- **Direct Income Support Option 2:** (**€660** million) topping up the existing measures
    - This would be added to the existing *Bonus Sociale Energia* measure, which is a direct payment that is reaching **2.7M** households. A direct payment is also included from 2028 in the NSCP and will use the already existing support channel of in-bill price relief.
    - Households reached: **2.1M** on top of the existing 2.7 M. The total is higher than the target of the direct payment in the NSCP, meaning this would literally anticipate to 2026 that measure.
    - Income relief: **€319,** or **~90%** of the estimated extra costs

Impact Metric	Housing renovations (€1540M)	Direct income Support Option 1 (€660M)	Direct Income Support Option 2
Households Targeted	~114.000 homes	~3.4m	~2.1m
Final Energy Savings	~405GWh/y	n/a	n/a
Annual CO_2 Emissions Avoided	~87500 tonnes CO2/year	n/a	n/a
Annual household financial savings	€36 million per year	n/a	n/a

Hungary



To react to the energy crisis stemming from the Iran war, Hungary has spent **€504 million** (up to 23 September) to reduce petrol and diesel prices.[15]

Allocating 70% of these fossil subsidies (€352.8 million) toward deep residential housing renovations at a cost of €86,000 per home yields the following projections for Hungary:

Scope of Implementation

- Total Budget Allocated: €352.8 Million
- Cost per Deep Renovation: €86,000 per home *(reflecting the highest-quality full structural deep retrofit: external wall insulation, roof insulation, high-performance triple-glazed windows, and a modern heat pump/HVAC system to reach high energy efficiency standards)*.[16]
- Households Reached: 4102 homes fully funded.

Projected Energy, Financial, and Emission Impacts

[15] Hungarian Government (2026) We have reduced the excise tax on fuels to the EU minimum level.
[16] Mennyibe kerül egy családi ház teljes felújítása 2026-ban?

Impact Metric	Total Allocation (€289.1 Million)
Households Fully Renovated	3,362 homes
Vulnerable Individuals Reached (at ~2.3 persons/household)	9,435 people (2.16% of all vulnerable households)[17]
Primary Energy Savings	~61.5 GWh / year
Annual Household Financial Savings	~€5.74 Million / year (~€1,400 / home / year)
Annual CO_2 Emissions Avoided	~13,126 tonnes CO_2 / year

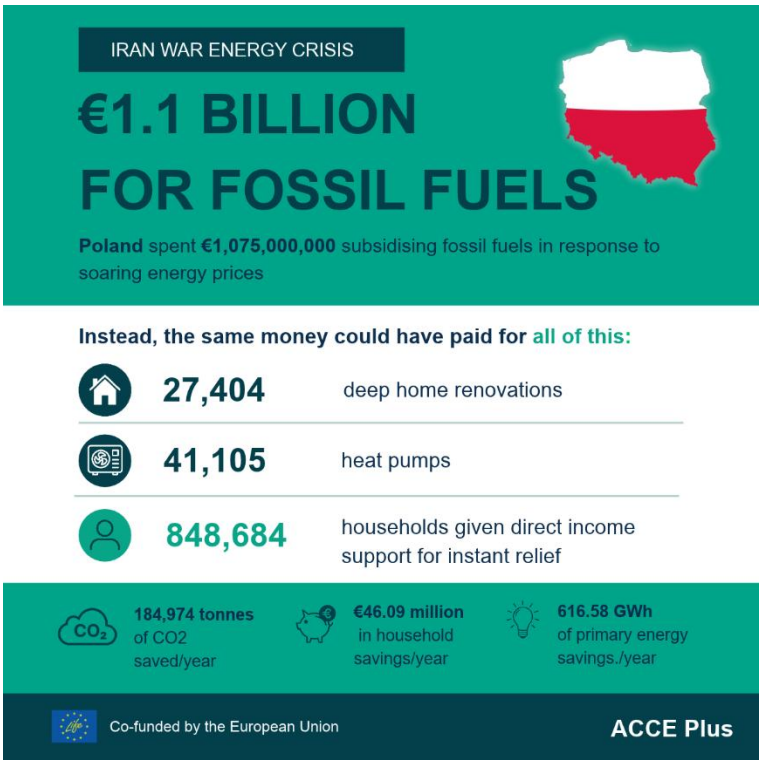
151.2 million euros (30% of the total fossil fuel subsidy envelope) could be earmarked for Direct Income Support by the Government. The extra cost incurred by the average Hungarian household due to the Iran war is approximately **€315**.[18]

Therefore Direct Income Support could fully cover the additional costs incurred by the Iran war for **450,000 households for a year.**

[17] Using the Eurostat SILC Metric (Inability to keep home warm).

[18] https://mekh.hu/household-energy-price-index-for-europe-june-2026

Poland



As a response to the Iran war the Polish government invested €1.075 billion in fossil fuel subsidies.[19]

- **Spring Emergency Shield ("Lower Fuel Prices" / Ceny Paliwa Niżej)** Period: March 2026 – June 30, 2026
    - Key Measures: VAT Reduction: Lowered the Value Added Tax (VAT) rate on motor fuels (unleaded petrol and diesel) from the standard 23% down to 8%.
    - Excise Duty Cuts: Slashed excise duties on motor fuels to the minimum allowable thresholds under EU tax directives.
    - Fuel Price Caps: Set daily maximum retail price ceilings at petrol stations across the country to prevent pump margin spikes.

[19] Government of Poland (2026). We protected Poles from the energy crisis. Assuming an exchange rate of 4.37 PLN/EUR. At the time of writing the Polish Government had also announced an "Autumn Support Package" but this was not included in the analysis, which runs until September 2026.

Investing 70% of Poland's €1.075 billion package (i.e. €752,500,000) into housing renovations and heat pumps, both of which are measures in Poland's (draft) Social Climate Plan,[20] split equally, would result in an allocation of:

- Housing Renovations Budget (50%): €376,250,000
- Heat Pump Installations Budget (50%): €376,250,000

Unit Figures from the Polish Social Climate Plan (*Plan Społeczno-Klimatyczny - PSK*)

- Average Cost of Housing Renovation (*Termomodernizacja*): PLN 60,000 (~€13,730) per single-family house.
- Average Cost of Heat Pump Installation: PLN 40,000 (~€9,153) per single-family house.

Key Impact Metrics

Metric	Housing Renovations	Heat Pump Installations	Total Combined Impact
Budget Allocated	€376.25 million (PLN 1.644B)	€376.25 million (PLN 1.644B)	€752.50 million (PLN 3.288B)
Households Reached	27,404	41,105	68,509 households
Annual Energy Saved	241.15 GWh/year	616.58 GWh/year	857.73 GWh/year
Annual Financial Savings	€22.26 million/year	€46.09 million/year	€68.35 million/year (PLN 298.70M/yr)

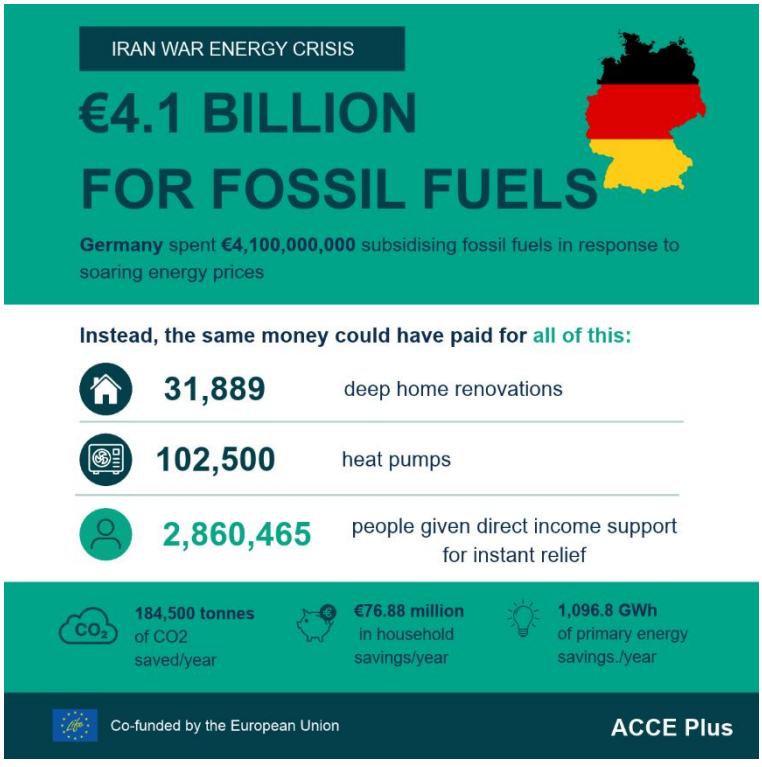
[20] REScoop.eu (n/d) Social Climate Plan Tracker.

Annual CO_2 Savings	82,211 tonnes CO2/year	184,974 tonnes CO2/year	267,185 tonnes of CO2/year

At the same time, if 30% of Poland's fiscal package (i.e., €322.5 million) was reserved for direct income support, this could help citizens cope with the increased cost of living crisis, while the medium-term effect of structural measures starts being felt. In Poland, the average household experienced an estimated €380 per year in additional costs due to fossil fuel price spikes.

380 euros of direct income support for a year to vulnerable 848,684 households. This would fully offset the effects of the fuel price increases.

Germany



Germany mobilized approximately €4.1 billion in direct fiscal relief, temporary fuel tax reductions, and targeted business support packages to cushion consumers and industry from the fuel price shock driven by the war.

Breakdown of Measures & Subsidies

- Autumn Energy Tax Cut (€2.5 Billion): Enacted to run from October 1 through December 31, this cut reduced the national energy tax on petrol and diesel by €0.14 per liter (yielding roughly €0.17 per liter at the pump when factoring in reduced VAT receipts).
- Spring Emergency Relief Measure (€1.6 Billion): An earlier temporary tax rebate introduced during May and June lowered retail fuel prices by a similar margin (€0.14/liter), providing immediate pass-through relief to motorists during the initial price spike.

Investing 70% of Germany's €4.1 billion response package (€2.87 billion) equally between deep housing renovations for worst-performing buildings (€1.435 Billion) and heat pump conversions for higher energy-class dwellings (€1.435 Billion) could yield the following results:

Allocation & Number of Dwellings Reached

1. Deep Housing Renovations for Worst-Performing Buildings (€1.435 Billion):
    - Target Stock: Dwellings in energy efficiency classes G and F (*Worst Performing Buildings* / WPB, with thermal energy demand exceeding $200 kWh/m^2/year$).
    - Subsidy Rate: Under KfW BEG Effizienzhaus 85 / 70 EE guidelines, deep retrofits (wall/roof insulation, triple glazing, and ventilation) qualify for a WPB bonus grant averaging €45,000 per dwelling (40–45% of total renovation costs).
2. Heat Pump Installations in Higher Energy-Class Homes (€1.435 Billion):
    - Target Stock: Dwellings in energy efficiency classes A to D (or previously insulated homes ready for low-temperature heating).
    - Subsidy Rate: Under KfW Scheme 458 (*Heizungsförderung*), average grant allocations (combining the 30% base grant with the *Klimageschwindigkeitsbonus* climate speed bonus) average €14,000 per

installation (~45–50% of the typical €28,000–€30,000 German installation cost).

Projected Key Impacts

Impact Metric	Deep Renovations (€1.435B)	Heat Pump Conversions (€1.435B)	Combined Total Impact (€2.87B)
Dwellings Targeted	~31,889 homes	102,500 homes	~134,389 households (reaching 4.48% of total energy vulnerable households)[21]
Primary Energy Savings	~593.1 GWh / year	~1,096.8 GWh / year	~1,689.9 GWh / year (~6.08 PJ/yr)
Annual Financial Savings (Households)	~€76.53 Million / year	~€76.88 Million / year	~€153.41 Million / year
Annual CO_2 Emissions Avoided	~133,930 tonnes / year	~184,500 tonnes / year	~318,430 tonnes CO_2 / year

At the same time, if 30% of Germany's fiscal package (i.e., €1.23 billion) was reserved for direct income support, this would help citizens cope with the increased cost of living

[21] Using the IW Köln / Öko-Institut Core Baseline: Low-income households spending >10% of net income on energy.

crisis, while the medium-term effect of structural measures starts being felt. In Germany, the Iran-related geopolitical conflict and fuel price shocks have added an estimated €430 per year in extra expenses for the average household[22] on household utilities and personal transport (prior to government intervention and tax relief).

430 euros of direct income support could be provided for a year to 2,860,465 vulnerable households. This would fully offset the effects of the fuel price increases.

Conclusion

The effects of the US-Israel war on Iran have caused deep economic impacts to the European Union. This translates to immediate impacts for millions of households felt in their everyday lives: from heating their homes to driving. Continuing to subsidize fossil fuels is a fruitless strategy that both prolongs their consumption, while deepening Europe's strategic vulnerabilities. Staying on the course on advancing homegrown renewable energy and energy efficiency is the best bet for security and competitiveness.

Luckily, the Social Climate Fund has created a framework for EU governments to identify households and enterprises in situations of transport and energy poverty. Now it's imperative to mobilise large-scale investments to decarbonise these sectors.

Energy communities can be a powerful tool to ensure social acceptance for this transition. And in particular, through financial instruments such as Community Energy Financing Schemes, public funding can catalyse even greater investments by mobilising private capital.

[22]https://www.focus.de/finanzen/16-8-milliarden-euro-kostet-bisher-der-iran-krieg-deutsche-haushalte-geringverdiener-trifft-es-besonders-hart_f84ea4ca-6011-4b83-93d9-523c3fa9e1d4.html

Endorsing Organisations

- Environmental Justice Network Ireland
- Electra Energy
- Levegő Munkacsoport
- eco-union
- Renov Eco
- Instytut na rzecz Ekorozwoju
- revo Prosperidad Sostenible
- Friends of the Earth Malta
- Deutsche Umwelthilfe
- Bündnis Bürgerenergie e.V.
- Ènostra coop