



Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With 200 member organisations active in 40 European countries, representing over 1,700 NGOs and more than 40 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe.

17 April 2026

CAN Europe letter to EU leaders ahead of the 23-24 April informal European Council

To: President António Costa, President Ursula von der Leyen, Members of the European Council, Members of the General Affairs Council

CC: Executive Vice-President Teresa Ribera, Executive Vice-President Stéphane Séjourné, Commissioner Wopke Hoekstra, Commissioner Jørgensen, Commissioner Serafin

Dear EU leaders,

Ahead of the 23-24 April informal European Council, Climate Action Network (CAN) Europe, on behalf of more than 200 member organisations, representing over 40 million citizens across Europe, would like to share with you our recommendations with regards to key topics under discussion.

The CAN Europe network is deeply concerned by the US-Israel war on Iran and the conflict across the region with its devastating human toll. CAN Europe denounces breaches of international law and urges EU Member States to pursue constructive and united diplomacy to build a just and lasting peace grounded in international human rights law.

This crisis is another stark reminder that Europe cannot shield households and businesses against price shocks and achieve energy security, whilst remaining dependent on fossil fuel imports, regardless of their origin. The EU response must therefore ensure short-term measures for emergency relief do not undermine, but instead, accelerate the structural transformation needed to deliver a resilient, climate-neutral, and socially just economic model.

At the same time, for the EU's response to match the scale of the current crisis, it is imperative that any emergency policy package is supported by new public investment capacity, both in the immediate term and via a radical rethinking of the next Multiannual Financial Framework (MFF) 2028-2034, that was designed on pre-war premises that no longer hold.

In this context, CAN Europe calls on EU leaders to take immediate action on implementing targeted short-term measures for emergency relief while advancing structural solutions to ensure lasting affordability and resilience against fossil fuel crisis:

- **Target short term relief and deliver structural solutions for lasting price affordability:** Forthcoming EU-level responses to the crisis must clearly distinguish between temporary relief and structural solutions, supported by adequate financing. Relief to both industry and households must not undermine price signals or increase fossil fuel subsidies, particularly by pouring billions of public money into subsidising fossil-based energy costs, rather than accelerating the transition. Europe's response to this crisis must reduce its exposure to fossil fuel volatility once and for all by reducing

demand, supporting renewables and storage deployment, energy savings measures, and RES-based electrification for industry, transport, and households. This requires full implementation of the EU climate and energy framework, while avoiding the weakening of core elements such as the ETS and EU Methane Regulation. Importantly, revenues from the EU ETS provide a ready and coherent source of funding for such targeted measures, including through the Social Climate Fund which requires accelerated efforts by member states to be implemented and leveraged. Undermining the ETS through structural market interventions would weaken the carbon price signal, risk reducing auction revenues available to Member States, and create regulatory uncertainty that could deter clean investment and put those early movers at competitive disadvantage.

- **Tax the massive profits of fossil fuel companies:** [Taxation of fossil fuel](#) profits beyond temporary approaches is key to Europe's economy and energy security. The windfall profits of the fossil fuel industry, following Russia's invasion of Ukraine, have been flowing largely to shareholders. This must not be repeated. These colossal profits reflect a profound misallocation of capital: money that could be invested in the EU's productive economy - renewable energy, grid modernisation, storage, electrification, and energy efficiency- is instead dispensed to shareholders. We call for a **permanent tax on fossil fuel excess profits**, which would raise public revenue and send a signal to investors that fossil fuel investments will yield lower returns in the future, helping redirect capital towards what is needed.
- **Phase out fossil fuel subsidies and redirect spending towards support for renewable energy, RES-based electrification, and energy savings.** In the current context, using [substantial](#) public resources for financing energy sources that are fuelling the current energy crisis by deepening the EU's structural dependence, is irresponsible. The EU urgently needs to agree on a [systematic framework](#) and roadmap for a [staged phase-out](#) of fossil fuel subsidies in a socially just way, to mitigate the cost-of-living crisis and ensure Europe's competitiveness and resilience.

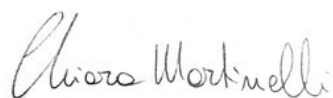
In light of the impacts of the current energy crisis and the urgent need to accelerate the phase-out of fossil fuels across the Union, **the next EU's Multiannual Financial Framework (MFF) 2028-2034, must be fundamentally rethought.** The current proposal fails to guarantee that sufficient investments will flow into overhauling the EU's energy system, reduce our structural dependence on imported fossil fuels and enhance our strategic autonomy.

As highlighted by the the [Draghi Report on the Future of European Competitiveness](#), the EU faces an annual investment gap of at least EUR 477 billion to decouple the EU's energy and transport infrastructure from fossil fuel dependence. CAN Europe therefore calls on EU leaders to:

- **Substantially increase the 2028-34 MFF's size**, either permanently or through a temporary [joint borrowing](#) initiative, in order to address the EU's pressing investment needs and gaps. At a minimum, the modest increase proposed by the European Commission should be safeguarded.

- **Increase the green mainstreaming target to 50 per cent in the 2028-34 MFF.** The proposed 35% mainstreaming target is woefully insufficient if the objective is to mobilise sufficient investments to phase out the EU's reliance on imported fossil fuels through a just transition whilst enhancing the EU's strategic autonomy through circular economy models and ensuring social resilience through nature restoration. At a minimum, the current 35 per cent target proposed should be safeguarded, while removing exemptions from the calculation basis of this percentage.
- **Revise Annex 1 of the horizontal expenditure tracking and performance framework to prevent greenwashing and funds flowing to activities that deepen the EU's reliance on fossil fuels.** The proposed horizontal implementation of the [Do No Significant Harm \(DNSH\) principle](#) across all EU budget instruments should also be supported, including a permanent phase-out of investment subsidies for fossil fuels.
- **Increase earmarked funds for the ECF's "Clean Transition and Industrial Decarbonisation" window,** which currently represents only 6.4 per cent of the ECF (MFF component). This percentage should be increased to at least 43 per cent of the ECF; or at a minimum to 25 per cent of the MFF component of the ECF, ensuring an equal prioritisation between the four windows proposed.
- **Support the reintroduction of a [standalone LIFE programme](#)** to avoid the proposed fragmentation of LIFE actions across European Competitiveness Fund (ECF) and the National and Regional Partnership Plans (NRPPs) which fundamentally undermines this flagship programme.
- **Ensure dedicated earmarked funding for Just Transition Regions,** beyond the provision for a minimum amount of funds dedicated to less developed regions in Heading I. This will ensure predictable funding for regions in transition, following the phase out of the Just Transition Fund.

Yours sincerely,



Chiara Martinelli, Director