



**Eurodiaconia**  *Connecting faith  
and social justice  
through action*

# ENERGY POVERTY IN EUROPE

**2023**

**POLICY PAPER**



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# Eurodiaconia

This paper aims to look at energy poverty as an element of the cost of living crisis, impacting disproportionately already vulnerable groups, and in doing so contributing to exacerbate poverty. It provides an overview of energy poverty in Europe, explain the European Union role on the matter and display Eurodiaconia members' responses to it. It will also explain some of the latest policy responses to the rising energy prices and provide key recommendations to policymakers on how to better address energy poverty.

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## WHO WE ARE

Eurodiaconia is a European network of churches and Christian NGOs providing social and healthcare services and advocating social justice.

## OUR ORGANISATIONAL VALUES

- Love
- Courage
- Dignity
- Hope
- Trust

## OUR MISSION AND VISION

Inspired by our Christian faith, our vision is of a Europe where social injustice is eradicated and each person is valued, included and empowered to realize their fullest potential, particularly the most vulnerable and marginalized.

Eurodiaconia is a network of churches and Christian organisations that provide social and health care services and advocate for social justice. Together we work for just and transformative social change across Europe.

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# INTRODUCTION

## WHY THIS PAPER?

### ENERGY POVERTY AS PART OF A COST OF LIVING CRISIS

A joint survey on the cost-of-living crisis conducted by Eurodiaconia and Caritas Europa among our memberships at the end of 2022 showed a 40% increase in people seeking support from our members' social services (over one year), many of whom were new beneficiaries<sup>1</sup>. This is in line with the findings of a European Parliament Autumn 2022 Survey, reporting that 93% of Europeans said that the rising cost of living was their most pressing concern, followed by poverty and social exclusion (82%)<sup>2</sup>. The rising energy prices in 2022 have been amongst the main drivers of the cost-of-living crisis, having disproportionate impact on the budgets of the most vulnerable households, reducing their disposable incomes, increasing their risk of indebtedness, energy disconnections and evictions. Rising energy prices are also affecting middle-class households, which made the issue gain more mediatic and political attention.

This paper aims to look at energy poverty as an element of the cost of living crisis, impacting disproportionately already vulnerable groups, and in doing so contributing to exacerbate poverty of groups already at risk of poverty. It provides an overview of energy poverty in Europe, explain the European Union role on the matter and display Eurodiaconia members' responses to it. It will also explain some of the latest policy responses to the rising energy prices and provide key recommendations to policymakers on how to better address energy poverty.

## WHAT IS ENERGY POVERTY?

### A MIX OF INCOME POVERTY, HIGH ENERGY COSTS, AND ENERGY-INEFFICIENCY

Energy poverty can be characterized by a household's inability to meet its domestic energy needs or access essential energy services and products. According to the European Commission, it occurs when energy bills represent a high percentage of consumers' income, or when people must reduce their household's energy consumption to a degree that negatively impacts their health and well-being<sup>3</sup>.

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<sup>1</sup> <https://www.eurodiaconia.org/wordpress/wp-content/uploads/2022/12/Energy-survey-Data.pdf>

<sup>2</sup> [European Parliament's Autumn 2022 Eurobarometer](#)

<sup>3</sup> [European Commission, "Energy poverty in the EU"](#)

In fact, access to energy is key to ensuring people's health, participation in society and a decent standard of living, and it is also an enabler factor to the enjoyment other essential services, such as internet and digital communications. In this vein, energy poverty is much more than an economic issue, as it has profound and broader implications for people's health, development and overall well-being.

As per EU legislation, we can find two definitions of energy poverty in recent documents. First, in the 2020 European Commission Recommendation on Energy Poverty: *"A situation in which households are unable to access essential energy services"*<sup>4</sup>.

Second, a more complete technical EU-wide definition was recently agreed between co-legislators through the 2023 Amended Energy Efficiency Directive: *"A household's lack of access to essential energy services, where such services provide basic levels and decent standards of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, in the relevant national context, existing national social policy and other relevant national policies, caused by a combination of factors, including at least non-affordability, insufficient disposable income, high energy expenditure and poor energy efficiency of homes"*<sup>5</sup>.

At the national level, however, countries have their own divergent definitions and measurements of energy poverty. In fact, an analysis of the 2021-2030 National Energy and Climate Plans showed that as of 2020 most MS still lacked both a clear definition of and an approach on how to assess energy poverty<sup>6</sup>. This is probably due to the fact that energy poverty is a complex multifaceted issue with multidimensional causes and outcomes, which make it difficult for policymakers to fully understand and assess.

The Energy Poverty Advisory Hub<sup>7</sup>, describes energy poverty as arising from a complex interplay of a range of factors. Broadly, these factors can be grouped into three categories: income poverty, high energy costs, and energy-inefficient homes and appliances.

Low income is the most evident cause of energy poverty. Therefore, people who are already in

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<sup>4</sup> [2020 European Commission Recommendation on Energy Poverty](#)

<sup>5</sup> [2023 Council Amended Energy Efficiency Directive](#)

<sup>6</sup> <https://www.odyssee-mure.eu/publications/policy-brief/european-energy-poverty.html>

<sup>7</sup> [Introduction to the Energy Poverty Advisory Hub \(EPAH\) Handbooks: A Guide to Understanding and Addressing Energy Poverty](#)

disadvantaged situations, such as the elderly, people with disabilities, single parents, and those struggling on minimum wages or other low-income sources are often more exposed to energy poverty. Moreover, special energy needs of some households can further exacerbate the burden on vulnerable groups.

High energy costs are another major driver of energy poverty. This is mainly caused by the fact that energy provision is usually on the hands of private companies operating in a global market. Consequently, a multitude of factors, such as energy production expenses, supply costs, network charges, and taxes, contribute to establishing the prices.

Energy inefficiency of housing and appliances is a third critical driver of energy poverty. Dwellings lacking proper insulation or equipped with outdated heating and cooling systems lead to excessive energy consumption and inflated bills. Notably, people with low income more often live in older, inadequate, energy inefficient housing and thus more exposed to experience energy poverty.



# ENERGY POVERTY IN EUROPE

## A DIVERSITY OF REALITY, A 2,4% AVERAGE EU INCREASE IN A YEAR

As already shown, despite being one of the wealthiest continents globally, many people in Europe experience energy poverty due to a combination of high energy costs, low household incomes, and energy inefficient buildings, with some regions, such as Eastern and Southern Europe, specially affected. In fact, energy is the essential service for which gaps in access are the highest in the EU<sup>8</sup>. The situation is particularly severe in countries with extreme weather conditions, when the energy needs rise significantly.

In 2022, 9.3% of the EU population said they could not afford to heat their homes sufficiently<sup>9</sup>. This is a 2,4% increase compared to 2021 according to the European Commission's Joint Employment Report<sup>10</sup>. Likewise, almost 7% had arrears on their utility bills<sup>11</sup>, and around 15% lived in dwellings with leak, damp or rot in 2020<sup>12</sup>. Moreover, according to the European Commission, by 2020 around 75% of the European Union's housing stock was energy inefficient<sup>13</sup>.

While energy prices had been increasing steadily in the last years, with the war in Ukraine, they skyrocketed, pushing up general inflation and affecting basic necessities. The rising energy prices impacted everyone, but not in an even way. For instance, in spring 2022, 28% of the general population in the EU anticipated facing difficulties paying utility bills. This jumped to 36% for social tenants and homeowners in the bottom half of the income distribution<sup>14</sup>.

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<sup>8</sup> [Report on access to essential services in the EU, European Commission](#)

<sup>9</sup> [https://ec.europa.eu/eurostat/databrowser/view/ILC\\_MDES01/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ILC_MDES01/default/table?lang=en)

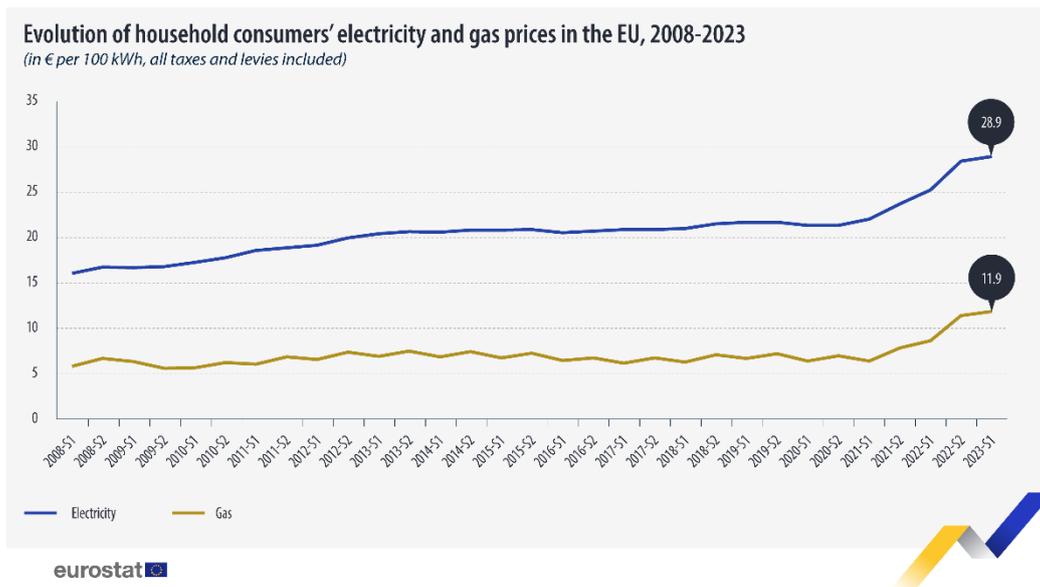
<sup>10</sup> [COM\\_2023\\_904\\_1\\_EN\\_ACT\\_part1\\_v6.pdf \(europa.eu\)](#)

<sup>11</sup> [https://ec.europa.eu/eurostat/databrowser/view/ILC\\_MDES07\\$DEFAULTVIEW/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ILC_MDES07$DEFAULTVIEW/default/table?lang=en)

<sup>12</sup> [https://ec.europa.eu/eurostat/databrowser/view/sdg\\_01\\_60/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/sdg_01_60/default/table?lang=en)

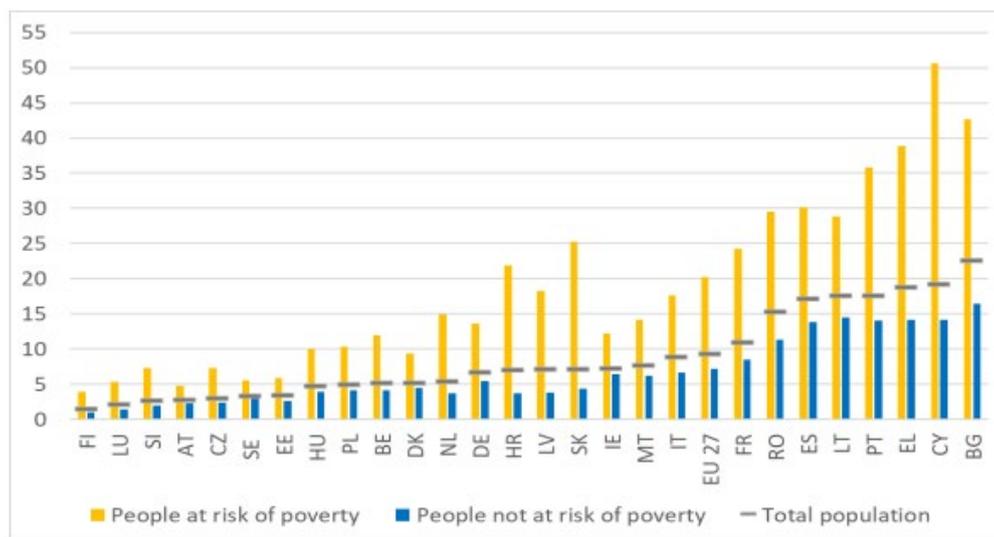
<sup>13</sup> [https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17\\_en](https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en)

<sup>14</sup> <https://www.eurofound.europa.eu/system/files/2023-05/ef22024en.pdf>



Likewise, in 2022, European households in the lowest income decile faced estimated average cost increases of 20% of total household expenditure, while for those in the highest income decile, the figure was 13%<sup>15</sup>. This is particularly striking, as generally speaking, the latter group consumes considerably more energy than the first one. Similarly, people at risk of poverty experience a higher exposure to energy poverty, as showed by the respective figures in all EU countries:

*Chart 4 – Inability to keep home adequately warm by Member State, 2022 (%)*



Source: European Commission's computation based on Eurostat data (EU-SILC)<sup>16</sup>

<sup>15</sup> Idem

<sup>16</sup> [Report on access to essential services in the EU, European Commission](#)

Moreover, the impact of the energy cost increases depends on a household composition, energy needs, and dwelling characteristics. For example, according to Eurofound, unemployed people spend more time at home and so tend to have greater energy needs<sup>17</sup>. Equally, people with severe diseases or disabilities usually have higher energy needs.

According to Eurodiaconia and Caritas Europa members<sup>18</sup>, other groups struggling the most with the cost-of-living-crisis and energy prices include the elderly, single-parents (most of which are women), young people, and migrants and refugees. In practical terms, this crisis has affected lower income households and vulnerable groups the most, reducing their disposable income and forcing many to choose between heating or eating.



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<sup>17</sup> <https://www.eurofound.europa.eu/system/files/2023-05/ef22024en.pdf>

<sup>18</sup> <https://www.eurodiaconia.org/wordpress/wp-content/uploads/2022/12/Energy-survey-Data.pdf>

# **EURODIACONIA MEMBERS' WORK ON ENERGY**

## **POVERTY**

### **PREVENTION, SUPPORT, AND COMMUNITY BUILDING**

Traditionally, many of our members have put in place extended debt counseling services that play a crucial role in helping people manage their energy bills and preventing disconnections. Additionally, new forms of support have been developed by some of our members to respond to the increasing issue of energy poverty in Europe. In this section we showcase some programs our members have implemented to support people struggling with lack of energy affordability, accessibility, and/or efficiency.

#### **DIAKONIE ÖSTERREICH, AUSTRIA**

According to our Austrian member, energy poverty in Austria has been growing lately, with many lower- and middle-class households not being able to keep their homes warm, and people in cities more affected than those living in the countryside.

To respond to this growing problem, Diakonie Österreich set-up a financial aid programme, to support people's unpaid energy and utility bills so as to prevent energy disconnections and evictions. Another project was recently started in collaboration with the private sector to replace old, inefficient major electrical appliances of selected households with new and more efficient ones. As a result, energy bills of beneficiaries are reduced.

Diakonie Österreich is also implementing an innovative project called "Energy WITH Spirit: Pioneering Implementation of a Solidarity-Based Renewable Energy Community in the Protestant Diaconal Sector in Austria", which aims to contribute to overcoming the challenges of the energy crisis by involving vulnerable groups in the energy transition. The project consortium consists of eleven partners, including businesses and researchers, as well as the Protestant Diaconal sector. The basis for the project is the Renewable Energy Expansion Act Package, which was passed by the Austrian National Council in 2021 and has the objective of converting Austria's electricity supply to 100% renewable energy sources by 2030. This amendment to the law enables people to join forces to produce, store, consume and sell energy together. The Solidarity-Based Renewable Energy Community consists of producers (property owners who invest in sustainable energy

generation through photovoltaic systems and build them on their own properties) prosumers (the sponsoring institutions that use the properties) and consumers (different user groups). The consumers receive 10% of the energy as a donation and the target groups are socially disadvantaged and/or low-income households, people in primary care and people experiencing in-work poverty, who do not receive government subsidies. In sum, they ensure that the jointly produced energy is made available to the socially disadvantaged.

On the political level, Diakonie Österreich dedicates important efforts to advocating for policy changes to tackle energy poverty, such as a basic energy entitlement (that should guarantee a certain supply of energy to everyone without restrictions) and a “Social Eco Bonus”, connecting the challenges of energy poverty and climate emergency. This bonus would offset the burden of the green transition on low-income households and would be financed through CO2 taxation.

## **KERK IN ACTIE, THE NETHERLANDS**

The SchuldHulpMaatje project, co-initiated by our member Kerk in Actie, is a well-established project put in place by a coalition of grassroots civil society organisations, community centres and churches. It has provided debt aid to vulnerable individuals in 151 municipalities across the Netherlands for more than twelve years, through a network of trained volunteers.

In 2022, 600.000 households in the Netherlands were experiencing energy poverty. In view of this situation, the Dutch government gave all households a cash transfer for paying energy bills, and a cap price was established. While this prevented another 400.000 households of slipping into energy poverty, more targeted support for vulnerable households was not properly implemented. This was mainly because identifying those experiencing energy poverty or at higher risk was not a straightforward task.

SchuldHulpMaatje saw the need and made a proposal to the government to identify, reach out to and provide support for people at high risk of energy poverty. Concretely, the project consists of providing assistance to people in financial difficulties, with a focus on those at high risk of energy poverty, by properly detecting them and helping them identify entitlements (state allowances and benefits). To do this, SchuldHulpMaatje produced a software that utilizes different public databases to identify and map those neighborhoods and streets that most likely concentrate a higher proportion of people at risk of energy poverty. Then, with the aid of the trained volunteers, they reach out to those households and provide information and help to access financial aid to face energy poverty. This data-driven innovative approach has shown great results and has the

potential to be scaled up in other countries.

## **ECUMENICAL HUMANITARIAN ORGANISATION, SERBIA**

According to the Ecumenical Humanitarian Organisation (EHO), Serbia has an extended prevalence of low energy performance of buildings. This, together with rising energy prices in the last years, has turned housing and energy affordability into a problem for many, especially for the most vulnerable communities living in settlements. In 2021, there were approximately 250.000 to 350.000 energy vulnerable households. Moreover, 74% of people living in Roma settlements are in absolute poverty situation.

The Dweller Driven Settlement Upgrading Model is a project implemented by EHO to support vulnerable persons living in inadequate housing and experiencing energy poverty. It is based on human rights principles and uses a multi-stakeholder and participatory approach. Concretely, EHO conducts renovations to improve housing adequacy, energy efficiency and access to services, focusing on Roma settlements, that usually lack proper infrastructure and access to essential services such as energy and water. The improvement of living conditions has a huge impact on the quality of life of beneficiaries, leading to better health and social inclusion. The project also provides information campaigns to help low-income households acquire the status of “protected energy consumer” under the Serbian law, which entitle them to get a 50% reduction on the price of their electricity bills. This benefit is usually not known by families, so EHO tries to address this information gap.

## **DIAKONIE DEUTSCHLAND, GERMANY**

In view of the record inflation rates and cost-of-living crisis, last winter Diakonie Deutschland carried out the “Warm Winter campaign”. The campaign aimed to create an atmosphere of warmth, compassion, and support for individuals in need, while also providing them with crucial assistance and information. Nationwide, church communities and diaconal organisations opened their doors and created warm places where those affected could receive help and learn about their rights. This upcoming winter, too, the high energy and food prices are putting a strain on many people in Germany. Thus, Diakonie Deutschland has started organizing the same campaign for 2023/2024.

In addition to that, hundreds of diaconal projects have been created all over Germany to address the broader cost of living crisis: from the parent-child café in Bremen to the “night café” in Dresden,

from hot soup in Hanau to energy counseling programs in Munich and Schweinfurt. Multi-stakeholders' roundtables have also been established in some municipalities, such as Hanover, composed of diaconal organisations, job centres and representatives of energy suppliers and housing associations, to prevent energy cuts and to agree on realistic instalment payments for people that struggle with energy bills.

From a political perspective, Diakonie Deutschland has been advocating for an emergency aid mechanism for low-income households, so that in the event of a significant social crisis, the German Bundestag should declare a national emergency triggering financial support of at least 100 euros per month for six months. The support would be allocated to those receiving housing benefits, child allowances, social benefits in old age or those unable to work. The idea is that targeted support is more beneficial and effective than universal measures.

## **DIAKONIE DUSSELDORF, GERMANY**

Diakonie Dusseldorf has implemented an energy sponsorship programme providing people with financial aid, to support the payment of energy bills. The programme is based on a sponsorship system, where individuals voluntarily donate a certain amount that goes directly to people experiencing energy poverty. While recognizing this is not a structural solution, it has provided people with an emergency solution to cope with the high energy prices and cost-of-living crisis.

This initiative is part of a broader debt counselling programme put in place by Diakonie Dusseldorf, offering different services such as a prevention (e.g. awareness raising on safe handling of money and strengthening of financial literacy), financial advice to reduce expenses, including energy expenses, and orientation to access social security benefits.

As we observe, amid the energy and cost-of-living crisis, many Eurodiaconia members have stepped in to bring in solutions to people struggling with the rising prices. However, it should be noticed that members have also suffered the impact of higher energy prices and inflation. As reported in the Eurodiaconia-Caritas survey, many are not receiving any government financial support or subsidies, which is leading to existential struggles for organizations. Some have put in place temporary measures such as reducing office heating and reassigning funds, but more investment is needed, for sustainable financing and long-term support to continue carrying out their essential work.

# UNUSUAL POLICY RESPONSES FOR UNUSUAL TIMES

As a reaction to the spike on energy prices, both Member States and the European Union have put in place diverse innovative measures to try to tackle the increased risk of energy poverty. It is important to notice that the flexibility given to Member States in this crisis, to intervene at national level through price regulation to shield vulnerable groups from energy poverty, is particularly exceptional. In the past, similar measures have been sanctioned as endorsement to EU free market regulation. For instance, the European Commission infringement procedure against Romania in 2018 and 2019, was a reaction to the Romanian government emergency order 114/2018 to freeze electricity and gas tariffs, in particular for residential consumers.

In parallel, recently EU wide initiative presented as protection against energy poverty must be carefully monitored in their implementation as they, by some aspects, could backfire in their social impact.

## ESSENTIAL FLEXIBILITY AND SUBSIDIARITY FOR MEMBER STATES TO PROTECT CONSUMERS

According to Bruegel, by June 2023 and since the start of the energy crisis in September 2021, €651 billion has been allocated and earmarked across European countries to shield households from the rising energy costs<sup>19</sup>. This money has been utilized to implement actions that vary across Member States due to the different national realities, energy systems, climate conditions, and socio-economic context. Some common trends have been observed.

Some measures included the reduction of energy taxes, including VAT, in countries such as Belgium, Germany, the Netherlands, Poland, Spain, and Portugal. Likewise, other price support measures such as price breaks for gas and electricity were widespread. For instance, Spain and Portugal introduced a cap on the price of the electricity generated using natural gas (combined cycle power plants) in the Iberian daily energy auctions. This was known as the “Iberian Exception”, approved by the European Commission. Additionally, direct assistance to households was widespread, with measures such as expanded social tariffs or one-time payments to households.

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<sup>19</sup> <https://www.bruegel.org/dataset/national-policies-shield-consumers-rising-energy-prices>

In fact, almost half of EU Member States provided one-time direct contributions to households' electricity bills<sup>20</sup>.

However, it was not uncommon that this aid was untargeted or insufficiently targeted, thus not directed to those most affected by the energy prices rise. According to the European Commission, over 70% of European emergency measures were untargeted, and this increased to around 90% in 2023<sup>21</sup>.

Conversely, according to a study carried out by IEEP, some countries did target their support to the most vulnerable households. For instance, in Spain, households on benefits but also those just above the benefit threshold were provided with direct financial support, which offered a higher degree of social targeting<sup>22</sup>. Overall, targeted support to vulnerable households resulted in increased social fairness in comparison to other measures<sup>23</sup>.

Finally, many Member States introduced taxes on windfall profits resulting from elevated energy prices, although the scope of those measures varies across countries. Notably, windfall taxes in certain instances also encompassed renewable energy companies, indicating a broader effort to manage energy prices.

## **EU LED DOUBLE-EDGED INITIATIVES**

The European Union has established policy and legislative initiatives to respond to the high energy prices and tackle energy poverty.

### *Legislative tools and new funding sources*

The EU's Clean Energy for All Europeans package (2019) included a provision to monitor energy poverty and provide a variety of protections for vulnerable households. The package contained a governance system for the energy union, requiring each Member State to establish integrated 10-year national energy and climate plans (NECPs) for 2021-30. In the NECPs EU countries were required to describe their policies and measures to identify, monitor and address energy poverty. By 30 June 2023, Member States were due to submit their updated NECPs drafts, although some haven't done this yet.

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<sup>20</sup> <https://www.eurofound.europa.eu/en/resources/article/2023/measures-lesser-impact-inflation-and-energy-crisis-citizens>

<sup>21</sup> [https://ec.europa.eu/commission/presscorner/detail/es/qanda\\_22\\_7082](https://ec.europa.eu/commission/presscorner/detail/es/qanda_22_7082)

<sup>22</sup> <https://www.epc.eu/en/publications/-Europe-must-fight-energy-poverty-more-effectively~4da8dc>

<sup>23</sup> <https://ieep.eu/publications/who-took-the-burden-of-the-energy-crisis/>

The Renovation Wave strategy (October 2020) has three main priorities: tackling energy poverty and the worst performing buildings, improving public buildings and decarbonizing heating and cooling technologies. A key piece of legislation included in this strategy is the Energy Performance of Buildings Directive. It aims to improve the energy efficiency of buildings and for the EU's building stock to be climate neutral by 2050. As it is often the case that lower-income groups live in the worst performing buildings, this Directive could be very beneficial for them if it is rightly implemented, enabling low-income groups in worst performing buildings to benefit from better energy efficiency through energy efficiency retrofitting. However, there are concerns that is insufficiently funded, this reform of higher energy efficiency standards would contribute to increase housing prices.

The Renovation strategy also included the Amended Energy Efficiency Directive, that has introduced the first official EU definition of energy poverty. It requires Member States to prioritize energy efficiency improvements for vulnerable customers, low-income households, and individuals in social housing, and aims at empowering consumers through stronger requirements to raise awareness and provide information on energy efficiency.

The Electricity Market Design Reform aims to improve the electricity market design, impacting amongst other things electricity regulation and the electricity directive. It is hoped such a reform could enable Member States to achieve better consumer protection, and access more and cheaper renewables energy provision. A crucial point of the ongoing negotiations is the inclusion of a ban on disconnections for vulnerable consumers, as proposed by the European Parliament.

Finally, the 2023 Regulation establishing a Social Climate Fund (SCF) aims to provide funding to Member States to support vulnerable households, including those affected by energy poverty. Approximately 65 billion Euros should be made available under this fund, for investments in more efficient buildings and lower-emission mobility and to finance direct temporary income support to vulnerable households. To access this funding, EU countries must submit their Social Climate Plans by June 2025.

### *Soft law*

In October 2021, the European Commission released the Communication 'Tackling rising energy prices: a toolbox for action and support' as a guidance for Member States on the measures that they were able to put in place to address the rising energy prices and support vulnerable households. In addition, the 2023 Council Recommendation on Energy Poverty puts forward

recommendations to Member States to address the root causes of energy poverty such as the low energy performance of homes and low income. The Recommendation also outlines how energy poverty can be diagnosed at national level and it points to the NECPs as well as the Social Climate Plans, as opportunities to incorporate the recommendations to combat energy poverty.

More generally, principle 20 of the European Pillar of Social Rights states that “everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need”. This principle should guide all the actions that the European Commission and Member States put forward to guarantee access to energy.



## POLICY RECOMMENDATIONS

Recognizing energy poverty and energy market complex nature and multidimensional dimensions, and building on Eurodiaconia's members feedback and experience, Eurodiaconia proposes the following actions to guide policymakers to combat energy poverty across Europe:

1. Energy must be a public good, and thus, the establishment of a right to a minimum amount of energy for everyone must be put forward. This means that everyone should be guaranteed a basic entitlement to energy that does not depend on their purchasing capacity, in line with principle 20 of the European Pillar on Social Rights. To turn this into a reality, a EU-wide ban on disconnections for vulnerable households must be included in the Electricity Market Design Reform currently under negotiation.
2. Renovation of buildings, particularly of the least performing housing is a key element to tackle one of the main drivers of energy poverty. However, for it to be socially inclusive and fair, sufficient public funding must be made available and accessible to support households and not-for-profit social service providers to conduct energy efficiency renovations. The Social Climate Fund falls short of this ambition, as its amount will even be insufficient to mitigate the impact of the Emission trading Scheme upon which it is financed. The EU must increase the available funding, for instance through the Invest EU programme and the European Investment Bank, so as to avoid that the Renovation wave, Energy Performance of Building Directive and Emission Trading Scheme extension actually become tools that would deepen inequalities (by making housing more expensive for lowest income groups and in doing so fostering the housing exclusion crisis).
3. A right balance between strong social safety nets for all and targeted support for households at higher risk of energy poverty is needed. Particularly in times of crisis, adequately targeted direct income support can be crucial for people to cope with the emergency. For this, initiatives such as SchuldHulpMaatje, based on data-driven mapping that allow for very precise targeting, have an enormous potential and must be supported and scaled up. At the same time, broader strong social protection measures, such as adequate minimum income schemes and indexed social benefits must be protected or set to tackle the root causes of energy poverty and prevent its expansion.

4. More public investment in renewable energy sources, including in non-EU countries, is necessary to make these energy sources available for everyone, and in particular, for vulnerable households. Initiatives such as the solidarity-based energy community project put forward by Diakonie Austria should be scaled up and replicated to make clean energy accessible and affordable to all, help to tackle high energy costs and achieve a fair green transition.
5. The European Commission must continue to allow flexibility for Member States to intervene through price regulation to shield vulnerable groups from energy poverty. The recent examples of the “Iberian Exception” goes in the right direction by recognizing the importance of subsidiarity and consumer protection.
6. The services that Eurodiaconia members provide to help tackle energy poverty and the cost-of-living crisis are crucial for many people across Europe. For instance, debt counselling services and energy counselling services provide people with adequate and timely information regarding their energy consumption and can play a crucial role in preventing disconnections and early addressing energy poverty. However, our members are struggling with chronic underfunding and lack of support, which has worsened as they have to cope with higher energy prices and inflation. In that sense, it is crucial that not-for-profit social service providers are adequately supported and properly funded, to enable people to reach out for support as early as possible.



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2023

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