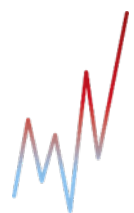




# Green Transformation: Why Does Czechia Not Have a Plan?

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CLIMATE PAPER No. 30





## Summary

→ The Czech Ministry of the Environment has prepared **an update to the Climate Protection Policy (APOK)**, the country's top strategic document for addressing climate change. APOK was intended to set the Czech Republic on a clear path toward achieving climate neutrality by 2050. After more than a year of drafting with minimal media coverage and very limited public consultation, the document was scheduled for government approval in early summer 2024. However, following a media backlash fueled by the opposition, the government was forced to withdraw the long-anticipated document from its agenda. It is now being rewritten to ensure that any climate ambition is subordinate to the interests of the national economy. Ironically, the document that sparked such concern was, if anything, insufficiently ambitious.

→ This policy paper outlines three key deficiencies in APOK: **the ambition gap, the policy adoption gap, and the policy outcome gap**. These gaps are identified in three main areas: **climate governance, economic assumptions, and just transition**. The underlying issue across all three gaps is a reluctance to challenge the fundamental political and social assumptions underlying the transition to a sustainable society. The state presupposes that climate policy can be implemented within the same legal and social frameworks that historically legitimized its creation. As a result, climate policy executed in a business-as-usual manner risks delivering only business-as-usual outcomes.

→ The policy paper argues that 1) without addressing the identified deficiencies in governance, **the chosen measures may not ultimately be fulfilled**, or will only be fulfilled "on paper"; 2) without addressing the shortcomings in the economic assumptions, **the real resources of society may be exhausted on cost-optimal decarbonization of technologies and practices with minimal social benefit**; 3) without addressing the deficiencies in just transition, **the decarbonization of the economy may be slowed or halted as general dissatisfaction with the state's climate policy grows**. The APOK suggests that the government does not have any plan for these challenges.

→ **Each identified deficiency, and all of them together, can significantly hinder the achievement of climate goals**, which will be very challenging for the Czech Republic in the medium and long term (unlike previous goals). By ignoring these deficiencies, the Czech Republic may miss the opportunity to link decarbonization goals with addressing other social and environmental issues and improving the quality of life for all. Conversely, by addressing them, the government can draw on the list of recommendations in this policy paper, supported by examples of international best practices.



## Recommendations

In the update of the Climate Protection Policy, the government should:

- I. **formulate a vision for a decarbonized Czech Republic by 2050**, sufficiently focused on human well-being and social justice, so as to mobilise a critical part of society toward decarbonization goals;
- II. **establish carbon budgets** or at least sectoral emission reduction targets for individual sectors of the economy;
- III. establish a plan of effective measures for enabling **cross-sectoral governance of climate policy** and increase its coherence;
- IV. adjust the planned measures so that they have verifiable **key performance indicators** (KPIs) with specific deadlines;
- V. **link responsibility for achieving sectoral goals and implementing specific measures to a specific member of the government within a set deadline**;
- VI. submit legislative amendments to **establish an independent scientific body** with a mandate to regularly evaluate the (non-)fulfilment of climate policy by the government and propose corrective measures;
- VII. conduct **an evaluation of the fulfilment of APOK by 2025** and set up a mechanism for regular review of the emission trajectory and the status of measure implementation (at least once a year) so that it can respond flexibly to negative trends and identified gaps;
- VIII. **define the role of local governments** in the state's climate policy and propose measures to support local governments in this role;
- IX. **integrate the principle of sufficiency** into all addressed sectors;
- X. **identify the challenges of a just transition with the help of qualitative approaches** (e.g., in-depth interviews in the regions);
- XI. address the causes of household and business vulnerabilities through **a strong linkage between climate and social policy** (i. e. predistributive measures), not just through compensatory measures;
- XII. **focus on all aspects of a just transition** (distributive, procedural, corrective, recognition) and pay attention to **intersectionality**;
- XIII. incorporate the issue of **gender equality** (gender mainstreaming) and reflect this issue in related measures so that these measures do not further deepen these differences in society but instead help to effectively and systematically reduce them.



## List of Abbreviations

APOK	Updated Czech Climate Protection Policy
CENIA	Czech Environmental Information Agency
ČSÚ	Czech Statistical Office
ESG	Environmental and Social Governance
ESR	Effort Sharing Regulation
ETS	Emissions Trading System
EU	European Union
GDP	Gross Domestic Product
IAMs	Integrated Assessment Models
IPCC	Intergovernmental Panel on Climate Change
KPI	Key Performance Indicators
LULUCF	Land Use, Land-Use Change and Forestry
POK	Czech Climate Protection Policy
SEEPiA	Socio-Economic Research Centre for Environmental Policy Impacts
TAČR	Technology Agency of the Czech Republic
WAM	With Additional Measures
WEM	With Existing Measures



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## Introduction

The Czech Republic has been remarkably successful in achieving its climate goals so far. Initially, after signing the Kyoto Protocol to the United Nations Framework Convention on Climate Change, it set a goal of reducing greenhouse gas emissions by an average of 8% from 1990 levels during 2008–2012.<sup>1</sup> This goal was achieved, largely due to the favourable reference year.<sup>2</sup> After the signing of the Paris Agreement, the National Program to Mitigate the Impacts of Climate Change in the Czech Republic was replaced by the Climate Protection Policy (2017). In this, the Czech Republic decided to reduce emissions by 20% by 2020 compared to 2005. This was also achieved, partly due to the favourable reference year and the economic downturn during the COVID-19 pandemic. The country ultimately met even the goals it had previously dismissed as “impossible to meet.”<sup>3</sup> Now, its attention is focused on the 2030 milestone, and the Czech Republic is confident that it will again achieve the 55% reduction target in emissions compared to 1990, and climate neutrality by 2050.<sup>4</sup> These targets appeared in the updated Climate Protection Policy (APOK).

The update (AOPK) was drafted by the Czech Ministry of the Environment between 2023 and 2024 and it was part of the same legislative package as the long overdue update of the State Energy Policy (SEK) and the belated update of the National Energy and Climate Plan (NECP) drafted by the Ministry of Industry and Trade. In the course of their preparation, the three strategies were subjected to only limited public consultation and minimal media attention. Following difficult talks with the usual round of key stakeholders, the ruling coalition hoped to discuss and approve the strategies in early summer 2024. However, after a brief yet significant media backlash ignited by the opposition, the ruling coalition, during the hottest summer on record, developed what can only be described as ‘cold feet’ and removed the documents from the government’s upcoming agenda. Deemed unnecessarily and dangerously ambitious, the documents remain on ice at the time of English publication of this policy paper.

Ironically, from a different perspective, the proposed 55% reduction target is anything but ambitious. According to some opinions, it falls short of acting on

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<sup>1</sup> The National Program to Mitigate the Impacts of Climate Change in the Czech Republic (2004) (*Národní program na zmírnění dopadů změny klimatu v ČR*).

<sup>2</sup> In 1990, the emissions of the Czech Republic reached 190 MtCO<sub>2</sub>eq. But already in 2007, they were 149 MtCO<sub>2</sub>eq (-21.5%). So yes, the state actually fulfilled its commitment with a large margin even before the monitored period of 2008 to 2012 began. See <https://tvorimevropu.cz/2009/12/02/ceska-republika-zatim-kjotsky-protokol-plni-s-rezervou/>.

<sup>3</sup> On April 16, 2008, the Topolánek government approved the Evaluation of the National Program to Mitigate the Impacts of Climate Change in the Czech Republic from 2004, stating that the goal of a 25% reduction in carbon dioxide emissions by 2020 compared to the year 2000, as outlined in the National Program, ‘cannot be achieved’ based on current projections. See Ministry of the Environment. ‘Evaluation of the National Program to Mitigate the Impacts of Climate Change.’ 2008, p. 76. [https://www.mzp.cz/C1257458002FoDC7/cz/vyhodnoceni\\_narodniho\\_programu/\\$FILE/OZK-Vyhodnoceni\\_NP\\_20080327.pdf](https://www.mzp.cz/C1257458002FoDC7/cz/vyhodnoceni_narodniho_programu/$FILE/OZK-Vyhodnoceni_NP_20080327.pdf). Ironically, the goal was achieved. The inventory in 2000 was 127.24 MtCO<sub>2</sub>. See Eurostat. “Greenhouse gas emissions by source sector.” 2024. [https://ec.europa.eu/eurostat/databrowser/view/env\\_air\\_gge/default/bar?lang=en](https://ec.europa.eu/eurostat/databrowser/view/env_air_gge/default/bar?lang=en). The target for 2020 was 95.43 MtCO<sub>2</sub>. See Ministry of the Environment. “National Program to Mitigate the Impacts of Climate Change.” 2004, p. 99.

<sup>4</sup> Ministry of the Environment. “The Ministry of the Environment Updated the Climate Protection Policy in the Czech Republic: By 2030, We Will Obtain One-Third of Our Energy from Renewable Sources and Reduce Consumption by One-Fifth.” Press Release, 2024a. [https://www.mzp.cz/cz/news\\_20240206\\_MZP-aktualizovalo-Politiku-ochrany-klimatu-v-CR-Doroku-2030-budeme-ziskavat-tretinu-energie-z-obnovitelnych-zdroju-a-spotrebu-snizime-o-petinu](https://www.mzp.cz/cz/news_20240206_MZP-aktualizovalo-Politiku-ochrany-klimatu-v-CR-Doroku-2030-budeme-ziskavat-tretinu-energie-z-obnovitelnych-zdroju-a-spotrebu-snizime-o-petinu).



the Czech Republic's fair share in the international effort to achieve the Paris Agreement (2015) goals. Arguably, the country should aim for an 81–90% reduction by 2030, according to the estimated national carbon budget.<sup>5</sup> The Czech political representation has not yet followed these views, and it is now evident that a significant reduction in emissions within the remaining time until 2030 is not feasible, or at least not without another societal crisis greater than the COVID-19 pandemic.<sup>6</sup>

There are also arguments that the 55% target for 2030 significantly underestimates the potential of a modernising economy. These arguments are based on modelling within the SEEPIA project, which forms the basis for the chosen targets, policies, and measures in APOK. The WEM (with existing measures) scenario forecasts a 63% reduction by 2030. Achieving the 55% target could thus be possible with existing policies and measures, especially the obligations of major polluters under the national Emissions Trading System Act. If the model outputs hold up, the 55% target does not seem so ambitious in the end—quite the opposite.

On the other hand, the European Commission is already looking beyond 2030 and published its recommendation in February 2024 to aim for a 90% reduction in net greenhouse gas emissions by 2040 compared to 1990.<sup>7</sup> Although the final political agreement may differ, it is clear that achieving such a high target will require a host of additional measures. This opens up the space for so-called 'gaps' in climate policy in the Czech Republic. Relevant literature describes three types of gaps with slight variations: ambition gap, policy adoption gap, and policy outcome gap.<sup>8</sup>

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<sup>5</sup> Specifically, 81% (excluding LULUCF) according to the fair share methodology of the Carbon Action Tracker project, 84% according to the methodology of the Tyndall Centre for Climate Change Research, and 89.76% according to the methodology of Rajamani et al. These are variants of the Czech Republic's fair share of the Paris Agreement target, which were argued by the plaintiffs in the Czech Climate Case (*Klimatická žaloba*) in administrative courts. See the statement from August 26, 2022, available at: [https://www.klimazaloba.cz/wp-content/uploads/2022/08/9As\\_116\\_2022\\_Doplneni-duvodu-kasacni-stiznosti-KZ.pdf](https://www.klimazaloba.cz/wp-content/uploads/2022/08/9As_116_2022_Doplneni-duvodu-kasacni-stiznosti-KZ.pdf).

<sup>6</sup> Subject to the previous footnote: the government has actually greatly underestimated its capacity to quickly reduce greenhouse gas emissions in the past.

<sup>7</sup> European Commission. "Commission Presents Recommendations for the 2040 Emissions Reduction Target to Set the Path Towards Climate Neutrality by 2050." 2024. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_24\\_588](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_588).

<sup>8</sup> Fransen, T., J. Meckling, A. Stünzi, et al. "Taking Stock of the Implementation Gap in Climate Policy." *Nature Climate Change* 13, no. 9 (2023): 752–755. <https://doi.org/10.1038/s41558-023-01755-9>; Perino, G. et al. "Closing the Implementation Gap: Obstacles in Reaching Net-Zero Pledges in the EU and Germany." *Politics and Governance* 10, no. 3 (2022): 141–153. <https://doi.org/10.17645/pag.v10i3.5326>; European Scientific Advisory Board on Climate Change.

"Towards EU Climate Neutrality: Progress, Policy Gaps, and Opportunities." European Commission, 2024. <https://climate-advisory-board.europa.eu/reports-and-publications/towards-eu-climate-neutrality-progress-policy-gaps-and-opportunities>.



### Three types of gaps in climate policy according to Fransen et al.:

- a) ambition gap – the gap between existing emissions targets and projections of emissions that can still meet the desired temperature target; sometimes discussed in relation to transition plans that underplay the social justice dimension.
- b) policy adoption gap – the gap between the set emissions targets and the emissions projections associated with the measures to meet the emissions targets; for instance, where a state aims to reduce emissions in transport by 10% by 2030 but adopts no policies to achieve this, making sufficient emissions reductions unlikely.
- c) policy outcome gap – the gap between emissions projections associated with the measures to meet the emissions targets and the actual emissions reductions achieved; for example, measures in NECPs of EU Member States in their current state are projected by the European Commission to miss the 55% reduction target in EU-wide emissions by 2030.<sup>9</sup>

It bears reminding that the gaps in national climate policies have been successfully challenged in the courts of European countries for violating laws or human rights commitments. For example, in 2022, the British High Court ruled that the government's climate plan did not make it clear how the government intended to achieve climate neutrality (policy adoption gap).<sup>10</sup> After the government supplemented the climate plan, the same court struck it down again in May 2024, stating that there was no evidence that the planned policies and measures could achieve the desired outcomes (policy outcome gap).<sup>11</sup> Similarly, according to an April ruling by the European Court of Human Rights, Switzerland lacks the policies and measures needed to achieve the set goal of climate neutrality by 2050 (policy adoption gap).<sup>12</sup> And in May, the administrative court in Berlin ordered the revision of the German climate plan because achieving the targets through the chosen policies and measures was based on "unrealistic expectations" (policy outcome gap).<sup>13</sup>

This policy paper **highlights the many deficiencies in the updated Climate Protection Policy (APOK), which may jeopardise the achievement of the Czech Republic's climate goals in the medium and long term.** Specifically, it focuses on

1. **climate governance,**
2. **economic assumptions,** and
3. **just transformation.**

Their common denominator is an aversion to redefining the fundamental political and social assumptions of the transition to a sustainable society. The government assumes that climate policy will be implemented within the same legal and social frameworks that historically justified its implementation. But business-as-usual implementation of climate policy, it is argued, may lead only to business-as-

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<sup>9</sup> European Commission. "Commission Calls on Member States to Improve Their National Energy and Climate Plans in Order to Achieve the EU's 2030 Targets Together." 2023. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_6622](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6622).

<sup>10</sup> Judgment of the High Court of the United Kingdom dated July 18, 2022, in the case of Friends of the Earth and others v. Secretary of State for Business, Energy and Industrial Strategy, Case No. [2022] EWHC 1841.

<sup>11</sup> Judgment of the High Court of the United Kingdom dated May 3, 2024, in the case of Friends of the Earth and others v. Secretary of State for Energy Security and Net Zero, Case No. [2024] EWHC 995.

<sup>12</sup> Decision of the Grand Chamber of the European Court of Human Rights dated April 9, 2024, in the case of Verein KlimaSeniorinnen Schweiz and others v. Switzerland, Case No. 53600/20.

<sup>13</sup> Judgment of the Berlin-Brandenburg Higher Administrative Court dated May 16, 2024, Case No. OVG 11 A 22/21. Press release:

<https://www.berlin.de/gerichte/oberverwaltungsgericht/presse/pressemitteilungen/2024/pressemitteilung.1447632.php>.



usual results. There is a risk that without addressing identified governance deficiencies, the chosen measures will not be fulfilled or will only be fulfilled "on paper." Without addressing deficiencies in economic assumptions, society's real resources may be exhausted on *cost-optimal decarbonization of technologies and practices with minimal social benefit*. And without addressing deficiencies in just transition, the decarbonization of the economy may be slowed or halted as general dissatisfaction with the government's climate policy grows.

Each deficiency, individually and collectively, can significantly hinder the achievement of the forthcoming climate goals, which will be very challenging for the Czech Republic in the medium and long term (unlike the previous goals). Ignoring these deficiencies may cause the state to miss the opportunity of linking decarbonization goals with improving quality of life for all. Below is an analysis of the deficiencies, contextualised with examples of international best practices and relevant literature.

## 1 Climate Governance

### 1.1 Good Practise from Abroad

The Czech Republic needs an outcome-oriented climate policy to achieve its climate goals. As the World Bank makes clear, **the main indicator of goal fulfilment is not how many tools and measures the government adopts to achieve them, but whether greenhouse gas emissions have actually been reduced and whether this reduction is sufficient.**<sup>14</sup> The European Scientific Advisory Board on Climate Change points out that achieving climate goals will require not only timely adoption of announced regulations and policies but also that they are "sufficiently ambitious, strong, and comprehensive to deliver on the change required in the coming decades."<sup>15</sup>

Many European countries have anchored a robust public governance system oriented towards outcomes, based on sectoral targets, clear accountability, independent scientific control, annual reviews, and regular automatic corrections.

For example, the current Irish government focuses on a total carbon budget of 295 MtCO<sub>2</sub>eq<sup>16</sup> for the period 2021–2025. The carbon budget, along with sectoral targets, is based on scenarios from the Intergovernmental Panel on Climate Change (IPCC) and is enshrined in law. The law precisely specifies which office is responsible for which sectoral targets. The Environmental Protection Agency (EPA) and the Climate Council monitor compliance with the carbon budget and sectoral targets in their regular reports.<sup>17</sup> The Climate Council consists of 11 representatives from state agencies and the scientific community. Ministers are required to inform a special parliamentary committee each year about the contents of the current Climate Council report and, if there is a risk of not meeting sectoral targets in their portfolio, to outline additional measures they will take to achieve the targets. Ministers must also respond to the committee's

<sup>14</sup> World Bank. "Reality Check: Lessons from 25 Case Studies Advancing a Low-Carbon Future." 2023. <https://openknowledge.worldbank.org/handle/10986/39755>.

<sup>15</sup> European Scientific Advisory Board on Climate Change. "Towards EU Climate Neutrality: Progress, Policy Gaps, and Opportunities." European Commission, 2024, p. 45. <https://climate-advisory-board.europa.eu/reports-and-publications/towards-eu-climate-neutrality-progress-policy-gaps-and-opportunities>.

<sup>16</sup> 3.7 times the Irish emissions in 2020. See Ritchie, H. "CO<sub>2</sub> Emissions Dataset: Our Sources and Methods." OurWorldInData.org, 2022. <https://ourworldindata.org/co2-dataset-sources>.

<sup>17</sup> Since the end of last year, EPA reports are published quarterly, which allows the government to respond even more flexibly to negative trends.



recommendations within three months. The latest Climate Council report, from October 2023, notes that Ireland has "spent" 47% of its carbon budget for the five-year period within two years and proposes additional measures, many of which have already been incorporated into the updated Climate Plan from early 2024. The Climate Plan includes Key Performance Indicators (KPIs) – such as a 0.3 MtCO<sub>2</sub>eq reduction in emissions from public buildings – and the pathway to achieving them is reported annually by the Ministry of the Environment, Climate and Communications.

Regular reviews and clear responsibilities ensure that Ireland and other countries remain focused on achieving results, not just on plans and their implementation. The use of carbon budgets is crucial in these cases. Any overshooting in the monitored period reduces the carbon budget for the following period – similar to how biathletes are penalised with penalty laps after missing a target.

**1) Clear responsibility for achieving sectoral targets.** In Germany, Finland, and Ireland, the goal of reducing greenhouse gas emissions is divided among various ministries, whose leadership is responsible for achieving sectoral targets. For example, once the federal government in Germany approves an update to the climate plan, individual ministries submit proposals within 6 months for measures suitable for meeting the new plan in their sector—naturally, with a detailed quantification of their environmental and socio-economic impacts. Whether such proposed measures are sufficient to meet the sectoral targets is assessed and decided jointly by the Ministry for the Environment, Nature Conservation, and Nuclear Safety and the Ministry for Economic Affairs and Energy.<sup>18</sup> In some countries (such as Ireland), ministers report on the fulfilment of sectoral targets directly to Parliamentary committees, ensuring direct democratic control. In Finland, in addition to the national climate strategy, individual departments also develop sectoral climate plans.<sup>19</sup>

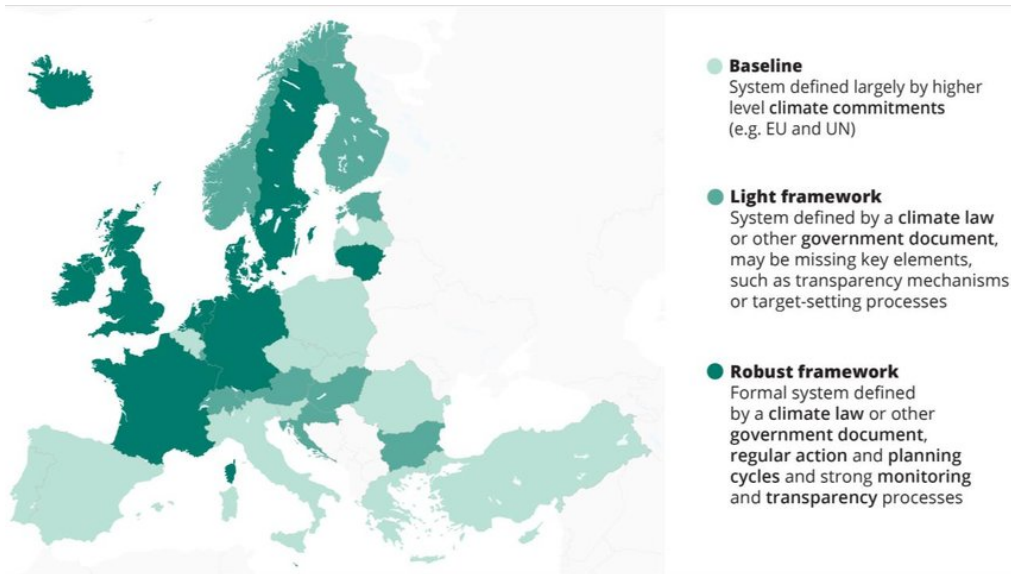
<sup>18</sup> Article 9 of the German Federal Climate Protection Act (*Bundes-Klimaschutzgesetz*).

<sup>19</sup> Ministry of the Environment of Finland. "Action Plan for the Circular Economy." 2017.

[https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80769/YMre\\_21en\\_2017.pdf?sequence=1&isAllowed=y](https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80769/YMre_21en_2017.pdf?sequence=1&isAllowed=y).



Figure 1: Three tiers of climate governance in Europe<sup>20</sup>



Source: Ecologic Institute and IDDRI

**2) Independent scientific oversight.** A good practice is the establishment of expert or semi-expert independent advisory bodies. These so-called climate councils, in their regular advisory reports, compile a reference scenario for the development of greenhouse gas emissions and continuously evaluate the effectiveness of policies and measures. An equivalent of a climate council currently operates in Germany (Sachverständigenrat für Umweltfragen), France (Le Haut conseil pour le climat), Denmark (Klimarådet), Sweden (Klimatpolitiska rådet), Finland (Ilmastopaneeli), Greece (Επιστημονική Επιτροπή για την Κλιματική Αλλαγή), Ireland (The Climate Change Advisory Council), the Netherlands (Planbureau voor de Leefomgeving), the United Kingdom (The Committee on Climate Change), Norway (Klimautvalet), and Iceland (Loftslagsráð).<sup>21</sup> In some countries (such as Germany), climate councils issue special reports at the request of legislators.<sup>22</sup> Besides monitoring, climate councils are also mandatory consultative bodies for national climate plans and selected laws and policies. Although in some countries climate councils may be formed from representatives of state institutions or businesses, they are always independent, meaning they are not controlled by state institutions and have their own budget. If a country has established a climate council that is not independent (as in the case of Estonia), it does not constitute good governance practice.

Additionally, some countries have special independent commissions for assessing the distributive impacts of low-carbon transformation. These commissions issue regular reports on the state of just transition and include representatives of marginalised groups.

<sup>20</sup> Dark green countries on the map have a robust governance system characterised by a climate law, a continuous cycle of plans and measures, and strong oversight institutions. Countries in lighter shades (e.g., Austria) lack some key elements of a robust system, such as a mechanism for monitoring the implementation of measures. Light green countries on the map (including the Czech Republic) lack even these elements, with the core of their climate policy relying on international organisations (EU). Status as of January 2021. Source: Evans, N., & M. Duwe. "Climate Governance Systems in Europe: The Role of National Advisory Bodies." Ecologic Institute, Berlin; IDDRI, Paris, 2021.

<sup>21</sup> Eva Balounová & Tereza Snopková. "Czech Climate Law – Necessity or...?" Czech Environmental Law 1, no. 67 (2023): 13–39. Retrieved from [https://www.cspzp.com/dokumenty/casopis/cislo\\_67.pdf](https://www.cspzp.com/dokumenty/casopis/cislo_67.pdf).

<sup>22</sup> Evans, N., & M. Duwe. "Climate Governance Systems in Europe: The Role of National Advisory Bodies." Ecologic Institute, Berlin; IDDRI, Paris, 2021.



**3) Annual review by an independent body.** The government's continuous overview of the country's emissions balance and the effectiveness of measures requires practically continuous monitoring. Climate councils prepare monitoring reports every year (e.g., Germany, Ireland, Sweden, Denmark, the United Kingdom). In Sweden, the monitoring report is attached to the government's proposed budget bill. In Finland, although there is a climate council, it has not been given enough resources for careful monitoring, so the annual reports are prepared directly by the government for its own needs, which unfortunately opens up space for political manipulation of these reports.

The annual review has several functions. On one hand, if the state under government leadership adheres to the decarbonization scenario, regular review is something the government can boast about to its electorate. Most importantly, it aims to catch potential shortcomings (gaps) in policies and measures as soon as possible. It also allows for a timely response to unexpected linkages (positive and negative feedback) between measures, for example, if a waste reuse measure works but increases demand for emission-intensive transport (freight vehicles) and should be revised. Because the annual review itself is just a "dog that barks but doesn't bite," robust governance systems also include automatic corrective mechanisms.

**4) Automatic Correctives.** The purpose of continuous monitoring is to catch potential shortcomings (gaps) in policies and measures as early as possible. To ensure that the identification of these gaps is guaranteed and not random, some European countries have adopted mechanisms of automatic correctives, similar to a debt brake. After deviating from the prescribed trajectory, there is usually an obligation on the government (or a government member, if it concerns a sectoral target) to submit a plan with additional measures. For example, if a certain sector in Germany fails to meet the set targets during the reported period, the responsible ministry must submit a plan within three months that will ensure these targets are met in the following years. The proposed measures are reviewed for effectiveness by the federal climate council and approved by the federal government, which also informs the Bundestag about them. The measures are then automatically incorporated into the next update of the government's climate action plan.<sup>23</sup> In Denmark and France, governments are legally obliged to take a position on each recommendation of the national climate council.<sup>24</sup> Additionally, in Ireland and the United Kingdom, if the government fails to adhere to a five-year carbon budget, its next carbon budget is reduced by the exceeded amount; conversely, if the government does not fully utilise the carbon budget in a given period, it can transfer the savings to the following period. Notably, the British government decided in May 2024 that it would not use this legal option, despite having used only 85% of the budget from 2018-2022, thus moving closer to carbon neutrality sooner.<sup>25</sup>

#### **5) Other examples of good practice in climate policy management**

- **Climate ministries and cross-ministerial management of climate policy:** Decarbonization demands actions across all economic sectors, affecting the agendas of multiple ministries and other executive bodies. To ensure coordinated actions, it is now common practice in Europe that a specially established ministry is responsible for the coherence of government policies impacting the climate. Even where such a ministry has not been established, specific government members, such as the Minister for Economic Affairs and Climate Policy in the Netherlands or the State Secretary for Energy, Clean

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<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

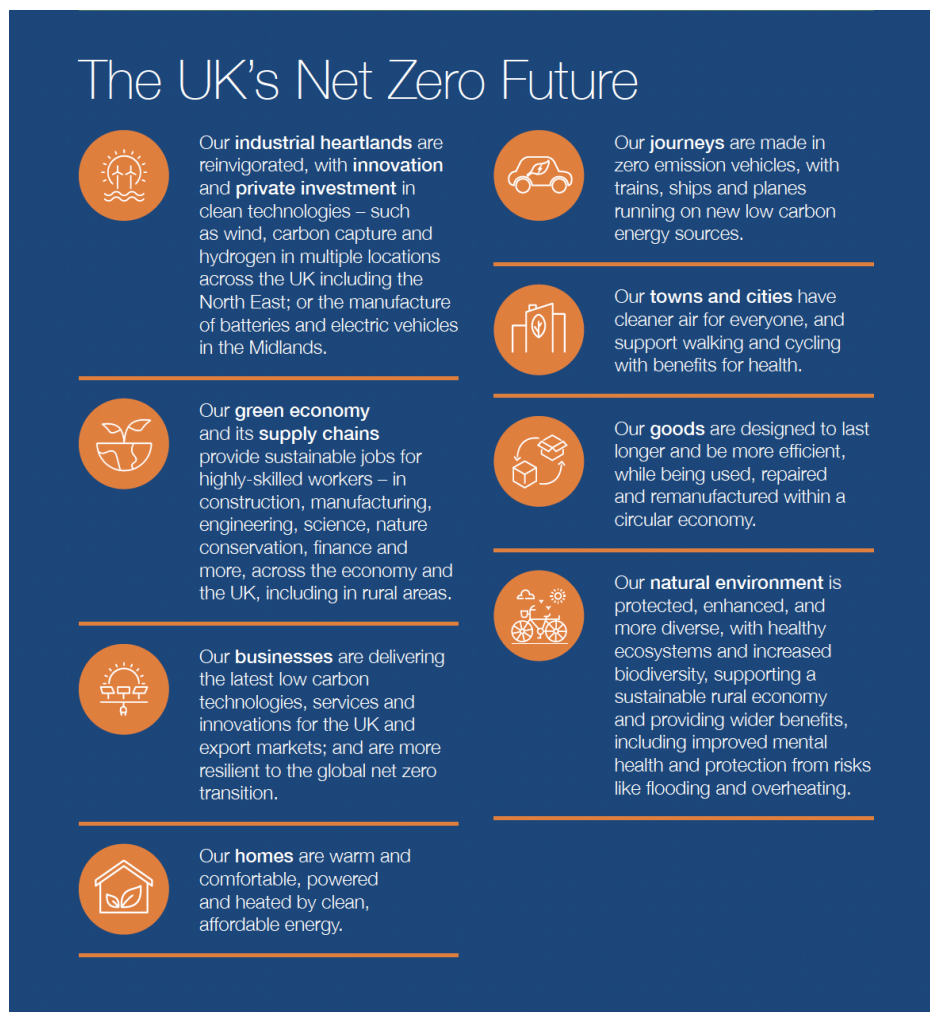
<sup>25</sup> UK Government. "The United Kingdom Achieves Another Carbon Emissions Reduction Target and Rejects Rollover." Press Release, 2024. <https://www.gov.uk/government/news/uk-overachieves-another-carbon-emissions-target-and-rejects-rollover>.



Growth and Climate Change in the United Kingdom, are responsible for achieving climate targets. This ensures that individual bodies do not blame each other. Sometimes there are cross-ministerial bodies emphasising a systematic approach, for example, in the UK there is the Government's Climate Change Committee. A similar body in Ireland, The Climate Action Delivery Board, is tasked with overseeing the implementation of planned measures by individual ministries and strategically guiding them.

- **Vision of a decarbonized future:** Climate plans in Austria, the United Kingdom, the Netherlands, or Wales are framed by a vision of a future society that takes advantage of decarbonization opportunities. Images emerge of calm cities with clean air and blue-green infrastructure, fast and emission-free transport, or thriving ecosystems. An example is figure no. 2 from the British strategy.
- **Part of every bill or policy proposal is an assessment of climate impacts.**
- **The state budget bill is subject to climate impact assessment (green budgeting).**
- **Climate laws.**

Figure 2: Vision of a Decarbonized Future in the UK Strategy (2021)<sup>26</sup>

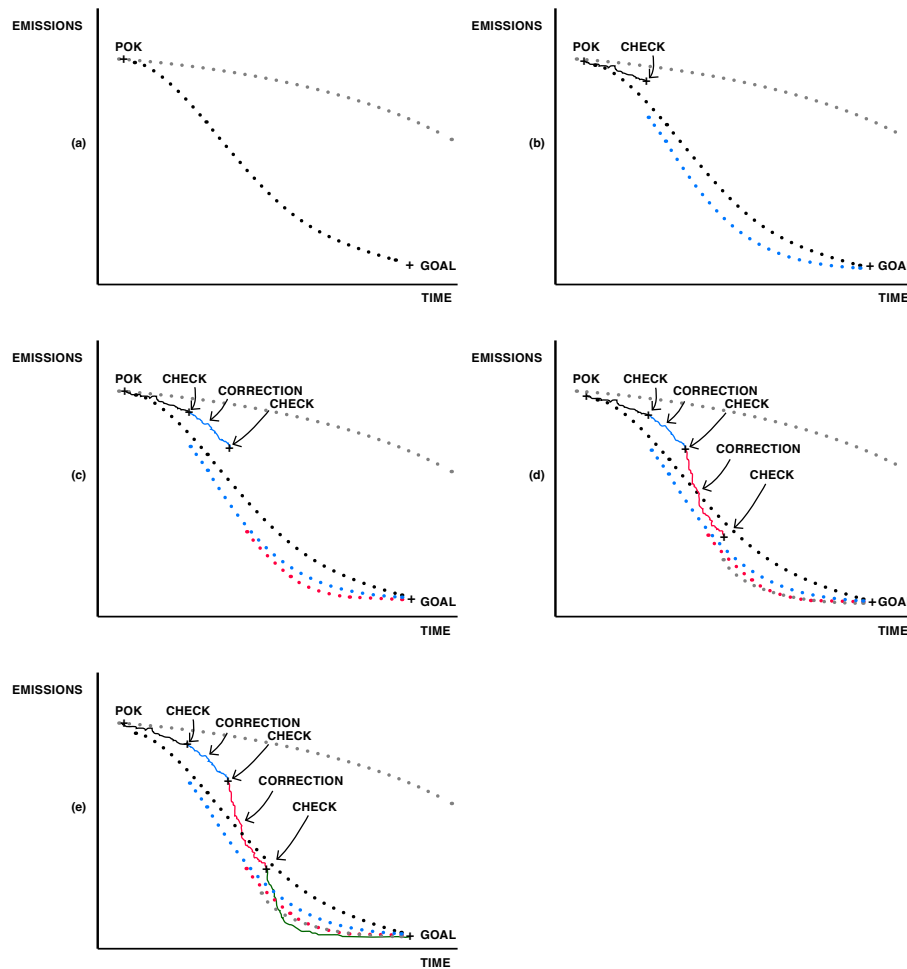


Source: UK Government

<sup>26</sup> UK Government. „Net Zero Strategy: Build Back Greener“. 2021, p. 61.  
<https://www.gov.uk/government/publications/net-zero-strategy>.



**Graph 1: The Idea of Flexible Climate Governance**



The principle of flexible climate governance is illustrated by graphs (a) through (d), where the x-axis represents time and the y-axis represents the greenhouse gas emissions of a given state. In graph (a), the reference scenario (grey dotted line) is shown. The hypothetical climate policy (POK) aims for a decarbonization scenario (black dotted line) that closely aligns with the SSP1-1.9 scenario from the IPCC. In the following graph, it can be seen that over time, actual emissions (black line) deviate from the plan. However, there is a very rapid correction. The new scenario in graph (b) (blue dotted line) now requires a steeper reduction in emissions (i.e., dramatically better results) so that the government can compensate in the second period for the excess emissions that occurred in the first period. The process of checks and corrections repeats (in the next two graphs) until the climate ambitions of the government are aligned with the actual results achieved (e).

**Source:** Author

## 1.2 Deficiencies in APOK

The Climate Protection Policy in the Czech Republic is a top strategic document approved by the Czech government in 2017. The government, in its approving resolution, instructed its members and heads of other administrative authorities to follow the policy when preparing their conceptual documents and adopting measures.<sup>27</sup> The first evaluation of the policy was completed on schedule, before the

<sup>27</sup> Resolution of the Government of the Czech Republic dated March 22, 2017, No. 207.



end of 2021. The recommendations in the evaluation were supposed to be the starting point for an upcoming update of the policy (APOK). Despite the recommendations, there remain several governance-related deficiencies (gaps) in the proposed update. Following on from the previous section, the focus is again on the sectoral targets, cross-sectoral management, monitoring, control mechanisms, and automatic corrections:

**a) Missing sectoral targets**

The APOK proposal lacks binding sectoral targets, as is good practice in other European countries. The overall reduction target of a 55% emissions decrease by 2030 compared to 1990 levels is not broken down into individual sectors in APOK and remains a political (not legal) commitment of the government as a whole. It is evident that the target values for the ETS and ESR sectors are not targets that would predetermine policies and measures. Rather, they represent results of modelling based on the assumption of adopting policies and measures primarily derived from EU law. **In other words, achieving emissions reductions in individual sectors, as well as meeting the national emissions reduction target, is merely an incidental outcome of adopting individual measures and APOK as a whole. We can speak of policy-oriented outcomes instead of outcome-oriented policies.** The absence of sectoral targets prevents control over the adequacy of measures adopted for individual sectors. This also applies to the three unmodelled sectors (agriculture, waste, LULUCF).

**b) Lack of clear responsibility and cross-sectoral management**

The APOK proposal barely addresses the issue of governance. Several measures in APOK foresee shared responsibility among multiple ministries or institutions, making it unclear which entity will ultimately be accountable for their implementation. The previously functioning Interministerial Working Group for Climate Protection was dissolved, and no equivalent group currently meets.<sup>28</sup> The Czech Republic is currently one of the six European countries whose climate governance system received the lowest scores from researchers.<sup>29</sup>

The absence of cross-sectoral management of climate policy strengthens the practice of so-called 'departmentalism' (*resortismus*), where the Ministry of the Environment is cast as the climate protector, having to assert itself alongside "strong" departments. It is true that APOK addresses cross-cutting policies and measures, but they do not have a common institutional sponsor with a strong mandate to overcome sectoral approaches. A recent example is the amendment to Act No. 383/2012 Coll., on the Conditions for Emissions Trading, which aimed to reallocate revenues from the sale of allowances. Instead of a cross-sectoral body that would allocate revenues based on available data to accelerate decarbonization most effectively, the allocation was decided by a political compromise between several members of the government, who were primarily concerned with securing additional funds for their departments.

Legal rules, policies, and measures simply do not converge towards a common goal of societal transformation towards a zero-emissions economy, as recommended by the CENIA agency.<sup>30</sup> This is part of a broader systemic and officially acknowledged issue, the absence of 'a centre-of-government', as described in the 2nd Report on

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<sup>28</sup> Admittedly, there is the active Interdepartmental Working Group for the Social Climate Fund, and it is possible that there are other groups dedicated to specific agendas.

<sup>29</sup> Evans, N., & M. Duwe. "Climate Governance Systems in Europe: The Role of National Advisory Bodies." Ecologic Institute, Berlin; IDDRI, Paris, 2021.

<sup>30</sup> CENIA. "Evaluation of the Climate Protection Policy in the Czech Republic." 2021, p. 79. [https://www.cenia.cz/wp-content/uploads/2021/11/OEOK\\_POK\\_vyhodnoceni\\_20211101.pdf](https://www.cenia.cz/wp-content/uploads/2021/11/OEOK_POK_vyhodnoceni_20211101.pdf).



Quality of Life and Its Sustainability.<sup>31</sup> The report notes that public policies do not approach sustainable development coherently, partly "due to the weak position of contact persons responsible for ensuring coherence within and across ministries, and the absence of a sustainable development perspective in the impact assessment of public policies" (p. 159-160). "A specific problem is the hierarchy and interconnectedness of strategies with [the Czech Republic's climate goals] as the overarching strategic framework. While most strategies are not directly opposed to [the Czech Republic's climate goals], few take them into account, and if they do, it is mostly in a formal manner" (p. 144).

Non-governmental organisations, the Climate Coalition (Klik) and the Centre for Transport and Energy (CDE), already warned the government in 2020 that the Czech Republic lacks any normative tools to ensure the fulfilment of the obligation to evaluate and report the climate impact of sectoral strategies, policies, and programs across ministries. The company Enviros, within the TAČR program, created a certified Methodology for Developing and Evaluating Policies and Measures to Reduce Greenhouse Gas Emissions, but according to Klik and CDE, ministries do not use it in practice.<sup>32</sup>

### c) Lack of annual review by an independent institution

Climate goals and measures in the Czech Republic are not subjected to annual review by an independent institution, again contrary to good practice in other European countries. Control over the implementation of measures does not occur continuously but only once every four years and does not immediately lead to corrective measures (policy adoption gap). The government's climate policy thus continues to lack a mechanism to flexibly prevent potential non-fulfilment of goals (scrutiny and accountability).

There is no institution like a climate council in the Czech Republic, and all auditing of emissions and adopted measures is prepared internally. In 2021, the Czech Environmental Information Agency (CENIA) – subordinate to the Ministry of the Environment – prepared an evaluation of the Climate Protection Policy (POK), which assessed the trajectory of emissions reductions.<sup>33</sup> CENIA could only rely on official emissions inventories conducted by the Czech Hydrometeorological Institute, which are published with a two-year "delay."<sup>34</sup> The document contained the history of the fulfilment of announced measures and formulated several narrowly focused recommendations. The government took note of the evaluation, but neither individual government members nor the government as a whole are bound by it. Since the first POK reduction target (for 2020) chronologically preceded the deadline for the first POK evaluation (2021), it is clear that any correction of measures could not have occurred in time. Moreover, CENIA does not represent vulnerable households and businesses, and without their involvement, it may not be able to properly assess the social impacts of the transformation.

<sup>31</sup> Ministry of the Environment. "2nd Report on Quality of Life and Its Sustainability." 2024b. <https://www.cr2030.cz/strategie/wp-content/uploads/sites/2/2024/03/2.-zprava-o-kvalite-zivota.pdf>.

<sup>32</sup> Jungwirth, T., ed. "Climate Protection Policy in the Czech Republic: Words Lost in the Wind." Climate Coalition and the Center for Transport and Energy, 2020, p. 21. [https://www.cde-org.cz/media/object/1613/cde\\_politika\\_klimatu\\_v\\_cr\\_2.pdf](https://www.cde-org.cz/media/object/1613/cde_politika_klimatu_v_cr_2.pdf).

<sup>33</sup> CENIA. "Evaluation of the Climate Protection Policy in the Czech Republic." 2021. [https://www.cenia.cz/wp-content/uploads/2021/11/OEOK\\_POK\\_vyhodnoceni\\_20211101.pdf](https://www.cenia.cz/wp-content/uploads/2021/11/OEOK_POK_vyhodnoceni_20211101.pdf).

<sup>34</sup> In other words, the 2021 evaluation - which is supposed to form the backdrop of the 2024 update - relies on the data from 2019. In general, where APOK refers to current emissions inventory, it uses the most recent dataset, from 2021.



The sixth chapter of the APOK, devoted to monitoring, reporting, evaluating the implementation of measures, and public participation, is extremely brief, general, and does not propose a robust and credible process that would ensure that the entire document in its operational part does not merely pay lip service to climate, as has often been the case in the past.

#### d) **Non-reviewable measures**

Even if independent institutional review were allowed, it would still be impossible to oversee the work on several measures in APOK because they are **too abstract** (they are milestones, aspirations) or **lack SMART indicators of achievement** (i.e., specific, measurable, achievable, realistic, and time-bound). An example of such a measure is "Measure G.2: Increasing the Level of Municipal Waste Recycling". Despite its title, it transpires from the description that the measure targets waste sorting, not its recycling. Better sorting itself does not lead to increased recycling levels and the associated potential reduction in greenhouse gas emissions (policy outcome gap). The impacts of the measure on greenhouse gas emissions are not quantified. The need to increase recycling capacities is repeatedly mentioned in the Climate Protection Policy (POK), but it does not indicate how this will be achieved or what investments would be necessary (compare this with the energy sector).

**Several measures in APOK are to be implemented continuously, without key performance indicators (KPIs) being established for their ongoing assessment**, as is the case in other countries, such as Ireland (policy adoption gap). The aforementioned evaluation of POK states that the update should "concretize the measures, define the exact parameters of their implementation and the method of their implementation, including sources of their financing, in the interest of measurability and evaluation possibilities".<sup>35</sup>

#### e) **Missing role of local government**

What is the role of municipalities, regions, and even 'local action groups' (MAS) in achieving climate goals and addressing just transition? What measures could support them in this role? How can the potential of initiatives like the Covenant of Mayors for Climate and Energy be tapped? The APOK proposal does not address these questions at all, although it is common in the climate plans of other European countries (for good practice, cf. Finland).

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<sup>35</sup> CENIA. "Evaluation of the Climate Protection Policy in the Czech Republic." 2021.

[https://www.cenia.cz/wp-content/uploads/2021/11/OEOK\\_POK\\_vyhodnoceni\\_20211101.pdf](https://www.cenia.cz/wp-content/uploads/2021/11/OEOK_POK_vyhodnoceni_20211101.pdf).



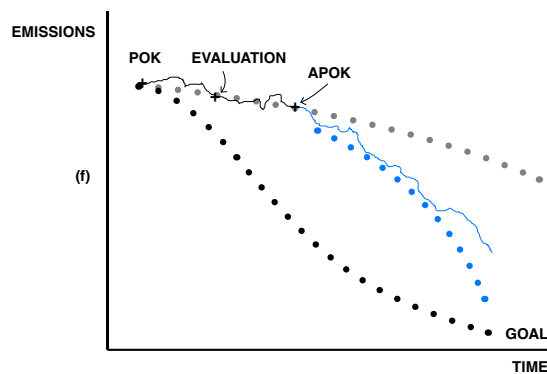
**Table 1: Comparison of Selected Aspects of Climate Governance in the Czech Republic and Other European Countries**

	Sectoral targets	Independent scientific oversight	Annual reviews	Automatic correctives
Denmark	yes	yes	yes	yes
Germany	yes	yes	yes	yes
France	yes	yes	yes	yes
Sweden	yes	yes	yes	no
Finland	yes	yes	no	no
Ireland	yes	yes	yes	yes
UK	no	yes	yes	yes
Czechia	no	no	no	no

Source: author's survey

Consequently, the lack of proper climate governance in the Czech Republic may lead to non-fulfillment of targets in sectors where the main responsibility lies with national regulation, i.e., primarily in sectors falling under the Effort Sharing Regulation<sup>36</sup> (where the SEEPIA model predicts non-fulfillment of the 2030 target even in the WAM scenario) and under the Land Use, Land-Use Change, and Forestry Regulation (LULUCF). It can be expected that without a transformation of governance, many measures in the Climate Protection Policy (APOK) will either not be implemented at all, or will not be implemented in a way that would guarantee emissions reductions at the anticipated level. Consequently, the effectiveness of national climate policy will increasingly diverge from the efficiency needed to achieve the set (let alone 1.5°C compatible) climate goals (see Figure 3). As the historical window for keeping global warming below a certain threshold closes, achieving the necessary results will become more and more difficult.

**Graph 2: Author's prediction of the reduction trajectory in the Czech Republic<sup>37</sup>**



Source: author

<sup>36</sup> Regulation of the European Parliament and of the Council (EU) 2018/841 of May 30, 2018, on the inclusion of greenhouse gas emissions and their removals resulting from land use, land use change, and forestry into the 2030 climate and energy policy framework, as amended by Regulation of the European Parliament and of the Council (EU) 2023/839.

<sup>37</sup> It can be estimated that the effectiveness of the national climate policy will increasingly diverge from the level of effectiveness needed to achieve the established (let alone 1.5°C-compatible) climate targets. The figure illustrates the expected trend, not a precise calculation.



## 2 Economic Assumptions

### 2.1 Good Practice from Abroad

Fossil fuel power plants and heating plants currently produce 1/3 of greenhouse gas emissions in the Czech Republic, and transitioning to other energy sources (whether renewable or nuclear) is therefore one of the essential prerequisites for a low-carbon transformation. To prevent future waste of energy produced in this way, both Czech and EU legislators have taken significant steps towards gradually increasing energy efficiency. This is expressed by ‘the energy efficiency first’ principle: always consider increasing efficiency (buildings, machinery) before considering which source to use for their operation. Historically, increasing savings has also had a positive impact on the growth of the Czech GDP.<sup>38</sup>

In the pre-pandemic years of 2014–2019, energy-saving measures managed to reduce the energy intensity of the Czech economy from 427 GJ/million CZK GDP to 364 GJ/million CZK GDP and achieve cumulative savings of over 100 PJ.<sup>39</sup> However, since the gross domestic product in the same period increased by a third, and the growth of energy consumption remains tied to GDP growth,<sup>40</sup> it is not surprising that the final energy consumption in the same period increased by 70 PJ<sup>41</sup> and likewise greenhouse gas emissions on the consumption side.<sup>42</sup> In other words, **all the energy and emissions savings achieved through technological solutions were offset by additional production and consumption amid relative population stagnation.** This can be explained by the phenomenon described in the second half of the 19th century by the British economist W. S. Jevons, namely that greater efficiency in using a particular resource (e.g., coal) achieved through technological progress can paradoxically increase the demand for this resource and its consumption.<sup>43</sup> The Czech Republic had become more efficient per unit of GDP, then started to create more units, resulting in the plateauing aggregate energy demand. The possible effect of Jevons’ paradox is discussed, for example, by the International Energy Agency (IEA) data on the growth of global electricity consumption for lighting, despite the rapidly increasing efficiency of lighting fixtures, in connection with falling prices of fixtures, population growth, and floor space.<sup>44</sup> In the Czech context, the full realisation of Jevons’ paradox has not yet been systematically studied; however, at least its partial version, where some of the saved resources translate into higher consumption (so-

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<sup>38</sup> Office of the Government of the Czech Republic. “Measures to Increase Energy Efficiency and Their Impacts on the Czech Economy.” Discussion Papers of the Section for European Affairs, No. 2/2014. 2014.

<sup>39</sup> Ministry of Industry and Trade. “9th Progress Report on Meeting National Energy Efficiency Targets in the Czech Republic.” 2021. [https://www.mpo.gov.cz/assets/cz/energetika/energeticka-ucinnost/strategicke-dokumenty/2021/5/9--zprava-o-pokroku-plneni-cilu-energeticke-ucinnosti-v-CR-\\_2021\\_.pdf](https://www.mpo.gov.cz/assets/cz/energetika/energeticka-ucinnost/strategicke-dokumenty/2021/5/9--zprava-o-pokroku-plneni-cilu-energeticke-ucinnosti-v-CR-_2021_.pdf).

<sup>40</sup> Timothée Parrique et al. “Decoupling Debunked: Evidence and Arguments Against Green Growth as a Sole Strategy for Sustainability”. European Environmental Bureau. 2019.

<sup>41</sup> Ministry of Industry and Trade. “9th Progress Report on Meeting National Energy Efficiency Targets in the Czech Republic.” 2021. [https://www.mpo.gov.cz/assets/cz/energetika/energeticka-ucinnost/strategicke-dokumenty/2021/5/9--zprava-o-pokroku-plneni-cilu-energeticke-ucinnosti-v-CR-\\_2021\\_.pdf](https://www.mpo.gov.cz/assets/cz/energetika/energeticka-ucinnost/strategicke-dokumenty/2021/5/9--zprava-o-pokroku-plneni-cilu-energeticke-ucinnosti-v-CR-_2021_.pdf).

<sup>42</sup> Ritchie, H. “CO<sub>2</sub> Emissions Dataset: Our Sources and Methods”. OurWorldInData.org, 2022. <https://ourworldindata.org/co2-dataset-sources>.

<sup>43</sup> Polimeni, J. M., K. Mayumi, M. Giampietro, & B. Alcott. “The Jevons Paradox and the Myth of Resource Efficiency Improvements”. Routledge, 2007. <https://doi.org/10.4324/9781849773102>.

<sup>44</sup> IEA. “Energy Efficiency”. 2022. <https://www.iea.org/reports/energy-efficiency-2022>.



called rebound effect), has likely occurred in the past.<sup>45</sup> The easier the access of households and businesses (particularly those of them which used to limit their consumption for economic reasons - e.g., did not heat buildings to an optimal temperature) to cheaper energy services, the stronger the potential rebound effect.

Technological innovations, however necessary, do not address the current state of uncontrolled resource consumption, which drives not only climate change but also other environmental problems. Uncontrolled consumption of more and more energy, materials, land, and water, according to all empirical evidence, precludes timely decarbonization and, therefore, the halting of the rise in average global temperature below the 2°C threshold.<sup>46</sup>

The international scientific community, therefore, recommends bracketing not only energy efficiency but also **sufficiency**.<sup>47</sup> Sufficiency implies a comprehensive transformation of policies and behaviour patterns towards less resource-dependent forms of production and consumption.<sup>48</sup> Sufficiency policies, in this sense, are those that aim to reduce the demand for energy, materials, land, and water while simultaneously meeting people's basic needs within planetary boundaries.<sup>49</sup> Sufficiency policies thus lead to a "sufficiency economy."<sup>50</sup> The idea of sufficiency runs through the well-known circular, regenerative economic model presented by British economist Kate Raworth in 2017 in her book *Doughnut Economics*.<sup>51</sup> This model has already been partially adapted for the Czech economy by civil society (Doughnut Czechia project) and could serve as the foundation for its overall

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<sup>45</sup> Office of the Government of the Czech Republic. "Measures to Increase Energy Efficiency and Their Impacts on the Czech Economy." Discussion Papers of the Section for European Affairs, No. 2/2014. 2014.

<sup>46</sup> Tomáš Jungwirth Březovský. "Scenario of Societal Transformation to Keep Global Warming Below 1.5°C: Introduction, Reflection, Critique." Association for International Affairs. Policy Paper (2023). Retrieved from <https://www.amo.cz/cs/klimatym/scenar-spolecenske-transformace-pro-udrzeni-globalniho-otepleni-pod-15-c-predstaveni-reflexe-kritika/>.

<sup>47</sup> Creutzig, F., J. Roy, W. F. Lamb, et al. "Towards Demand-Side Solutions for Mitigating Climate Change." *Nature Climate Change* 8, no. 4 (2018): 260-263. <https://doi.org/10.1038/s41558-018-0121-1>; Haberl, H., et al. "A Systematic Review of the Evidence on Decoupling of GDP, Resource Use and GHG Emissions, Part II: Synthesizing the Insights." *Environmental Research Letters* 15, no. 6 (2020): 065003. <https://doi.org/10.1088/1748-9326/ab842a>;

Intergovernmental Panel on Climate Change. "Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change." Cambridge University Press, 2022, p. 101. <https://www.ipcc.ch/report/ar6/wg3/>.

<sup>48</sup> The concept of sufficiency has its supporters in the Czech Republic, and it would be interesting to explore whether it even has a certain tradition here. In response to a question in a STEM and Institute 2050 survey, "Imagine that we decided as a society that we want to work less, produce less, and consume less, instead focusing on greater life satisfaction—having more free time, placing more emphasis on mutual solidarity, culture, education, and nature conservation. [...] Would you like or dislike such a direction for the Czech Republic?" 44% of respondents answered positively, and 26% negatively. The rest answered "neither." See STEM & Institute 2050. "Czech (Non)Transformation 2022." Retrieved from [https://www.stem.cz/wp-content/uploads/2022/09/STEM\\_projekt\\_final-report-CZ.pdf](https://www.stem.cz/wp-content/uploads/2022/09/STEM_projekt_final-report-CZ.pdf). Sufficiency does not seem to be the preserve of "green" politics; on the contrary, it is supported by a spectrum of value-based politicians, such as the current President of the Senate. See Miloš Vystrčil, "Jevons' Paradox and Us" (2019), <https://www.vystrcil.cz/web/clanky/jevonsuv-paradox-a-my-p15937/>.

<sup>49</sup> Zell-Ziegler, C., et al. „Enough? The Role of Sufficiency in European Energy and Climate Plans“. *Energy Policy* 157 (2021): 112483. <https://doi.org/10.1016/j.enpol.2021.112483>.

<sup>50</sup> Gough, I. „Heat, Greed and Human Need: Climate Change, Capitalism and Sustainable Wellbeing“. Edward Elgar Publishing, 2017.

<sup>51</sup> Raworth, K. *Doughnut Economics*. London: Chelsea Green Publishing, 2017.



transformation.<sup>52</sup> After all, it is the term "transformation" that sets itself apart from mere "transition": it is a reshaping, a change of form (e.g., from a ray to a circle) rather than a transition from one technology to another.<sup>53</sup>

National plans that truly aim to meet people's needs while staying within planetary boundaries cannot do so without a certain "taming" of consumption within the realm of realistic possibilities. This realm is sometimes referred to as "consumption corridors."<sup>54</sup> For example, according to the IPCC, meeting climate goals will require distinguishing between "needs and luxury preferences," and defining "minimum and maximum levels of consumption, i.e., sustainable consumption corridors." But how exactly can sustainable consumption corridors be defined in the Czech context?<sup>55</sup>

The aforementioned Doughnut Czechia model identifies nine areas that the government should not underestimate when regulating consumption. These areas include food, education, health, housing, and justice, many of which have legal expression in constitutional and international law as basic human rights. On the other hand, the search for a legally defined maximum level of consumption would be in vain. Variations of maximum level of consumption appear rarely, typically in the form of rations in wartime economies. In peaceful conditions, there are no limits to individual levels of consumption, save for effective demand, i.e. the willingness and ability of consumers to purchase goods at different prices. Theoretically, a 'ceiling' imposed on individual consumption would push down aggregate consumption in the economy. Perhaps this is why "consumption corridors" are beginning to appear even during peaceful conditions in France, Belgium, the Netherlands, and other European democracies. An example from these countries is the reduction of the highway speed limit for passenger vehicles—reducing the limit from 130 km/h to 110 km/h leads to an average 25% decrease in fuel consumption and similarly reduces the risk of traffic accidents without significantly reducing comfort.<sup>56</sup> Other ways to incorporate sufficiency corridors into EU sectoral climate policies are outlined in the recommendations of the European Scientific Advisory Board on Climate Change.<sup>57</sup>

### Examples of Consumption Corridors:

... **in the Building Sector:** There is significant potential in reforming housing policies to encourage higher population density and disincentivize holding empty apartments. The demand for floor space influences the demand for building materials and energy, and thus the carbon footprint of buildings. In this context, the European Scientific Advisory Board on Climate Change recommends shifting part of the tax burden from income to property taxes, which would allegedly support not only the climate but also employment and sustainable growth.<sup>58</sup> Another potential area is

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<sup>52</sup> Currently, Czech company leadership is being trained in it as part of a project funded by the National Recovery Plan. More information can be found at <https://www.doughnutczechia.cz/>.

<sup>53</sup> Linnér, B.-O., and V. Wibeck. „Sustainability Transformations: Agents and Drivers Across Societies“. Cambridge University Press, 2019, s. 6.

<sup>54</sup> Fuchs, D. A., M. Sahakian, T. Gumbert, A. Graf, M. Bosslau, and M. Maniates. „Consumption Corridors: Living a Good Life within Sustainable Limits“. Routledge, 2021.

<sup>55</sup> Intergovernmental Panel on Climate Change. \*Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. \* Cambridge University Press, 2022, pp. 214, 224. Retrieved from <https://www.ipcc.ch/report/ar6/wg3/>.

<sup>56</sup> Association négaWatt. „Energy Sufficiency“. 2018. [https://negawatt.org/IMG/pdf/181029\\_energy-sufficiency\\_negawatt-scenario\\_eng.pdf](https://negawatt.org/IMG/pdf/181029_energy-sufficiency_negawatt-scenario_eng.pdf).

<sup>57</sup> European Scientific Advisory Board on Climate Change. "Towards EU Climate Neutrality: Progress, Policy Gaps, and Opportunities." European Commission, 2024. [<https://climate-advisory-board.europa.eu/reports-and-publications/towards-eu-climate-neutrality-progress-policy-gaps-and-opportunities>]

<sup>58</sup> Ibid.



reducing energy demand in buildings. Experts criticise the long-standing trend of overheating residential and non-residential spaces, including schools and offices; people and organisations today heat to levels several degrees higher than those recommended by the Ministry of Industry and Trade's regulations.<sup>59</sup> Soft incentives for heating to lower temperatures (or properly operating thermostats, air conditioning, and other devices), whether economic or informational, could significantly reduce energy consumption in buildings without loss of comfort and, in extreme cases, with health benefits. During summer months, adequate cooling is provided by blue-green infrastructure in the immediate surroundings of buildings. Other measures could involve reducing the consumption of hot water, such as through awareness campaigns about the impact of long showers or leaving the boiler on during summer vacations. The installation and use of smart meters then enable more informed decisions about personal consumption.

**... in the Transport Sector:** According to the IPCC, states are not fully utilising measures with potentially significant positive impacts on transportation demand: modifying urban planning to increase city compactness (rather than expanding into low-density surrounding areas), supporting the local economy and the sharing economy, or digitization.<sup>60</sup> Reducing consumption in transport without reducing comfort can be achieved by supporting local grocery stores (e.g., the COOP chain), local farmers' markets, or courier services. Another potential area could be incentivizing employers to support working from home. Public support for clean mobility based on the principle of sufficiency encourages the acquisition of small, highly efficient vehicles. To the extent to which this is not happening in Europe today, it increases pressure not only on the energy sector but also on the extraction of critical raw materials for automobile production. Reducing transportation demand may also have interesting synergies with supporting the circular economy, thanks to lesser import of primary materials (by reducing their consumption) and shorter distances (through local value chains). At the same time, it is necessary to ensure that transportation demand in an extractivist economy is not simply replaced by the same level of transportation demand in a circular economy (due to the need to collect secondary materials from various locations).<sup>61</sup>

**... in the Land Management Sector:** There is room to reduce meat consumption (and thus pressure on carbon-intensive meat production both domestically and globally) by popularising plant-based diets, for example through tax policy changes, awareness campaigns, the introduction of warning labels on food packaging, the implementation of vegetarian or vegan days, and training of cooks in public institution cafeterias, etc.

While consumption corridors are necessary, they are not sufficient according to critical economists, because they overlook the pressures (including cultural) that producers constantly exert on consumers.<sup>62</sup> In short, once things are produced, they "always" find consumers. Bärnthaler and Gough therefore propose also working with

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<sup>59</sup> Krawiecová, N. "Czechs Don't Know How to Properly Heat Their Apartments or Schools. How to Save? 'Monitor Your Consumption Constantly,' Advises Analyst." *irozhlas.cz*. 2022.

[https://www.irozhlas.cz/ekonomika/data-energie-vytapeni-uspory\\_2205030500\\_nkr](https://www.irozhlas.cz/ekonomika/data-energie-vytapeni-uspory_2205030500_nkr).

<sup>60</sup> Intergovernmental Panel on Climate Change. \*Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.\* Cambridge University Press, 2022, p. 98. Retrieved from <https://www.ipcc.ch/report/ar6/wg3/>.

<sup>61</sup> European Scientific Advisory Board on Climate Change. "Towards EU Climate Neutrality: Progress, Policy Gaps, and Opportunities." European Commission, 2024. [<https://climate-advisory-board.europa.eu/reports-and-publications/towards-eu-climate-neutrality-progress-policy-gaps-and-opportunities>]

<sup>62</sup> Gerold, S., M. Hoffmann, and E. Aigner. „Towards a Critical Understanding of Work in Ecological Economics: A Postwork Perspective“. *Ecological Economics* 212 (2023).

<https://doi.org/10.1016/j.ecolecon.2023.107935>.



"**production corridors**," which lie between essential production and excess production.<sup>63</sup> Many countries already defined essential production (explicitly or implicitly) during the COVID-19 pandemic. These are activities that had to be maintained for society even in extraordinary circumstances: emergency services, healthcare, operation of technical infrastructure, transportation services, waste collection, etc., in short, critical infrastructure in a broader sense. Conversely, the question of excess production is much less explored in European countries and is often downplayed by economists. Bärnthaler and Gough believe that such a category should exist because it cannot simply be equated with any non-essential production that satisfies a broad grey area of people's needs and preferences in the free market with the potential to create prosperity but without significant ecological impacts (for example, hairdressing, music production, furniture making, etc.).<sup>64</sup> Both non-essential and directly excessive production tend to be limited during extraordinary circumstances. Under normal conditions, however, they argue that there remains a "strong moral argument" to respect the market's capacity to organise non-essential production. For activities outside the production corridors, however, there is no such strong moral argument, and the answer to which activities these are will need to be sought through democratic means.

Respecting consumption and production corridors can connect "the good with the useful," whether it is more compact (15-minute) cities, shared vehicle fleets without the need to save for personal vehicles, support for energy-efficient social housing instead of renovating uninhabited or nearly uninhabited buildings (with the potential to address loneliness in old age), and so on. However, such measures require a relatively long time for preparation and implementation, as well as coordination among a large number of actors. If cities like Ostrava are to be much more compact by 2040 than they are today, it is certainly necessary to start adjusting the legal environment as soon as possible so that the implementation of measures (e.g., construction of apartments or "multifunctionalization" of buildings) can take place in the 2030s. **Conversely, missing a few years of preparation for systemic measures could lead to the need for more radical and undoubtedly less carefully planned solutions in the future.**

## 2.2 Deficiencies in APOK

The Decarbonization Pathway of APOK is, in line with good practice, very well analytically supported and has been repeatedly consulted with professional and advocacy organisations. Integrated assessment modelling (IAMs) within the SEEPIA project evaluated the cost-optimal energy balance from fuel extraction or import, through its transformation, to its consumption, with the goal of achieving climate neutrality by 2050. The Ministry of the Environment presented APOK in the belief that the chosen modelling tools capture "the overall complexity of key sectors and linkages in the economy" (p. 29), despite the fact that this approach conflicts not only with the position of some key stakeholders (e.g., the Confederation of Industry and Transport) but also with the insights of those economists of decarbonization who argue that IAMs are inconsistent with our current understanding of "economic and technological systems governed by increasing returns to scale, network externalities, learning curves, and other nonlinear effects. Real nonlinear systems are subject to sensitive dependence on initial conditions, leading to chaotic and often unpredictable behaviour of such systems due to imperfect measurements, randomness, and human

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<sup>63</sup> Bärnthaler, R., and I. Gough. „Provisioning for Sufficiency: Envisaging Production Corridors“. *Sustainability: Science, Practice and Policy* 19, no. 1 (2023).

<https://doi.org/10.1080/15487733.2023.2218690>.

<sup>64</sup> Ibid.



decisions.”<sup>65</sup> As painfully demonstrated during the COVID-19 pandemic, complex systems do not react as we imagine, and solutions are sought gradually: through observation and experimentation. Perhaps this is a lesson that governments should “move away from excessive emphasis on prediction, control, and technical problem-solving and open up to foresight, adaptability, and resilience” in decarbonization, and only under the condition of a “shift towards more participatory, collegial, and locally-based processes, ensuring the transfer of experience across the system and building mutual trust.”<sup>66</sup>

Moreover, even if the set of measures proposed in APOK were approved as planned, it would not be sufficient to achieve climate neutrality according to the model outputs (for reasons on p. 34 of APOK) and no room is left for statistical error (ambition gap) due to the inherently unreliable linear modelling of nonlinear systems. However, the main shortcomings of the SEEPIA economic modelling do not in fact lie in the methodology.

**The fundamental shortcoming is primarily the absence of the aforementioned concept of sufficiency.** The proposed decarbonization plan is based on the assumption of the need to meet all services demanded by economic entities (energy services, transportation services, etc.). The government, therefore, does not assess whether certain services are necessary or essential. They are simply demanded, and the government only asks how to provide them with the lowest possible emissions. **The strategic priority in APOK is not the accelerated decarbonization of the economy while meeting all actual needs but the production and delivery of all demanded goods and services with the smallest possible carbon footprint.**<sup>67</sup> In this sense, there is no relevant difference between the production of rye and the production of bitcoin—both are products that need to satisfy demand, ideally in the most environmentally friendly way.

It is clear that replacing emissions-intensive and inefficient technologies, buildings, and other so-called capital is the most visible part of the green transition, similar to various greener production and economic practices. However, APOK frames the entire decarbonization process through these processes, if not equating decarbonization with the transformation of technologies and practices. Similarly, the SEEPIA project modelled a scenario with the cost optimization of these technologies and practices without considering who, how, and for what purpose they are used, and whether changing the conditions under which these goods are used would have a comparable or even greater potential to reduce emissions than the technological transformation itself (or the combined effect of both), while meeting the real needs of all actors in the economy.

APOK works with a number of economic variables. However, the current economic system oriented towards the highest possible growth in production and consumption, and largely organised by the decisions of a small group of entrepreneurs, is not among them. APOK approaches the economic system axiomatically. It does not reflect on the fact that both the current capitalist market-economy, as well as the socialist command economy, which preceded it, were

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<sup>65</sup> Koomey, J., K. Hausker, Z. Schmidt, and D. Lashof. „Innovations in Climate Policy: Pathways to Sustainable Energy“. *Wiley Interdisciplinary Reviews: Climate Change* 14, no. 2 (2023): e850. <https://doi.org/10.1002/wcc.850>.

<sup>66</sup> Abram, S., et al. „Just Transition: A Whole-Systems Approach to Decarbonisation“. *Climate Policy* 22, no. 8 (2022): 1043. Získáno z <https://doi.org/10.1080/14693062.2022.2108365>.

<sup>67</sup> There is nothing to prevent such demanded goods from being, for example, energy-intensive computational tasks “for entertainment” performed by artificial intelligence in data centers located in the Czech Republic: these would increase domestic effective demand for electricity to carry out these tasks—regardless of how small the societal benefit might be—and thus compete with other demands, even though their use of this electricity could be far more socially beneficial. All of this could have possible (though not necessary) consequences for the balance in the grid and the immediate price of electricity.



characterised by a focus on economic growth based on the decisions of the part of society in which political and economic power was concentrated, with all the consequences for the environment. Other countries (e.g., New Zealand, Costa Rica) show that it is possible to orient the market economy towards other indicators of well-being. Surprisingly, APOK does not clarify why a system that entrusts, for example, the management of natural resources crucial for achieving climate neutrality (forests, arable land) to entities primarily seeking to maximise profit (including the state itself, e.g., Lesy ČR, s.p.) is optimal for achieving climate neutrality. While APOK recognizes the key role of budgetary and tax policy,<sup>68</sup> the adjustment of private law tools<sup>69</sup> is entirely absent in APOK's list of cross-cutting measures.

For example, the TIMES-CZ model projects the transition from combustion engines to e-mobility without considering the possibilities of reducing demand for individual car transport itself or alternative forms of vehicle use as a tool for reducing emissions with quantifiable impacts. An example is carpooling in personal transport. In the Czech Republic, low average vehicle occupancy persists (e.g., 1.3 persons per vehicle in Prague), and this is associated with high emissions per kilometre delivered. This also relates to the possibility of carsharing, which is also absent from APOK, despite the fact that according to the Transport Policy of the Czech Republic for 2021–2027, vehicle sharing should be preferred in the interests of sustainable mobility.<sup>70</sup> However, this measure would have to focus not on technological transformation but on transforming legal relationships to the vehicle fleet (even if accompanied by new digital tools). Although such measures require a high degree of coordination and long-term planning, they are not even hinted at in APOK, let alone detailed.

Without addressing the shortcomings in economic assumptions, society's real resources may be exhausted on cost-optimal decarbonization of technologies and practices with minimal social benefit. Viewing decarbonization only through the lens of cost optimization "threatens to depoliticize the transition through technorationalist discourses that depict the green economy as an orchestrated, consensus-based project. Such reductionist approaches reduce complexity and treat justice concerns largely as 'side effects' of techno-economic adjustments."<sup>71</sup> The concept of a just transition in APOK will be the focus of the final part of this policy paper.

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<sup>68</sup> Regarding fiscal policy, there are mentions of "green budgeting," and in the area of taxation, particularly measures A.9, D.3, and E.2. It is regrettable that instead of reflecting on the conclusions of the Supreme Audit Office (NKÚ) from 2019, where the NKÚ found that ministries had not prepared effective and efficient tax measures significantly supporting the fulfilment of climate and energy policy goals, APOK only introduces a deadline for an analysis of the tax system.

<sup>69</sup> For the role of private law in organising the economic system towards unregulated production and consumption, see K. Pistor, "The Code of Capital: How the Law Creates Wealth and Inequality" (2019).

<sup>70</sup> Ministerstvo dopravy. Transport Policy of the Czech Republic for 2021–2027 (*Dopravní politika ČR pro roky 2021–2027*). 2021. <https://www.mdcr.cz/Dokumenty/Strategie/Dopravni-politika-a-MFDI/Dopravni-politika-CR-pro-obdobi-2014-2020-s-vyhled>.

<sup>71</sup> Abram, S., et al. "Just Transition: A Whole-Systems Approach to Decarbonisation". *Climate Policy* 22, no. 8 (2022): 1037. Získáno z <https://doi.org/10.1080/14693062.2022.2108365>.



## 3 Just Transition

### 3.1 Good Practice from Abroad

The costs of transitioning to a low-emission economy are not distributed evenly across society. The effect of rising energy and fuel prices is regressive: despite consuming less, low-income households experienced a 60% greater impact on their disposable income during the 2022/2023 energy crisis compared to high-income households.<sup>72</sup> The proportion of domestic households in the Czech Republic spending more than 40% of their income on housing, including energy costs, increased from 16% to 25% between 2021 and 2022.<sup>73</sup> Although commodity prices had a greater influence on the final price of energy and fuel than the cost of emission allowances or the renewable energy fee,<sup>74</sup> recent years have served as a warning about the deepening economic inequalities caused by the distributional effects of rising energy and fuel prices. Fuel will also be subject to a carbon-pricing scheme in the Czech Republic once the ETS 2 system is launched, likely by 2027.

Households at risk of energy or transportation poverty often lack the funds, skills, know-how, and other resources to transition to low-emission alternatives; thus, even with subsidy support, only a portion of households and businesses will be able to access rooftop solar power or electric vehicles on their own. As a result, it will be necessary to distribute the benefits of the transition as equitably as the costs.

The Intergovernmental Panel on Climate Change points out that the social impacts of decarbonization policies vary not only by income level but also by gender, ethnicity, age, health, place of residence (urban vs. rural), and other factors.<sup>75</sup> The European Scientific Advisory Board on Climate Change has therefore recommended that "EU climate policies be supplemented with more systematic ex-ante and ex-post analysis of distributional and broader socio-economic impacts in different contexts."<sup>76</sup> In response, some European countries have begun to approach just transition more robustly. In Spain, the Institute for Just Transition (*Instituto para la Transición Justa*) was established under the Ministry for Ecological Transition. In Finland, a government Gender Impact Assessment of the climate plan revealed measures that appeared gender-neutral but were not (e.g., measures aimed at public transport use or changes in eating habits).<sup>77</sup> Outside the EU, the UK is striving for "better data and understanding of the uneven impacts of climate change on men and

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<sup>72</sup> Oldřich Sklenář. „Distribuční analýza dopadů energetické krize na české domácnosti“. Asociace pro mezinárodní otázky. Policy paper (2023). Získáno z <https://www.amo.cz/cs/klimatym/distribucni-analyza-dopadu-energeticke-krize-na-ceske-domacnosti/>.

<sup>73</sup> PAQ Research. "Czech Republic 2022: Life Beyond Reach" (*Česko 2022: Život k nezaplacení*). 2022. Retrieved from <https://data.irozhlaz.cz/zivot/projekt/>

<sup>74</sup> Ember. „Soaring Fossil Gas Costs Responsible for EU Electricity Price Increase“. 2021. <https://ember-climate.org/insights/research/soaring-fossil-gas-costs-responsible-for-eu-electricity-price-increase/>.

<sup>75</sup> Intergovernmental Panel on Climate Change. "Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change." Cambridge University Press, 2022. Retrieved from <https://www.ipcc.ch/report/ar6/wg3/>.

<sup>76</sup> European Scientific Advisory Board on Climate Change. "Towards EU Climate Neutrality: Progress, Policy Gaps, and Opportunities." European Commission, 2024. [<https://climate-advisory-board.europa.eu/reports-and-publications/towards-eu-climate-neutrality-progress-policy-gaps-and-opportunities/>].

<sup>77</sup> Ministry of the Environment of Finland. "Action Plan for the Circular Economy." 2017. [[https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80769/YMre\\_21en\\_2017.pdf?sequence=1&isAllowed=y](https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80769/YMre_21en_2017.pdf?sequence=1&isAllowed=y)].



women and the role of women as drivers of change.”<sup>78</sup> The Welsh Government is preparing a Just Transition Framework alongside its climate plan, expressing its intention to better understand “the ability of people of different genders, ages, ethnicities, employment statuses, and health conditions to cope with the impacts of the transition.”<sup>79</sup>

These and other European countries are creating an alternative to what is referred to in the literature as a “reductionist approach” to just transition.<sup>80</sup> According to this limited approach, it would be unjust to burden vulnerable people disproportionately more than others. This neglects the fact that a system that compensates for disproportionate burdens is itself a creator of the social inequalities that condition the vulnerability of these individuals.<sup>81</sup> A typical example is the support for creating new jobs in coal regions, a cornerstone of the European Commission’s social-climate policy, even though it does not guarantee fair compensation in the new job. More broadly, this concerns any measures aimed at compensating for increased living costs, which simultaneously help to reproduce the relationships of inequality that lead to these costs—compensation for higher fuel prices, while maintaining the current gender segregation in private and public transport, is just one example of the reductionist approach. According to a growing number of experts, decarbonization represents an opportunity to steer societies towards a clearly more environmentally and socially inclusive path, reflecting “a decision to live in a different type of society, not simply a low-carbon version of the current one.”<sup>82</sup> International social movements, including the Climate Justice Alliance and the Women’s Environment and Development Organization, and in the Czech Republic, the Platform for Social-Ecological Transformation Re-set, are today calling for a just transition from an extractivist to a regenerative society, based on a redefinition of power relations. A necessary prerequisite for such a transformation is the strengthening of co-decision-making and the redistribution of power from top to bottom.<sup>83</sup>

States should adopt a holistic approach to just transition. A holistic approach directs attention to four types of justice: distributive, procedural, restorative, and recognitional.<sup>84</sup> **Distributive justice** presupposes the fair sharing of the benefits and costs of the transition, ensuring that existing inequalities are not exacerbated. More broadly, distributive justice also includes educating citizens so that they can participate in the low-carbon economy and benefit from it (Ireland, 2024).

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<sup>78</sup> UK Government. “Net Zero Strategy: Build Back Greener.” 2021, p. 294.

[<https://www.gov.uk/government/publications/net-zero-strategy>].

<sup>79</sup> Welsh Government. “Welsh Government’s Net Zero Strategic Plan.” 2024, p. 17.

[<https://www.gov.wales/sites/default/files/publications/2022-12/welsh-government-net-zero-strategic-plan.pdf>].

<sup>80</sup> Abram, S., et al. „Just Transition: A Whole-Systems Approach to Decarbonisation“. *Climate Policy* 22, no. 8 (2022): 1037. Retrieved from <https://doi.org/10.1080/14693062.2022.2108365>.

<sup>81</sup> Ibid.

<sup>82</sup> Healy, N., and J. Barry. “Politicizing Energy Justice and Energy System Transitions: Fossil Fuel Divestment and a ‘Just Transition’.” *Energy Policy* 108 (2017): 451–459.

<https://doi.org/10.1016/j.enpol.2017.06.014>; see also McCauley, D. M., and R. Heffron. “Just Transition: Integrating Climate, Energy and Environmental Justice.” *Energy Policy* 119 (2018): 1–7.

<https://doi.org/10.1016/j.enpol.2018.04.014>; United Nations Research Institute for Social Development, “Mapping Just Transition(s) to a Low-Carbon World.” 2018. Retrieved from <https://www.uncclearn.org/wp-content/uploads/library/report-jtrc-2018.pdf>.

<sup>83</sup> Tomáš Jungwirth Březovský. “Scenario of Societal Transformation to Keep Global Warming Below 1.5°C: Introduction, Reflection, Critique.” Association for International Affairs. Policy Paper (2023). Retrieved from <https://www.amo.cz/cs/klimatym/scenar-spolecenske-transformace-pro-udrzeni-globalniho-otepleni-pod-15-c-predstaveni-reflexe-kritika/>.

<sup>84</sup> McCauley, D. M., and R. Heffron. „Just Transition: Integrating Climate, Energy and Environmental Justice“. *Energy Policy* 119 (2018): 1-7. <https://doi.org/10.1016/j.enpol.2018.04.014>.



**Procedural justice** requires a genuine opportunity for people to co-decide on the transition process. **Restorative justice** emphasises securing employment for those who lose their jobs due to decarbonization measures and remedying the damage done to the environment and communities by the fossil fuels industry. Finally, **recognitional justice** demands sensitivity to the various challenges people face and the different experiences of injustice they endure.<sup>85</sup> What one social group may perceive as an economic loss, another may perceive as the loss of a familiar home landscape or shared cultural identity.<sup>86</sup> It requires sensitivity to experiences that are not limited to those visible and experienced by the archetypal citizen but also include the experiences of marginalised groups, including intersections among them.

A holistic approach to just transition allows for the capture of intersectionality. People with physical disabilities, those living alone in retirement, or single mothers often fall into the lower income deciles; if they also live in rural areas with poor transportation services, there is a high risk that even subsidies for higher energy and fuel costs will not compensate for their increased living expenses.

### 3.2 Deficiencies in APOK

APOK identifies "maintaining social cohesion in Czech society (including a just transition for coal regions and social measures)" as one of the main priorities for decarbonization by 2030 (p. 26). It mandates the preparation of the Social Climate Fund (measure A.2), aimed at "supporting vulnerable households, micro-enterprises, and transport users most affected by the pricing of emissions in the ETS 2 system (particularly in transport and buildings)." Based on suggestions from some stakeholders, measure A.2 was supplemented with a commitment to consider demographic data in setting up support and to consult with representatives of vulnerable groups. This commitment, while reflecting the need for procedural justice and recognitional justice, is an exception in the entire APOK.

The starting point for APOK is the outputs of the DASMODO micro-simulation model, which focused on the social impacts on the bottom two income deciles. Along with the Just Territorial Transition Plan (*Plán spravedlivé územní transformace*) of 2022, APOK thus focuses exclusively on addressing material and regional inequalities caused by the energy transition without addressing the deeper social inequalities that are often interconnected with the former (ambition gap). In this context, a just transition is understood as compensating for the negative economic impacts of technological change on so-called vulnerable individuals.<sup>87</sup> The Just Transition Fund, the Social Climate Fund, and other mechanisms established by the EU aim to create new jobs, provide retraining, or offer direct support, especially in coal regions. One of the main priorities of APOK is maintaining the competitiveness of industry, and with some exaggeration, one could say that it also aims to maintain the "competitiveness" of people, i.e., their ability to succeed as consumers and workers in the changing market. APOK however seems to overlook the fact that people, unlike corporations, do not primarily exist as economic units but as social, political, and cultural units (or social in the broader sense). The shortcomings of this approach exist on all four levels of just transition.

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<sup>85</sup> Preston, C., and W. Carr. "Recognitional Justice, Climate Engineering, and the Care Approach". *Ethics, Policy & Environment* 21, no. 3 (2018): 308–323.

<https://doi.org/10.1080/21550085.2018.1562527>; Eckersley, R. "Greening States and Societies: From Transitions to Great Transformations". *Environmental Politics* 30, no. 1–2 (2020): 245–265.

<https://doi.org/10.1080/09644016.2020.1810890>.

<sup>86</sup> Syslová, A., and K. Zindulková. "Spravedlivá transformace: Co se povedlo v zahraničí?". *Asociace pro mezinárodní otázky*, 2022. <https://www.amo.cz/cs/klimatym/spravedliva-transformace-co-se-povedlo-v-zahranici/>

<sup>87</sup> Abram, S., et al. "Just Transition: A Whole-Systems Approach to Decarbonisation". *Climate Policy* 22, no. 8 (2022): 1033–1049. <https://doi.org/10.1080/14693062.2022.2108365>.



**In terms of recognitional justice**, APOK relies on a macroeconomic model and does not incorporate qualitative sociological analyses. As a result, it reduces the complex mosaic of social, political, and cultural experiences, characteristics, and expectations of people into a uniform image of economically rational units whose primary motive is to increase (or at least maintain) their purchasing power. This is evident, for example, in its approach to the concept of vulnerability, which APOK seems to understand only as vulnerability to market fluctuations. It thus overlooks non-economic contexts and lived forms of loss (e.g., the loss of an unobstructed view of the landscape due to wind farms), as well as potentially significant impacts (both negative and positive) that specific climate policies might have on autonomy, identity, interpersonal relationships, and more.

**In terms of procedural justice**, key decisions about the transition remain largely in the hands of men. Women make up only 20% of the workforce in large energy companies and hold just 16% of leadership positions within them.<sup>88</sup> As of October 2022, women constituted only 20.8% of the boards of the largest publicly traded companies in the Czech Republic, and none of them held the position of chairperson.<sup>89</sup> This is significant because a strong correlation has been observed between the presence of female CEOs and the number of women in leadership positions.<sup>90</sup> Vertical gender segregation also exists in the public sphere. Women comprise 28% of municipal council members<sup>91</sup> and approximately 25% of the members of the Chamber of Deputies of the Czech Parliament. Women have also long held only 20% of top political positions (governor, mayor, council member) in regional self-governments.<sup>92</sup> At the time of writing, there is only one woman in the entire government (previously there were two), and she does not lead a climate-critical department. "It is therefore evident that the higher the level at which energy debates and decisions are made, the more women will be excluded from them."<sup>93</sup> Even lower representation in decision-making positions in both the private and public sectors is seen among people under 30, people with physical disabilities, and ethnic minorities.

Among the 19 members of the government's Coal Commission, there were only two women, and no one represented the social groups most affected by coal mining and combustion in terms of health, such as people with respiratory issues. A similar composition was seen in the Ministry of Industry and Trade's Platform for Energy and Climate Strategy, which prepared decisions on key decarbonization parameters.<sup>94</sup> The positive fact that there was a public consultation on the proposal for the updated Climate Protection Policy is overshadowed by the low participation of only 201 individuals and organisations, suggesting a potentially too timid approach to public engagement in a top-down process. If climate policy is not inclusive, it is

<sup>88</sup> BCG. „Women in Energy 2.0: Gender Diversity in the CEE-SEE Energy Sector“. 2022, s. 14. <https://www.bcg.com/publications/2023/hungary-women-in-energy>.

<sup>89</sup> European Institute for Gender Equality. "Gender Balance in Business and Finance: December 2022." Publications Office of the European Union, 2023. <https://doi.org/10.2839/487444>.

<sup>90</sup> Deloitte. "The Share of Women in Company Leadership Is Growing at a Snail's Pace, the Czech Republic Is Below Both the Global and European Averages." 2022. [<https://www2.deloitte.com/cz/cs/pages/press/articles/podil-zen-ve-vedeni-firem.html>].

<sup>91</sup> Office of the Government of the Czech Republic. "Gender Equality Strategy for 2021–2030." 2021, p. 36. [[https://vlada.gov.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie\\_rovnosti\\_zen\\_a\\_muzu.pdf](https://vlada.gov.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie_rovnosti_zen_a_muzu.pdf)].

<sup>92</sup> Marková Volejníčková, R., M. Pospíšilová, and A. Křížková. "Gender and Energy." Institute of Sociology of the Czech Academy of Sciences, v. v. i., and Heinrich-Böll-Stiftung, 2016. [[https://cz.boell.org/sites/default/files/gender\\_energetika\\_online.pdf](https://cz.boell.org/sites/default/files/gender_energetika_online.pdf)].

<sup>93</sup> Ibid.

<sup>94</sup> The platform was assembled informally, and there is no publicly available information about its composition.



possible that it will fail to take into account the specific life experiences of a significant part of society. On the contrary, **there is a risk that key decisions and recommendations will be formulated by the same social groups and interests that have historically represented the thought patterns** (extractivist, materialist, etc.) **that have led to the current urgent need for societal transformation.** And just as importantly, the transformation might be just only for some, potentially failing to gain or losing the support of a significant portion of society that feels "left behind" by the dynamic developments.

The Climate Protection Policy aims to "maintain social cohesion in Czech society" through what is sometimes referred to as "managerial reform," or managerial reform with hints of structural reform.<sup>95</sup> It is based on the assumption that equality and justice in the transition to a low-emissions economy can be achieved within the current economic system and without the need to redefine the content of fundamental legal relationships, relying instead on redistributive measures (managerial reform) and the involvement of selected non-governmental organisations in decision-making on technical infrastructure, such as the Coal Commission or the Platform for the National Climate and Energy Plan (NKEP) (structural reform). However, this involvement, which the climate movement has managed to secure from the government, is likely to remain a marginal phenomenon (ambition gap).

**In terms of distributive justice,** there are significant gaps in the approaches to both (a) territorial transformation of coal regions and (b) the distributive impacts of the transition in general.

(a) The aforementioned Just Territorial Transformation Plan, like Czech climate policy in general, does not adequately consider the phenomenon of intersectionality (ambition gap). It is possible that the distributive impacts of the transition will be more severe for those who, in addition to their relationship to declining industries, also face discrimination based on gender, age, race, ethnicity, nationality, or other characteristics that, in combination (intersection), with job loss or increased living costs, will exacerbate the negative impacts of the transition. For example, a long-term employee of a metalworking factory who is 50 years old and of Roma ethnicity may have more difficulty finding a new job after losing his position than his 30-year-old colleague who belongs to the majority population.

The Just Territorial Transformation Plan further identifies three target coal regions without considering their internal differentiation between centres and peripheries (ambition gap). Projects related to energy savings and other measures may concentrate in large metropolitan areas, increasing the risk of deepening socio-economic disparities within regions.<sup>96</sup> This is reflected in the setup of the Operational Programme for Just Transition, which focuses most of the 41 billion CZK allocated to coal regions on supporting large projects over 50 million CZK, particularly so-called strategic projects.<sup>97</sup> These are selected without public participation, and their beneficiaries are largely conglomerates with significant stakes in the fossil industry

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<sup>95</sup> For a discussion of various approaches to just transition, see United Nations Research Institute for Social Development. "Mapping Just Transition(s) to a Low-Carbon World." 2018. Retrieved from <https://www.unclearn.org/wp-content/uploads/library/report-jtrc-2018.pdf>.

<sup>96</sup> Perlínová, Dominika. "Czech Republic Has Billions for the Transformation of Coal Regions, but Lacks a Clear Vision, Says Expert." *Aktuálně.cz*. Interview (with Zuzana Vondrová), 2024. Retrieved from <https://zpravy.aktualne.cz/ekonomika/promeny-ceska/podcast-spravedлива-transformace-zuzana-vondrova/r~78a195b8d64911eea1910cc47ab5f122/>.

<sup>97</sup> Boček, J., and K. Zákopčanová. "41 Billion for the New Life of Coal Regions Will Mainly Go to Big Players. Review the Approved Projects." *irozhlas.cz*. 2021. [[https://www.irozhlas.cz/zpravy-domov/uhli-transformace-moravskoslezsky-ustecky-karlovarsky-fond-spravedlive\\_2110040705\\_jab](https://www.irozhlas.cz/zpravy-domov/uhli-transformace-moravskoslezsky-ustecky-karlovarsky-fond-spravedlive_2110040705_jab)]([https://www.irozhlas.cz/zpravy-domov/uhli-transformace-moravskoslezsky-ustecky-karlovarsky-fond-spravedlive\\_2110040705\\_jab](https://www.irozhlas.cz/zpravy-domov/uhli-transformace-moravskoslezsky-ustecky-karlovarsky-fond-spravedlive_2110040705_jab)).



(e.g., ČEZ Group or Sev.En Group). It is not ensured that all approved projects—such as the “Black Cube” library in Ostrava—have genuine transformative potential.<sup>98</sup> The program thus conceptually contradicts the original intention, which was to support small and medium-sized enterprises from the Just Transition Fund and diversify employment opportunities,<sup>99</sup> an approach entirely in line with good distributive justice practices in North Rhine-Westphalia and other coal regions in Europe.<sup>100</sup>

(b) APOK does not address public concerns about the unequal distribution of public funds, not only in the context of territorial transformation but also in the transformation of society as a whole. According to APOK, decarbonization will require public support worth 1,566 billion CZK by 2030, with 1,206 billion CZK allocated to capital investments (excluding adaptation measures). However, if the wealthiest 20% of the population owns more than 80% of all wealth and the richest 1% owns 37% of wealth,<sup>101</sup> there is a risk that public support for capital transformation will accrue to a minority of society. The wave of discontent that arose against the “Repair Your Grandma’s House” (*Oprav dům po babičce*) subsidy program likely reflects a fear of further deepening wealth inequalities. APOK does not address this aspect of distributive justice (ambition gap).

APOK does not clarify the ownership structure envisioned for the up to 15,000 MW of new installed capacity in renewable energy sources by 2030. If community energy is intended to be a key element of the transformation (APOK, p. 78), how will the government ensure that more than just a microscopic portion of this modern infrastructure ends up in community ownership? Tools used in other European countries (e.g., mandatory community ownership shares in large energy projects) are not being considered, even in the context of simplifying the permitting process for new power plants (Measure B.3).<sup>102</sup>

Moreover, in terms of **both distributive and restorative justice**, APOK does not address the preparation of the workforce for the structural transformation of the labour market toward so-called green jobs, i.e. employment opportunities that significantly contribute to the protection and restoration of the environment, whether in traditional sectors like manufacturing and construction, or in emerging fields like renewable energy, organic farming, or sustainable design.<sup>103</sup> Whereas green jobs currently account for only 3.4% of job postings in the Czech Republic, this

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<sup>98</sup> Centrum pro dopravu a energetiku. „Hodnocení Fondu spravedlivé transformace: Nejasný přínos strategických projektů, důraz na rychlé čerpání a malé zapojení veřejnosti“. 2023.

<sup>99</sup> Ibid.

<sup>100</sup> Syslová, A., and K. Zindulková. „Spravedlivá transformace: Co se povedlo v zahraničí?“. Asociace pro mezinárodní otázky, 2022. <https://www.amo.cz/cs/klimatym/spravedliva-transformace-co-se-povedlo-v-zahranici/>.

<sup>101</sup> Maialeh, R., and F. Červenka. „Česká společnost a ekonomické nerovnosti“. Rilsa, 2024. <https://www.rilsa.cz/2023/12/zavery-seminare-rilsa-o-ekonomickych-nerovnostech/>.

<sup>102</sup> One of the barriers to the development of community energy, which is to be assessed by the end of this year according to APOK (Measure B.5), is undoubtedly the lack of know-how in project development, which energy communities will have to finance themselves. Without active administrative support from the government, including contributions for project documentation, there is a risk that the ownership transformation of the energy sector will not occur (or will occur only on a very small scale), as large business corporations, particularly the largest among them, could seize the most suitable investment opportunities and public funds (Pašek, 2022; Kotecký & Čejková, 2022). These corporations may be willing to contribute to municipal budgets long-term, even in the tens of millions of crowns, in exchange for the communities’ tolerance of their business operations in residential areas. However, as discussed above, a holistic approach to transformation requires that local communities receive a fair share and have the opportunity to actively participate in new projects, rather than just receiving financial compensations (Abram, S., et al. “Just Transition: A Whole-Systems Approach to Decarbonisation.” \*Climate Policy\* 22, no. 8 (2022): 1039. Retrieved from <https://doi.org/10.1080/14693062.2022.2108365>).

<sup>103</sup> A legal definition is currently missing in Czech law.



percentage is significantly higher in neighbouring countries,<sup>104</sup> and it is expected that with investments and new administrative requirements for businesses and local governments, the share of green jobs in the labour market will grow rapidly.<sup>105</sup> The mismatch between supply and demand in the labour market due to the decarbonization of the economy is only briefly touched upon in APOK (p. 73).<sup>106</sup>

Without addressing these shortcomings in the just transition, the Czech Republic will miss the historic opportunity that decarbonization presents for transforming into a more equitable, inclusive, and universally just society. Instead of an inspiring and compelling narrative of socio-ecological transformation, official communication will focus on "green modernization": corporate competitiveness, cheaper energy<sup>107</sup>, and an "open, respected, and successful Czech Republic,"<sup>108</sup> whose mobilising potential is, at best, limited. In a pessimistic scenario where there is no close integration between the government's climate and social policies, not only will public support for climate policy fail to grow, but the electorate's willingness to tolerate climate policy could significantly decline. This could result in the failure to achieve full decarbonization of society by 2050, or, with all the serious consequences that entails, a failure to meet European climate goals in a timely manner.

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<sup>104</sup> Bruegel. Twin Transition Skills Dashboard. 2024. Retrieved from:

[https://www.bruegel.org/dataset/twin-transition-skills-dashboard?utm\\_source=traqli&utm\\_medium=email&utm\\_campaign=8689&pnespid=Aqcj9xpa7jwNhgYF\\_cDOTFoWvBQym6lq8lRSG6QaacDKJPjCNnh51DMcZUE5VbiAtUDu2RbL](https://www.bruegel.org/dataset/twin-transition-skills-dashboard?utm_source=traqli&utm_medium=email&utm_campaign=8689&pnespid=Aqcj9xpa7jwNhgYF_cDOTFoWvBQym6lq8lRSG6QaacDKJPjCNnh51DMcZUE5VbiAtUDu2RbL).

<sup>105</sup> Green jobs are closely related to green skills, which are the necessary competencies required for these roles. In technical fields, green skills may involve working with entirely new technologies and technological processes (e.g., operating digitally connected appliances), in the social sciences, they may pertain to new organisational needs (e.g., ESG reporting), and in the natural sciences, they may involve yet another set of skills. The most in-demand skills and education in 2025 will differ significantly (even disregarding other trends) from those that were in demand in 2005 or even in 2015, when education was oriented in different directions.

<sup>106</sup> As part of the implementation of the National Recovery Plan, the government has already begun to focus on developing new competencies (Ministry of Education, Youth, and Sports, 2023); however, APOK lacks a long-term vision, as well as any measures planned in this direction or at least a connection to the national employment policy.

<sup>107</sup> From the emerging campaign by the Ministry of the Environment titled "Green Modernization," see [<https://www.zelenamodernizace.cz/vidime-prilezitost-pro-krajinu>].

<sup>108</sup> The marketing project titled "2nd Economic Transformation" by the Confederation of Industry and the Czech Banking Association, which is frequently mentioned in this context, can be found at [<https://druhaekonomickatransformace.cz>].



## References to Relevant Laws and National Climate Policy Documents

Here are the references to the relevant laws and documents of national climate policy as of June 3, 2024):

### FRANCE

- **Climate Law (2019)**  
<https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000039355955>
- **The Value for Climate Action (2019)**  
<https://www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/fs-the-value-for-climate-action-final-web.pdf>

### FINLAND

- **Climate Law (2022)**  
[https://www.finlex.fi/en/laki/kaannokset/2015/en20150609\\_20220423.pdf](https://www.finlex.fi/en/laki/kaannokset/2015/en20150609_20220423.pdf)
- **Medium-term Climate Change Policy Plan (2022)**  
[https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/164274/YM\\_2022\\_20.pdf?sequence=1&isAllowed=y](https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/164274/YM_2022_20.pdf?sequence=1&isAllowed=y)

### SWEDEN

- **Climate Law (2017)**  
[https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/klimatlag-2017720\\_sfs-2017-720/](https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/klimatlag-2017720_sfs-2017-720/)
- **Climate Policy Council Report (2023)** – <https://www.klimatpolitiskaradet.se/wp-content/uploads/2023/05/krrapport202317maj.pdf>

### DENMARK

- **Climate Law (2020)**  
[https://en.kefm.dk/Media/1/B/Climate%20Act\\_Denmark%20-%20WEBTILGÆNGELIG-A.pdf](https://en.kefm.dk/Media/1/B/Climate%20Act_Denmark%20-%20WEBTILGÆNGELIG-A.pdf)

### GERMANY

- **Climate Law (2021)**  
[https://www.bmu.de/fileadmin/Daten\\_BMU/Download\\_PDF/Gesetze/ksg\\_final\\_en\\_bf.pdf](https://www.bmu.de/fileadmin/Daten_BMU/Download_PDF/Gesetze/ksg_final_en_bf.pdf)
- **Climate Action Plan 2050 (2016)**  
<https://www.bmu.de/en/publication/climate-action-plan-2050-en>

### IRELAND

- **Climate Law (2021)**  
<https://www.irishstatutebook.ie/eli/2021/act/32/section/15/enacted/en/html>
- **Climate Action Plan (2024)**  
<https://www.gov.ie/en/publication/67104-climate-action-plan/>

### UNITED KINGDOM

- **Climate Law (2008)** <https://www.legislation.gov.uk/ukpga/2008/27/contents>
- **Net Zero Strategy: Build Back Greener (2021)**  
<https://www.gov.uk/government/publications/net-zero-strategy>

### WALES

- **Welsh Government Net Zero strategic plan (2024)**  
<https://www.gov.wales/welsh-government-net-zero-strategic-plan>
- **Just Transition Framework (2024)**  
<https://www.gov.wales/just-transition-framework>



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## Martin Abel

Martin Abel studied law at the University of Oxford and Charles University, which he completed with a Ph.D. Since 2019, he has been connecting his legal education with the decarbonization of the economy, especially the energy sector. In the past, he founded Klub Agrivoltaiky, which sought to legalize the dual use of land for agriculture and energy. He led the Czech Climate Litigation, an association that succeeded at court with a lawsuit against the state for its inaction vis-à-vis climate change. He also devoted analytical work to biofuels and hydrogen. Martin is currently contracted by the Czech Ministry of the Environment to work on the identification of the so-called renewable acceleration areas and related changes in legislation and spatial planning.



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<sup>109</sup> Abel, M. "Zelená transformace: Proč Česko nemá plán?" Asociace pro mezinárodní otázky (AMO), 2024. <https://www.amo.cz/cs/klimatym/zelena-transformace-proc-cesko-nema-plan/>.