21 February 2024

## **Open letter to:**

Justin Trudeau, Prime Minister of Canada Emmanuel Macron, President of the Republic of France Olaf Scholz, Chancellor of the Federal Republic of Germany Giorgia Meloni, Prime Minister of Italy Fumio Kishida, Prime Minister of Japan Rishi Sunak, Prime Minister of the United Kingdom Joe Biden, President of the United States of America Ursula von der Leyen, President of the European Commission Charles Michel, President of the European Council Roberta Metsola, President of the European Parliament

Dear G7 and European Union leaders,

## Civil society appeal to EU and G7: Plug energy sanctions loopholes and strengthen enforcement to end the war

The European Union and G7 should tighten their grip on Russia's key revenue streams from exports of fossil fuels, ban Russian LNG gas imports and close all loopholes in existing sanctions. It is good that Europe supports Ukraine financially and militarily. But it is just as important to fully end the financing of the Russian war machine through fossil fuel imports, which is still a reality, say more than 280 European, international and Ukrainian NGOs in a public appeal to leaders.

Sanctioning countries have significantly reduced their reliance on Russian fossil fuels, but more must be done to stop purchasing fuels that finance the Kremlin's war chest. Through measures such as the EU oil import ban and G7 price cap, Russia's export earnings from oil have been cut by 14%, costing them <u>EUR 34 billion</u>. However, the oil price cap's impact is far short of what could have been achieved with greater monitoring and enforcement of the policy, paired with a lower price level. Two years on, the EU and G7 have purchased EUR 202 bln of fossil fuels from Russia since Putin's full-scale invasion of Ukraine.

Over the past two years, the EU has shown a steadfast commitment to supporting Ukraine in the common struggle against the aggressor, recognising Russia's war as an onslaught on international rules-based order, democracy and human rights. We welcome the recent decision by the European Council to support Ukraine with <u>EUR 50 billion in aid</u>. However, the EU's recent aid commitment represents 27% of their total fossil fuel imports purchased from Russia since the beginning of their full-scale invasion, estimated at over EUR 185 billion. More needs to be done to support our allies and wean the EU off of the Russian fossil fuel exports that fund the war, including a complete phase-out of Russian pipeline gas.

The EU has introduced 12 consecutive sanctions packages on the Russian economy, designed to deprive the aggressor of access to finance, insurance, advanced technologies, and engineering services and to limit its export earnings. The EU and G7 have also adopted a globally applicable price cap on Russian oil in December 2022. Yet, insufficient enforcement and the lack of comprehensive sanctions against Russia's fossil fuel exports are downgrading the efficiency of the sanctions regime and undermining the overall efforts to deprive Russia of economic means for waging war.

Russia's 2024 federal budget increases to the military-industrial complex doubled compared to 2022, unprecedented military spending since Soviet times. The major shift sends a third of all governmental funding to the army, threatening regional stability and the future of democracy and security in Europe. Meanwhile, Russia expects to replenish its budget with 11.5 trillion rubles (USD 127 billion) from oil and gas sector revenues. Russia can spend so lavishly on its military mainly because of its oil and gas revenues.

The EU and G7 countries contribute to this expanding war chest by inadequately enforcing sanctions against Russian oil and gas and leaving loopholes wide open that Russia exploits daily.

In solidarity with the Ukrainian people, the groups **demand the G7 and EU** take the following actions:

**1. Fully enforce and lower price caps on Russian crude oil and oil products** and introduce transparent and verifiable compliance mechanisms for oil traders and shippers, especially those who operate European-owned and P&I (Protection & Indemnity) insured tankers that export Russian oil. The price cap on Russian crude oil should be set much closer to its production cost (averaging USD 15 per barrel), at USD 30 per barrel, which would have slashed Russia's revenue by <u>EUR 37 bn</u> (25%).

2. Prevent Russia from further expanding the shadow fleet of dangerous, practically uninsured and unaccountable old tankers, operating through illegal and dubious management arrangements and lacking transparency in ownership. This is necessary not only to reduce Russia's ability to finance the war of aggression with oil money but also to prevent looming environmental catastrophes from possible major oil spills. The EU and G7 should introduce a spill insurance verification programme for vessels that travel through their waters. This could exclude 'shadow' tankers without spill insurance from travelling through their most travelled route from Baltic ports whilst reducing the risk of environmental catastrophe. If this policy banned many 'shadow' tankers from transporting oil from the Baltic and Black Sea ports, it could increase Russia's reliance on legally insured vessels and enhance the leverage of the oil price cap policy.

3. Close the "refining loophole", which allows EU and G7 countries to import oil products — mainly diesel, jet fuel and gasoline — produced from Russian oil at refineries in third countries like India, Turkey or UAE. The "refining loophole" legally allows Russian oil to be processed and flow into the EU and G7 countries, preserving Russian export volumes and earnings.

**4.** Fully ban liquefied natural gas (LNG) imports from Russia and its transhipment in European ports for exports to other countries. In 2022-2023, the exports of Russian LNG to global markets were expanding, while the opposite is required to cut the Kremlin's budgetary income that funds the war of aggression and avoid the severe climate impacts of uncontrolled and unaccounted methane emissions in the Russian LNG supply chain. The EU should keep true to the commitments under the REpowerEU plan and also fully ban Russian pipeline gas imports.

**5.** Take decisive actions to reduce oil and gas consumption and end import dependency to deflate the Russian war economy. Such actions include requiring company car fleets in Europe to shift to all-electric vehicles, which would help minimise petroleum demand and oil prices. Further efforts can consist of banning the installation of gas-fired boilers in new or retrofitted buildings, facilitating the accelerated market roll-out of heat pumps, prohibiting the production of single-use plastics, adopting and implementing ambitious energy efficiency improvement plans and streamlining permitting and providing governmental support for the construction of renewable energy projects. Follow-up on implementation of widely announced decarbonisation commitments is also essential.

We underscore that tightening sanctions against Russian oil and gas exports isn't just about ending a war - it's about dismantling the foundation that enables autocracy to thrive. It's a global imperative to foster energy independence, peace, climate action and democratic resilience. We also must swiftly welcome Ukraine into the European Union.

## Signatories:

1.	Transport & Environment	Belgium, EU
2.	NGO Center for Environmental Initiatives "Ecoaction"	Ukraine
3.	Razom We Stand	Ukraine
4.	Centre for Research on Energy and Clean Air (CREA)	Finland
5.	Deutsche Umwelthilfe	Germany
6.	Leave it in the Ground Initiative (LINGO)	Belgium
7.	Green Transition Denmark	Denmark
8.	Bond Beter Leefmilieu	Belgium
9.	Ukrainian Security and Cooperation Center	Ukraine
10.	Danube-Carpathian Programme Ukraine,	Ukraine
11.	Climate Action for Lifelong Learners (CALL)	Canada
12.	For a Better Bayou	USA
13.	2Celsius	Romania
14.	VšĮ Žiedinė ekonomika	Lithuania
15.	EKOenergy ecolabel	Finland
16.	Net Impact The Gambia	Gambia

17.	Oil and Gas Action Network
18.	Wall of Women
19.	Institute of legislative ideas
20.	Egyptian Green Party
21.	Earth Action, Inc.
22.	Disability Peoples Forum Uganda
23.	International Partnership for Human Rights
24.	Public Eye
25.	Clean Air Action Group
26.	Expert Forum (EFOR)
27.	ICO "Environment - People - Law"
28.	NGO "Technology of Progress"
29.	NGO "Open Data Association"
30.	Milieudefensie   Friends of the Earth NL
31.	NGO Ecoclub Rivne
32.	Transform Scotland
33.	Uplift
34.	NGO Sustainable Development Agency SYNERGY
35.	NGO Social Initiative "City of the Sun"
36.	Black Sea Women's Club
37.	NGO Environmental Club Eremurus
38.	Anti-corruption Headquarters
39.	NGO Ekoltava
40.	Institute for Social and Economic Transformation
41.	Planet Botanical Garden
42.	Plato NGO
43.	Ukrainian Nature Conservation Group
44.	Anti-Corruption Research and Education Centre
45.	Andy Gheorghiu Consulting
46.	Clean Cities Campaign Poland
47.	Nordic Ukraine Forum
48.	EUROPEUM Institute for European Policy
49.	Formando Rutas
50.	FPPE
51.	Center for the Study of Democracy
52.	Association "Energy Efficient Cities of Ukraine"
53.	Naturschutzbund Deutschland (NABU) e.V.
54.	Rainforest Action Network
55.	Uppsala University
56.	Institute for Economic Research and Policy Consulting
57.	Eco Bucha
58.	Deutsche Umwelthilfe e.V.
59.	CEE Bankwatch Network
60.	Instytut Spraw Obywatelskich

USA USA Ukraine Egypt USA Uganda Belgium Switzerland Hungary Romania Ukraine Ukraine Ukraine Netherlands Ukraine Scotland United Kingdom Ukraine Germany Poland Sweden Czech Republic Germany Poland Bulgaria Ukraine Germany USA Sweden Ukraine Ukraine Germany Romania Poland

61.	Center for international cooperation and project implementation	Ukraine
62.	350.org	France
63.	Kyiv Municipal League of Public Organizations of People with Disa	
64.	National Ecological Center of Ukraine	Ukraine
65.	Center for International Environmental Law	France
66.	Ecosense, NGO	Ukraine
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67.	U-Cycle (NGO Kyiv Cyclists' Association)	Ukraine
68. 60	Earth Action, Inc.	USA
69.	Aid Organization	Bangladesh
70.	Net Impact The Gambia	Gambia
71.	Agency for sustainable development of the Carpathian region "FO	
72.	Women Engage for a Common Future - WECF	Netherlands
73.	Africa Bureau For Climate stories-ABOS	Kenya
74.	TRAFFED-RDC AMIS D'AROCHA	DRC
75.	Asociación Con Ucrania	Spain
76.	Climate Action Campaign, Humboldt Unitarian Universalist Fellows	ship USA
77.	Adarsha Samajik Progoti Sangstha	Bangladesh
78.	Green 13	Canada
79.	Associazione Cristiana degli Ucraini in Italia	Italy
80.	Rozviy, Youth Climate Initiative	Ukraine
81.	Minerva Ventures	USA
82.	NGO "Green World"	Ukraine
83.	UWEC Work Group	Georgia
84.	Gower Street	United Kingdom
85.	GDU Project Helmholtz Center Berlin	Germany
86.	VCS Verkehrs-Club der Schweiz	Switzerland
87.	NGO Plato	Ukraine
88.	Chaloupky o.p.s.	Czech Republic
89.	Just Finance International	Europe
90.	Promote Ukraine	Belgium
91.	Bellona Europa	Belgium
92.	Estonian Green Movement	Estonia
93.	Social Justice Committee, St. Andrew's United Church of Canada,	Halifax. Canada
94.	Grandmothers Act to Save the Planet (GASP)	Canada
95.	The Secretariat of the Steering Committee of the Eastern Pa	rtnership Civil Societv
Forum	•	Belgium
96.	198 methods	USA
97.	Global Witness	United Kingdom
98.	Atlantic Energy	United Kingdom
99.	Zero Waste Society	Ireland
100.	Canopea	Belgium
101.	Limity jsme my	Czech republic
101.	Earthsight	United Kingdom
102. 103.	Businesses for a Livable Climate	USA
105.		

104.	Call to Action Colorado	USA			
105.	CatholicNetwork US	USA			
106.	Colorado Businesses for a Livable Climate	USA			
107.	Community for Sustainable Energy	USA			
108.	Greater New Orleans Housing Alliance	USA			
109.	Green House Connection Center	USA			
110.	Indivisible Ambassadors	USA			
111.	Interstate 70 Citizens Advisory Group	USA			
112.	Larimer Alliance for Health, Safety, & Environment	USA			
113.	Littleton Business Alliance	USA			
114.	Mayfair Park Neighborhood Association	USA			
115.	Mental Health & Inclusion Ministries	USA			
116.	Mind's Eye Productions	USA			
117.	Montbello Neighborhood Improvement Association	USA			
118.	North Range Concerned Citizens	USA			
119.	Our Sacred Earth	USA			
120.	RapidShift Network	USA			
121.	Save the Environmental Protection Agency	USA			
122.	Small Business Alliance	USA			
123.	Southwest Organization for Sustainability	USA			
124.	Spirit of the Sun	USA			
125.	System Change Not Climate Change	USA			
126.	Texas Campaign for the Environment	USA			
127.	Unite North Metro Denver	USA			
128.	Wall of Women	USA			
129.	Western Slope Businesses for a Livable Climate	USA			
130.	Womxn from the Mountain	USA			
131.	Working for Racial Equity	USA			
132.	Climate Risk Horizons	India			
133.	ZERO – Association for the Earth System Sustainability	Portugal			
134.	Association of Ethical Shareholders	Germany			
135.	Ukrainian Network of Integrity and Compliance (UNIC)	Ukraine			
136.	NGO "Unique Planet"	Ukraine			
137.	NGO Green Liberty	Ukraine			
138.	NGO SaveDnipro	Ukraine			
139.	NGO "Office for the Environment"	Ukraine			
140.	NGO "Green Generation"	Ukraine			
141-230. Business for Ukraine Coalition, on behalf of 89 international and Ukrainian members					
004 044 Example Transition Operation and the AO I Unable in the American					

231-241. Energy Transition Coalition, uniting 10 Ukrainian organizations.

242-280+. RISE Ukraine Coalition, uniting more than 50 organizations.