Advancing climate action for a green, democratic and peaceful Europe



European Climate Foundation

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## A letter from the Supervisory Board

2022

Report

### Kate Hampton

I am honoured to write my first letter as the Chair of the European Climate Foundation (ECF) Supervisory Board. On behalf of the board, I would like to thank Stephen Brenninkmeijer for his service. I am also grateful for the continuous support of the Supervisory Board as I take on these new responsibilities.

Europe has demonstrated extraordinary resilience in the face of the continued economic and security crises. The ramifications of



this 'polycrisis' have transformed the ECF's operating context. This report emphasises the remarkable effectiveness of the ECF network in supporting the climate community to make progress and maintain high ambitions against the backdrop of Russia's invasion of Ukraine and the ongoing fallout from the pandemic.

The ECF has fostered collaboration so that climate solutions are at the heart of responses to these challenges. Through its network of partners, the Foundation has made sure that climate policy can respond to citizens' concerns about the economy and security, while facilitating innovative solutions to reach the goals of the Paris Agreement.

These achievements testify to the collective dedication and commitment of the organisations and individuals in the ecosystem. As Chair, I will continue to prioritise putting people at the centre of our work. Collaboration, inclusivity and innovation will be our guiding principles to ensure that Europe remains at the forefront of the global fight against climate change.

None of the progress we have achieved would have been possible without the support of our funders. Their support has cemented Europe's climate leadership during recent crises when we have needed it most. Ahead of the high stakes European elections, we anticipate climate policies will become increasingly contested as fossil fuel interests use every trick in the book to slow down and derail the transition. Now more than ever there is a need for philanthropic support to provide a countervailing pressure.

I take great pride in being associated with this exceptional Foundation. I extend my gratitude to each of you for your unwavering support, your exemplary leadership and your steadfast dedication in addressing climate change and shaping a future that is green, just and democratic.



Communications staff from ECF partner organisations learn about energy cooperatives on a solar rooftop during a PowerUp Academy training event in Ghent, Belgium

> Foundation Climate

## A message from Laurence Tubiana

2022

Report

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As we take stock of the past year and the severe obstacles thrown in the way of Europe's – and the world's – climate ambition, it would be easy to lose sight of the journey travelled since the Paris Agreement.

In just a few short years, 90% of global GDP is now covered by net-zero targets. The International Energy Agency (IEA) states that clean energy jobs have overtaken those in the fossil fuel industries, and that peak fossil fuels are within sight. The past year saw the EU's historic decision to phase out the sale of internal combustion engines in passenger cars and vans from 2035, the establishment of a Loss and Damage Fund at COP27, and the surge in European renewables capacity in the race to end our dangerous reliance on expensive and unreliable gas for heating and powering homes and businesses.

Until quite recently, all these developments were almost unthinkable. The ECF and its network have been instrumental in bringing about this change. However, while we are making strides in the right direction, several questions remain: How do we radically ramp up this momentum without sowing the seeds of societal backlash? How do we make certain solutions are affordable, accessible and desirable for people? How do we give people a positive vision of the transformation ahead of us?

While the Paris Agreement is working, we must dramatically hasten our progress.

If we don't accelerate, the whole Paris regime will be in jeopardy. Data from the IEA reminds us that emissions are still climbing and current national plans will not get us to the necessary 1.5° or even a 2°C goal. Too many net-zero plans lack transparency and credibility. 'Climate carnage', in the words of António Guterres in response to cataclysmic floods in Pakistan last year and the 33 million people affected, has redefined both the imperative and underscored the urgency for action. We are acting but too slowly, and it is getting very late.

In 2022, the European Union continued to lead the charge with the European Green Deal, strengthening it in response to Russia's invasion of Ukraine. In the United States, the historic Inflation Reduction Act has restored US credibility on climate, as it commits to a 44% reduction by 2030 through federal action alone. China has also signalled its intent through important climate commitments and large-scale clean energy investments, such as a 2060 net-zero goal, 2030 peaking and ending fossil fuel investments abroad.

None of these responses is perfect, far from it. All are beset by macroeconomic headwinds manifesting as biting inflation affecting households and

"I am proud of the essential role we play in supporting our partners in the global response to the escalating crises around us." "We must see our climate goals as a pillar to lasting peace in Europe and beyond: by connecting values of solidarity with peace, democracy, equity and security."

businesses in most regions of the world, as well as incumbent political economies pushing in the other direction.

Clear climate commitments are developing alongside increased protectionism, security concerns and geopolitically weaponised supply chains. It is hard to imagine the race to net-zero gathering pace – and high green standards taking hold – in a world where countries are closing doors to each other's markets.

How will we thread the way forward? First, we must secure the Green Deal ahead of next year's EU elections. Second, we must see our climate goals as a pillar to lasting peace in Europe and beyond: by connecting values of solidarity with peace, democracy, equity and security. Europe should invest in its role as a climate security anchor and maintain the Green Deal at the core of its growth plans and decision-making, in the EU and in its relations with partners including key neighbours like the UK and Turkey. To achieve this, Europe must leverage its long-standing role as a regulatory superpower and set the highest standards, from climate action to human rights and social justice. In particular, Europe will need to show exemplary integrity in the future contours of global value chains across the net-zero economy.

Our new operational structure at the ECF – with a mix of familiar and new faces – means we are equipped to meet these challenges. By working closely with countries and partners on the front line of these debates, we are putting citizens' aspirations at the centre to ensure that every ECF workstream reflects our overall strategy. To achieve this vision, we must listen to each other: building bridges to communities beyond those in the climate space to foster broad-based, communityrooted support for climate action. We must also work across levels of decision-making – at the international, national, sub-national and local levels – to meet the 2030 and 2050 targets in the EU and globally.

Our commitment to becoming a learning organisation – 'learning to learn' – is another goal better served by this new structure and its commitment to organisational transformation. This is foremost a commitment to our partners: that we will assess our successes and failures and adapt to change.

I am proud of the essential role we play in supporting our partners in the global response to the crises escalating around us. We know that there are significant headwinds ahead, but we are committed to working with determination, agility and humility to support communities everywhere and foster vital action, today and tomorrow.



In these pages, we assess the progress made towards all these vital objectives.

# Philanthropic leadership towards a net-zero world

## 2022

Report

The European Climate Foundation is a major philanthropic initiative, now 15 years old, working to foster the transition to a netzero society to ensure a healthy planet and sustainable living conditions for current and future generations. We are a non-profit, non-partisan organisation that lends strategic and financial support to a wide network of partner organisations at the national, European and global levels to broaden and deepen public and political support for climate action and promote practical policy-making in response to the climate crisis. We strive for a positive, peoplecentred and socially responsible climate transition in Europe and around the world.

## What we do

Together with our funders and partner organisations we harness the power of philanthropy to accelerate the transition to a net-zero emissions economy. We work together to drive urgent and ambitious progress towards the goals of the Paris Agreement. In addressing the emission of all greenhouse gases, we work to limit warming to 1.5°C and to secure climate actions in the decade ahead that are consistent with a just transition to net-zero by 2050. In this race against time, we aim to make climate philanthropy stronger, faster and smarter, with a clear impact-driven approach,

and we are proud of our track-record of contributing towards decarbonisation in many countries. The ECF serves as a field **catalyst** – identifying the next frontiers of climate action; convening organisations to co-develop shared goals and strategies; filling the gaps; and providing financial, strategic, intellectual and social support to power the climate ecosystem.

To execute our mission, we embody four core roles. As a strategic grantmaker, we fund a broad network of organisations to ensure that a variety of interventions are aligned towards common goals and strategies. As a thought leader, we identify the agenda for present and future areas of focus. We also provide a space to convene, coordinate and connect actors from across the climate community and beyond, as well as co-develop strategies across organisations and networks. As a network enabler, we build a stronger and more resilient network by helping grantee partners build their capacity and connections. We also incubate new platforms and entities and create new organisations where gaps exist. As a narrative shaper, we help our network leverage strategic communications to foster cross-spectrum support for climate action and ensure decision-makers hear positive, evidence-based ideas for making progress from respected leaders in the field.

Our mission: to help deliver a just transition to a net-zero society to ensure a healthy planet and sustainable living conditions for current and future generations. Narrative shaper roles

### Thought leader

Network enabler

Our

core

Thought leader: We identify the agenda for present and future areas of focus.

Strategic grantmaker: We fund a broad network of organisations to ensure that a variety of interventions are aligned towards common goals and strategies.



**Network enabler:** We build a stronger and more resilient network by helping grantee partners build their capacity and connections.

**Narrative shaper:** We help our network leverage strategic communications to foster cross-spectrum support for climate action and ensure decision-makers hear positive, evidence-based ideas for making progress from respected leaders in the field.

## Our strategy: centring climate solutions to solve **Europe's economic and** security crises

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In recent years, escalating and intersecting crises - ecological, political, economic and security-related – have been rocking the global community. To prepare our network to continue advancing its mission during this 'polycrisis', we conducted a strategy refresh to build a more agile and comprehensive approach to winning climate action.

To enact this strategy, we work at three interlocking fields of action - national, European and global. We are operationalising our strategy through three dedicated workstreams: long-term programmes focussing on specific geographies and economic sectors; cross-cutting, time-bound campaigns applying an integrated approach to achieve near-term goals; and communications and cultural initiatives broadening the reach of the climate community and boosting the impact of our other workstreams.

In the months since we developed our strategy refresh, new challenges have tested it - and proved its resiliency. In response to the Russian invasion of Ukraine, we quickly mounted a three-phase response: establishing a 'peace room' to help our network take account of the transformed context; undertaking emergency measures to help Ukrainian refugees and civil society partners relocate to safety; and adapting our plans to respond to Europe's

rightful focus on solidarity with Ukraine, restoring peace and security, curbing inflationary shocks, and strengthening the resilience of energy and food supplies.

## Our vision for the future: a green, democratic and peaceful Europe

The war in Ukraine, and its effects on Europe's energy system and economy, have upended traditional assumptions about the functioning of the EU and global geopolitical and economic systems. Instead of recovering within the previous model, these events open the door to building a new paradigm - one based upon the interlinked foundations of climate action, security, international partnerships, and a decent and fair life for all. Our network is uniquely placed to strive for this vision of peace for Europe.

This vision points to a future in which the invasion will be over, Ukraine reinstated in its territorial integrity, and the European community rooted in democracy and peace, transitioning to a more secure, sustainable and prosperous economy that enables better lives.

Our goal is to help design the next phase of this transition, putting citizens and a resilient and strong Europe at its core. We aim to secure the progress we have helped deliver on Europe's climate ambition to date and the progress needed in the crucial coming years.

## **Overarching** objective

To decarbonise economies and societies through securing action by 2030 consistent with the transition to net-zero by 2050, in order to limit warming to 1.5°C

**Fields of action** 





National

European

Long-term

programmes

Focussing on the

geographies and

economic sectors that are

critical to climate action

#### Cross-cutting, time-bound campaigns

Applying a dynamic, integrated approach to achieve near-term goals





**Workstreams** 



#### Communications and cultural initiatives

Broadening the reach of the climate community and boosting the impact of our other workstreams

## Future perspectives

We are deep into the decade of action. The coming months – with the preparations for the 2024 European elections and the new political mandate of the next European Commission – will be critical to assuring the robust implementation of the European Green Deal, to designing the next phase and to opening up further space for ambitious global action.

Going forward, we will work with our network to help design and bring to life our vision for a bold response to the intertwined challenges of climate change, war and other crises. This is necessary for several reasons. The European project finds itself at a major transition moment, particularly as recent geopolitical events heighten the importance of a more united and independent Europe and opportunities are arising for new dialogues and partnerships – with Brazil, for example – in support of multilateralism and climate action.

To help design and enact this vision, we will work both **horizontally**, building bridges to other constituencies and communities to expand the coalition and foster mass support and pressure for climate action, and **vertically**, advocating across levels of decision-making for specific outcomes needed to meet the 2030 and 2050 targets in the EU and globally.

#### We will incorporate communications

into strategy and policy design from the outset, to win public support and prevent backlash. We will also work more broadly to understand the issues that people care about and make the connections to climate. We and our partners will help make sure that climate discussions take place in the framework of other related concerns, such as energy security and cost of living. To safeguard these efforts, we are committed to learning and evolving together with our partners. We are developing processes for reflection, systems to measure success and failure, and flexibility to correct course quickly as circumstances change.

To enact this vision, we will focus on **eight** cross-cutting strategic imperatives:

## The next phase of the European Green Deal

— Ensure the Green Deal remains a policy priority by enforcing appropriate implementation of already approved texts. In addition, develop **the next wave of decarbonisation policies** and political conditions that connect security, affordability and democracy for a sustainable, just, citizen-centred transition to net-zero.

## Europe's role in the world

— Strengthen multilateral cooperation through European climate and energy diplomacy on issues such as trade, investment, accountability, regulation and sustainable supply chains. In addition, influence changes to the multilateral governance system and international financial architecture to support transformation in developing countries.



## A green European industrial strategy

— Design a European re-industrialisation strategy based on investment in renewables, critical supply chains, rapid electrification of industries, energy and materials efficiency, and rollout of critical green infrastructure. These investments will generate jobs, European security and industrial competitiveness.

## Fossil-free energy

— Continue to phase out fossil fuels, securing a major acceleration in energy efficiency and deployment of renewables, grids, and storage, as well as unlocking related financing. To achieve this transition, we will further build citizen engagement and political support, addressing energy poverty and social justice issues arising from energy infrastructure and high energy prices.

## Transport and mobility

— Set up mechanisms for a just transition of auto industry workers and consumers with low purchasing power at local and national levels. Secure safe, socially responsible supply chains of critical materials alongside a strong local manufacturing base for batteries and an expanded charging infrastructure. And tackle questions around decarbonising aviation and increasing European railway connectivity and services.

## Financing the transition

— Within Europe, ensure that sufficient finance flows towards clean infrastructure and projects. Internationally, seek to align financial flows from multilateral development banks with the Paris Agreement. In addition, work towards better regulation of corporations and the financial sector, improved standards for transition plans, and transparency and accountability on commitments from powerful actors.

## Land use and food systems

— As the invasion of Ukraine was a shock to not only energy but also **food prices and supply chains**, ensure that policies and decisions on land use and food systems help address the complex relationship among decisions about food, climate, energy and biodiversity.

### Democratic support for climate action

— Engage citizens as active participants in designing the net-zero transition. In doing so, we will **broaden and strengthen popular support** and build a sustainable long-term political consensus for the Green Deal and net-zero transition in Europe and internationally. By broadening the range of voices we work with and the range of channels we work across, we will enable our network to engage citizens where they are.

# Strengthening leadership to deliver our mission





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As a key part of our strategy refresh, in 2022 we revamped our management structure to enhance integration across teams and workstreams. Executive Directors now oversee mixed portfolios spanning different country, sector and international programmes and campaigns. This enables them to have a broad view of our diverse areas of work, identify gaps, improve coordination and shape each workstream to reflect our overall strategy.

In addition to programmatic oversight, each member of the Management Team also oversees a core part of our organisational transformation roadmap – a suite of priority institutional projects aimed at responding to our rapid growth, ensuring we are set up to deliver on our strategy and that our organisation remains high functioning. This includes elements such as improving our fund flow management, developing new human resources, communications and fundraising strategies, overhauling our grantmaking processes as well as fostering innovation and learning.

## Key developments

In 2022, Laurence Breton, who has been leading many aspects of our transformation as Chief of Staff, became Managing Director, assuming a role at the heart of the ECF's strategic and resource direction. This shift was followed by a series of new Executive Director (ED) recruitments, many of them from within our existing staff pool: Keith Allott is ED for Energy, France and Germany; Joss Garman for Communication, Cultural Change and the UK; and Hernan del Valle for Mobility, Industry and the Mediterranean countries where the ECF has a presence (Italy, Spain and Turkey). Morgan Després fills the new ED role covering International Finance, Economy and Nature, while Mónica Araya is our new ED for International Affairs.

In addition, the ECF reinforced its financial, legal and risk management functions, recruiting Florian Deville to fill the newly created role of Chief Financial Officer. The Management Team also comprises Mayta Villafane (Chief Operating Officer) and Ida Kenny (ED, Strategic Partnerships). We extend our deep thanks to Linda McAvan, ED for EU Institutions and Central and Eastern Europe, who will depart in 2023 following five years of service but will remain within the ECF community to support our learning project as a newly appointed ombudsperson. We also extend our gratitude to Emmanuel Guérin, who stepped down as ED following more than six years of service and will continue as a fellow on international strategies.



Mavta Villafane Chief Operating Officer

**Florian Deville** Chief Financial Officer



Mónica Araya **Executive Director** International Affairs

Programmes



Ida Kenny **Executive Director** Strategic Partnerships Joss Garman **Executive Director** Communications, Cultural Change and the UK



Laurence Tubiana **Chief Executive Officer** 

Laurence Breton Managing Director

Keith Allott **Executive Director** Energy, Germany & France Programmes

Hernan del Valle Executive Director Mobility. Industry & Mediterranean

**Morgan Després** Executive Director International Finance, Economy & Nature Programmes

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# 15 years of impact together

This Annual Report reflects a world transformed as we celebrate 15 years of support to the climate community in Europe and beyond.

When the ECF was founded in 2008, climate philanthropy was still in its infancy. We had a strong technical and evidence-based approach to decarbonisation, which over the years has expanded to encompass a much broader set of strategies for building a whole-society effort to tackle climate change. From an initial focus on strategic grantmaking, we acquired new roles as network enabler, thought leader and narrative shaper as we helped to develop new entities for climate action. These include the Global Strategic Communications Council (GSCC), an international, collaborative network of communications professionals in the fields of climate, energy and nature, which spun out of the ECF in 2023 to be hosted by the Meliore Foundation; the 2050 Pathways Platform, the International Climate Politics Hub and Tara Climate Foundation, which support other nations in making similarly ambitious climate commitments to the Paris Agreement; the Knowledge Network on Climate Assemblies (KNOCA), a unique initiative dedicated to encouraging greater citizen involvement in policy-making on climate change; and ReNew2030, a coalition accelerating renewable energy for a climate-secure future and funded by the Audacious Project. Thanks to the trust and generosity of our funders, our grantee network and impact have grown apace, from about 181 grants awarded to 102 grantees in 2012, to 1,209

grants awarded to 696 grantees in 2022.

In the last 15 years, there have been a number of positive developments our network of partners helped to secure. These include strengthened pledges, with over 70 net-zero commitments from countries around the world, especially in Europe; a wide acceptance of the need to phase out coal, including from the finance industry; a target for the phase out of sales of the internal combustion engine by the mid-2030s; a huge growth in clean energy investment; a measurably higher level of public support for actions to address climate change; a wider political acceptance of the need for climate action; and the rise of new climate-focused social movements. All this has been achieved in partnership with funders and partners who share our vision and believe in the value of our network.

We are now in the midst of the critical decade for climate action. Going forward, we must continue to work with flexibility, agility, and humility at all levels of society, from local to global, and continue supporting our network in building up their capacity and capabilities. In this sense, the ECF is singularly placed to spur the urgent action that will be needed in the years ahead.



#### 緰 2015 Breakthrough for the future of climate action with the Paris Agreement

The Paris Agreement marks a key moment in history with its decision to limit global warming to well below 2°C. The ECF and its partners contribute to this milestone through strategic grantmaking, communications and diplomacy They have since been guiding their activitie around the architecture of the Agreement ensuring that the Paris outcome is more than a one-off deal

### 2015

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Coal phase-out progresses across Europe

Following years of effort by the ECF network and strategic grantmaking, the climate community vitnesses a shift in the fight against coal as Norway's nment Pension Fund Global decides to divest from coal and the UK commits to phase out coal plants within 10 years

2020

Network action for

a green post-Covid recover

In response to the Covid-19 crisis, the ECF develops the Resilient Recovery initiative

to embolden governments to design

crisis responses that are aligned with

and underpinned by an ambitious Europea

Green Deal

#### discourse around climate. In 2023, the GSCC community becomes an independent nisation after more than a decade of join efforts with the ECF.

strategic com

 $\overset{\circ}{\bowtie}$ 2017 Paris Agreement architect Laurence Tubiana appointed

ECF CEO Laurence Tubiana joins the ECF as its new CEO, bringing political acumen, thought leadership and a global network that will ccompany the Foundation in the years ahead

### 2020 New Fit for 55 package to

strengthen EU climate amb Urged on by an unprecedented coalition of ECF grantees across sectoral, country and

nications teams, EU leaders adopt a new 2030 emissions-reduction target of -55%. This target sets new standards to align EU ecovery spending, trade, and global gree

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2021

ECF introduces KNOCA, a unique

climate action

The ECF capitalises on the global momentum of

public interest in climate action by establishing

the Knowledge Network on Climate Assemblies (KNOCA), a dedicated organisation to support

the proliferation of citizen climate assemblie

across Europe and further afield.

network dedicated to dem

## 2021

#### A whole-society approach to climate action, a new strategy for the ECF

Under the leadership of CEO Laurence Tubiana, the ECF refreshes its strategy to apply a more responsiv agile and cross-cutting approach to climate action. It introduces new cross-border themes such as trade, EU Green Deal Diplomacy, green finance and others that acknowledge escalating, intersecting emergencies while also accelerating the net-zero trans

## 2023

Our vision for the future: a green, peaceful and democratic Europ

The ECF network begins building a new paradigm based upon the interlinked foundations of climate action, security, international partnerships and a decent and fair life for all.

#### 2023 ReNew2030, an Audacious Project accelerating renewable energy fo a climate-secure future

Building on years of work in the energy sector globally and with funding from the Audacious Project, the ECF launches ReNew2030, a global coalition of partners to unlock unprecedented scale-up of renewables rldwide in the next five years

Categories: ECF milestone ECF initiative Network effort Climate mileston

#### Founding of the European **Climate Foundation**

2008

×° ×°

2012

The European Climate Foundation (ECF) is founded in 2008 as part of a landmark, coordinated effort by philanthropy to have greater influence in the effort to mitigate dangerous climate change

### 2010

#### **Pioneering new approaches** to climate journa

The need for high-quality, in-depth, nuanced reporting around climate change leads the ECF to launch Carbon Brief, a UK-based website on climate science and policies

#### A new collaborative proiect for climate action through

The ECF launches the Global Strategic Communications Council (GSCC) to inform and strengthen the media debate and public

#### 2011 Release of the groundbreaking 2050 Roadmap report

Through research, advocacy and partnerships with business and civil society, the ECF network contributes to the release of the European Commission's 2050 Roadmaps on Climate & Energy, a crucial report that sets a path for decarbonisin the European economy by 2050.



#### Driving international climate action through new ECF-hosted platfor

Following the Paris Agreement, the ECF aunches new workstreams and initiatives to support other nations in making similarly ambitious climate commitments: the 2050 Pathways Platform, Tara Climate and the International Climate Politics Hub

#### Ø 2019

#### A European Green Deal to accelerate the transition to climate neutrality

As the most advanced culmination of the Paris Agreement to date, the European Green Deal is approved. It commits to remake Europe's economy to achieve climate neutrality by 2050. The ECF network is set to ensure that we land an ambitiou Green Deal, further leveraging Europe's international climate leadership

## 2022

#### Turning point in the transition to net-zero er

The EU makes a landmark commitment to phase out the sale of internal combustion engine passenger cars and vans in the EU by 2035, following years of strategic grantmaking and coordinated action involving more than 120 ECF partners

## 202

Expanding grantmaking to new sectors and geograp

From 181 grants for 102 grantees in 2012 to 1,209 grants for 696 partners in 2022, the ECF continues to build the ecosystem. Our grants expand from local climate NGOs to new partners focussing on citizen participation, peace and security, and agriculture. The grants also engage with new regions such as Spain, Italy and Ukraine

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# Advancing the causes of peace, security and climate action

#### 2022 in review

In early 2022, we and our grantee partners were readying to ensure the implementation of the European Green Deal package, and similar new climate policies in the UK and Turkey, when Russia's invasion of Ukraine upended the context for our work domestically and internationally.

Russia's weaponisation of Europe's dependency on fossil fuels underlined the need for a new way forward for Europe and the world built on peace, security and a decent and fair life for all. This path will be enabled through clean technologies and more sustainable farming practices that will end our exposure to dangerous and costly fossil fuels.

Throughout the year, our network helped advocate for this new way forward. A sampling of 2022's key achievements is covered in the following pages.

Moving forward, philanthropy will play an even greater role in further progress, bringing together diverse groups and keeping civic space open for greater climate ambition.

## **Energy security** and strategic autonomy through clean energy

Efforts to isolate and punish Russia via economic sanctions laid bare Europe's dependence on fossil fuels and the vulnerability associated with this dependence. The higher prioritisation of energy security informed our response in two ways. First, we worked closely with securityfocussed partners at European and international levels to strengthen the climate debate in terms of national and regional security. Second, we collaborated with partners to **spotlight** opportunities to strengthen our energy security through renewables and energy efficiency improvements. In parallel, we looked beyond energy by supporting grantees who are analysing the imperative and challenges of shifting to green supply chains and the new challenges associated with them.

The war has changed the political dynamics for Europe, as short-term measures to secure its energy supplies have recast climate diplomacy. As a result, our international programmes are reimagining the EU partnerships and alliances that are needed in this fragmented context.

Across the ECF, we are developing a focus on 'Europe in the World'. As part of this, we are engaging with partners to develop

## Russian invasion of Ukraine

dialogues among EU decisionmakers, experts and grantees and their counterparts in the US, Africa, Latin America and Asia. The issues to address range from the G20 to collaboration on critical raw materials.

Preventing backlash, assigning blame to fossil giants and defending climate solutions

The outbreak of the war posed a risk to the European Green Deal and climate policies more broadly, as fossil fuel interests sought to associate climate policies with the cost-of-living crisis. To build support for climate policies and to accelerate solutions, a consistent theme in our network's response was to attribute blame to Russia and fossil fuel firms worsening the crises even as they made windfalls from it. We explained and promoted climate policies as practical solutions to security, economic and climate crises alike. Not least, we prioritised supporting vulnerable households.

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As a result, our network has stood in solidarity with those facing major cost-ofliving challenges and supported the most vulnerable, not promoting the kind of climate policies that would be unfair and ineffective. We are supporting groups such as trade unions, consumer rights groups, non-profits working on poverty, and more. In light of the war and rising prices, we promoted policies that avoid regressive impacts and supported grantees by building more flexibility into existing grants so they could pivot their strategies.

We are also working with our partners on a dedicated campaign to **build political will** for climate action. For example, we funded Klima-Allianz to commission a study by DIW Econ to assess the measures that Germany took and propose a new set of more ecological and socially just actions. Alongside arguing for policies to better support the most vulnerable, we also supported a multi-country campaign for a windfall tax on crisis-induced super-profits, to be channelled towards the transition and poorer households.

In parallel, we are working as **narrative** shapers, collaborating with our partners to build **communications** campaigns that foster cross-spectrum support for the transition, attribute blame for the crisis to Moscow and the gas industry, and point to practical, affordable solutions. We focussed on the local level, highlighting the climate movement's position of standing with people struggling to pay their bills as fossil fuel companies make billions; and pointing to accelerated renewable energy deployment as the key solution. For example, we supported Global Witness in removing

the social and public license of fossil fuel companies and exposing the huge financial gap between their earnings and the high energy bills of consumers in Europe.

## Supporting the green reconstruction of Ukraine

Following our initial emergency response to the war on Ukraine and building on prior grantmaking, we formally established a Ukraine programme. Managed by Iryna Stavchuk, formerly Ukraine's Deputy Minister responsible for climate change policies and European integration, the programme's goal is to mainstream green and climate-proof solutions for Ukraine's recovery. It addresses the energy transition, urban recovery and energy-efficient buildings. The programme is supporting Ukrainian and international partners to rebuild a green and sustainable Ukraine.



# Keeping the European Green Deal on track

establishes stronger air quality targets for 2030, with the aim of eliminating air pollution by 2050. Our partners played a key role in raising Europe's ambition in this area, as well as securing access to justice provisions and the right for citizens to claim health compensation.

The energy crisis has slowed the move away from coal, as the economic and security imperative has shifted to reducing reliance on fossil gas. Our partners, such as the former Europe Beyond Coal campaign, now Beyond Fossil Fuels, had already been working to expand their coal work into a wider clean-power campaign, taking on gas in power and pushing for renewables. This meant that our network was well placed to pivot to the challenging new context, especially in raising a clear and united call from civil society for the rapid deployment of renewables to replace coal and gas.

sector, including consumers, businesses in the electric vehicles supply-chain, local authorities and trade unions. In 2023, our focus will shift to securing a similar milestone for buses and trucks.

In October, the European Commission also proposed a revision of the Ambient Air Quality Directive. The proposal

Russia's invasion of Ukraine has

dominated the agenda in the past year,

especially in Europe. Nonetheless, our

network helped keep the European

Green Deal on track, helping deliver

several historic policy wins in 2022.

Clean transport

One of the highlights of 2022 was a landmark agreement to phase out the sale of internal

combustion engine passenger cars and

involving more than 120 of our partners.

This result represents a major milestone

towards European climate targets, and

follows activities ranging from research

and advocacy to engagement with key

stakeholders in the European transport

vans by 2035. This decision followed years of coordinated campaigning and advocacy

and air quality

## Advancing fossilfree energy

In 2022, we and our partners contributed to the inception of the **RePowerEU plan** for transitioning to renewables as the main way to reduce European dependency on Russian gas. Our work helped defend European bans on public financing of new gas projects, and our network will continue the campaign against new polluting gas projects in 2023.

## Efficient, affordable and green heating

With energy security and affordability at the top of the agenda, climate policies that were previously politically unacceptable have become attractive as they offer a means to strengthen security and cut costs. The EU's RePowerEU plan to eliminate reliance on Russian fossil fuels has, for the first time, suggested discontinuing the sale of gas boilers, an ambition our partners are working to realise in a way that is sensitive to the scale of the challenge. For example, they are promoting schemes that can save households money as they shift to using cleaner heating technology.

Over the past year, we have promoted cleaner, more affordable building and heating solutions, together with a growing network of partners. For example, advocacy and technical advisory work by grantee partners at the national level has secured a major increase in public support for renovation in 2022, including almost €50 billion from the EU's Resilient Recovery Funding to be spent on renovation programmes.

## Just Transition, expanding the climate movement and ensuring citizen participation

In the cost-of-living crisis, trade unions have been playing a critical role in defending workers' purchasing power through decent wages, while trying to achieve a just transition for workers to net-zero emissions. We have been supporting strong cooperation between trade union federations across Europe and internationally. In 2022, we helped them ensure that the European Green Deal, recovery package and Just Transition Mechanism consider the needs of working people while bringing down emissions in line with European climate targets.

In addition, we have expanded our engagement with under-represented and marginalised social groups, including diaspora communities, low-income groups, the anti-racism movement and housing tenants. We have successfully built infrastructure to support the climate community to be more strategic and resilient, creating connections and common causes between movements, such as housing and climate. This has become all the more important at the country level during the energy and cost-of-living crisis.

Alongside these efforts, we have strengthened our support for citizens' assemblies on climate, an increasingly important tool for governments to engage meaningfully with citizens and support policy-making. In 2022, ECF grants facilitated climate citizen engagement - including supporting national and subnational climate assemblies in Spain, Austria, Poland and Denmark and helping practitioners and NGOs bring awareness and understanding of climate assemblies and ensure the recommendations are followed.

The year 2022 also saw the ECF-founded Knowledge Network on Climate Assemblies (KNOCA) become a significant asset to the European and wider climate ecosystem, with growing interest in its work in Europe as well as the US, Canada and Japan. KNOCA provides bestpractice guidance and tailored advice to commissioners, organisers and advocates of climate assemblies; channels learning and innovation; and helps improve emerging and future assemblies, for example, in the Netherlands, Estonia, the Balearic Islands and Lisbon.



## Land use and sustainable agriculture

Russia's war on Ukraine and the resulting food-price crisis have underlined the need to shift towards more sustainable land use and agriculture systems. Despite headwinds from the invasion, our network achieved a number of successes in 2022.

The European Commission published a landmark legislative proposal, the Nature Restoration Law, which is a cornerstone of the parts of the European Green Deal related to land use. The law sets legally binding targets for Member States to restore vast areas of land and sea. Our partners mobilised support from a wide coalition to defend the law from an unprecedented disinformation campaign.

The war has reframed the discussion around energy security, and EU policymakers faced pressure to turn to bioenergy as a domestic energy source. This limited our partners' efforts to reduce the role of bioenergy in meeting EU renewable energy targets. We saw a breakthrough in the European Parliament's vote to exclude primary woody biomass from the definition of renewable energies, although this did not make it into the final law. Stronger sustainability criteria and higher public awareness will help challenge the idea that bioenergy is 'renewable'.

The Glasgow Statement for fossil fuel finance and G7 public finance commitments achieved in 2021 came under threat following the Russian invasion of Ukraine, with a push for public finance to invest in gas and particularly LNG. Given this turbulent geopolitical moment, rather than aiming to secure further commitments, our grantee partners focussed on implementing of the existing commitments and holding governments and institutions accountable for them.

For example, we supported the United Nations **Environment Programme Finance Initiative** (UNEP-FI). To push for rapid, science-based action, we facilitated structured engagement between the UNEP-FI Alliances and the UN Secretary-General's Expert Advisory Body and between the UNEP-FI Alliances and the Glasgow Financial Alliance for Net Zero. As of 2022, 58 asset owners, 62 banks and 86 investors have established public commitments, although not all the commitments are yet aligned with the netzero principles for integrity set out by the UN Secretary-General's High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities. In addition, 27 service providers and 30 insurers have joined the UN-convened net-zero alliances.

The number of net-zero commitments from the financial sector and its ecosystem, as well as global corporations, cities, regions, and countries, keeps rising. Meanwhile, the ECF and grantee partners continue to improve relevant technical work and accountability mechanisms, and incorporate them into policy and regulation, to delivery the Parisaligned impact of such commitments.

Another major success was the passage of an EU law on deforestation-free supply chains, which obliges EU companies to confirm that imported products were not grown on recently deforested land. The ECF supported the NGO coalition that has been campaigning for many years for this law.

## Climate finance and international climate accountability

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## Landing the European Green Deal nationally

Because green solutions will be implemented on the ground in Member States, not just through EU policy frameworks, our network has been building political will and social support around the European Green Deal at the country level. Some of 2022's nationallevel highlights are included below. We have staff and grantee partners working in France, Germany, Spain, Italy, Poland, Ukraine, the UK, South-Eastern Europe (with a particular focus on Hungary, Romania, Bulgaria, and Serbia), Central Europe (with a particular focus on Czechia) and Turkey.

In France, for example, we expanded our support to communications and media professionals working to counter voices of populist climate opposition. The recently founded ECF grantee Expertises Climat trains and connects climate scientists with journalists to ensure objective, high-quality information when climate topics are in the news, and to improve the treatment of climate by mainstream media. By creating networks of experts to comment on specific topics, and building relationships with influential media outlets, Expertises Climat is making significant progress in shaping the climate debate in France.

Following sustained advocacy and support from Expertises Climat, national television group France Télévisions extended and rebranded its daily weather forecasts to explicitly link weather with climate change on its two flagship channels, France 2 (whose 8pm news programme is watched by 3.5 million viewers) and France 3 (a regional channel with 2 million viewers). The news programme now contextualises weather forecasts alongside information on climate change daily, and answers questions from viewers on how to adapt to it, to show how our daily weather is part of global warming.

In Germany, in light of the energy crisis, we and our partners focussed on promoting clean energy as well as a socially just crisis response. For example, we supported co2online, a non-profit climate network that helps private households conserve energy and reduce their carbon emissions through online information campaigns, energy-saving checks and practical competitions. Co2online is building a community of homeowners who are key to the transformation of the building sector, in part by making critical investments in home insulation. By offering advice on how to save money on bills, co2online is helping build trust and strengthen the voice of homeowners in the public debate. Alongside these efforts, we supported communications initiatives to connect security debates with energy and climate solutions, boosting support to a diverse range of partners working on socially just solutions to the energy crisis.



In **Poland**, to better detect signs of backlash, Instytut Badán Strukturalnych tested different climate and energy policies using a discrete choice experiment with a sample of 10,000 individuals. The experiment covered policy preferences related to mitigating climate change impacts, decreasing mortality due to poor air quality, limiting oil and gas imports from Russia, ensuring energy supply, and environmental fee systems. Results show a high aversion to environmental taxes, regardless of political preferences or other characteristics – though those who support integration with the EU, and display higher levels of trust in institutions and other people, are less averse. At the same time, respondents were willing to sacrifice income (on average about 10%) to improve air quality, mitigate climate change and decrease the imports of Russian fuels. The results were published in early 2023 and presented to representatives of public administration, academia and NGOs.

In **Spain**, the far-right party Vox has been using farming and agriculture as a weapon against the Climate Change Law, particularly in regions with strong cultural identities. We worked with researchers and the communications agency Vizzuality on a study and interactive website to show the economic and cultural impacts of climate change on agriculture, particularly iconic crops like vineyards, olive trees and cereal. The farmers' union COAG fronted a climate-awareness communications campaign to connect across the political



spectrum, particularly with conservative rural populations, earning over 150 press references in local, regional and national media. It is clear that climate-impact narratives are newsworthy, especially when linked to specific crops that are critical to livelihoods in certain places, and, in this case, a farmers' union that cares about the survival of a key economic sector. Segments ran on national television channel TVE1 and in conservative outlets and radio stations such as ABC and COPE, as well as in mainstream regional media. Political parties later used the report to demand more climate-ambitious measures in the affected regions.

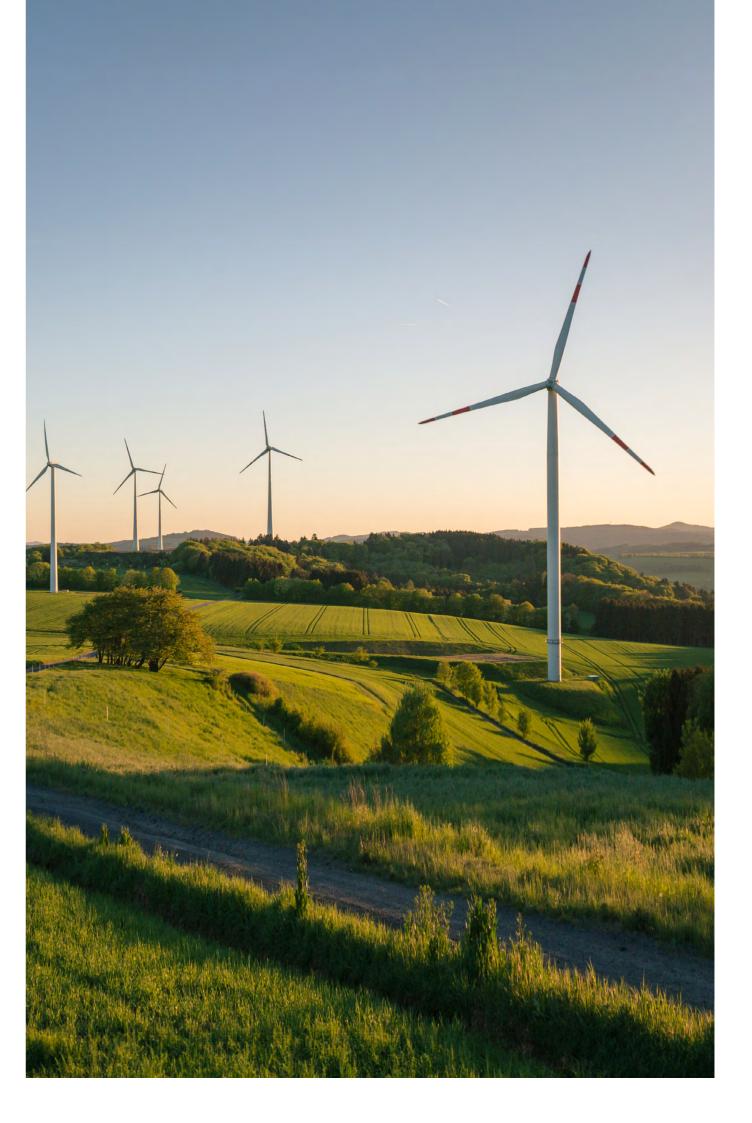
## From Europe to the world

In 2022, despite myriad geopolitical and humanitarian challenges, our network supported landmark achievements at the global level, continuing to open further political space for international climate progress.

Though COP27 was by no means perfect, it represented a significant breakthrough as a UN Loss and Damage Fund was established to help vulnerable nations cope with climate disasters engendered by the greenhouse gas emissions of wealthier states. The ECF and key partners were on the ground in Sharm El-Sheikh, convening allies, shaping conversations and working to make this COP count. As a key architect of the Paris Agreement and CEO of the ECF, Laurence Tubiana worked to defend Paris and the 1.5°C goal, providing media <u>commentary</u> on the path to an impactful agreement, engaging with diplomatic leaders and civil society, and participating in events alongside other climate leaders.

Thanks to the expert support and guidance of ECF's <u>2050 Pathways Platform</u>, almost a dozen countries around the world made meaningful and formal commitments to climate action through new or revised long-term strategies to net-zero.

Going forward, moving from pledges to actions is key. Beyond the adoption of new policies, pathways and systems, our network of partners is shifting focus to hold governments and companies accountable in proper implementation of new promises. We are working to secure meaningful, multilateral engagement with new guidance and to reduce space for greenwashing. In 2023, our network is also advancing a groundswell of mainstream support for international financial institutions to raise the financing necessary to address climate change. Our international team is also developing a strategy for 'Europe in the World' - Europe as a frontrunner in climate policy, a partner in decarbonisation and a pioneer of Paris-aligned standards and trade rules.



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European Climate Foundation

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## Supporting and building a robust climate ecosystem

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In our role as network enabler, we support our grantee partners through learning, capacity building and organisational development, as well as by providing insights from our Network and Data Analysis unit and new Strategic Foresight function. By building support for our ecosystem, together we will be better equipped to tackle our broader mission of achieving a net-zero emissions society.

## Strengthening our infrastructure through enhanced grantmaking and learning

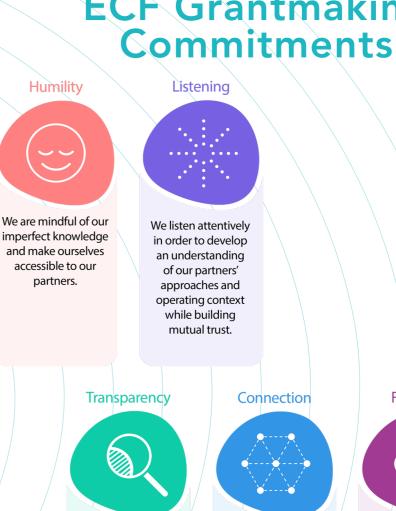
As part of these efforts, in 2022 we developed and began implementing seven Grantmaking Commitments in partnership with the Center for Effective Philanthropy and our grantee partners. We first implemented priority initiatives, such as developing a grantee portal, to improve the experience of our grantee partners.

In 2023 and beyond, we are devising a strategy to support the organisational health and development of our grantee partners, as well as rolling out a simplified KPI matrix, evaluation table and reporting process.

Our work on grantmaking is closely connected with our learning workstream. In 2022, together with the Sequoia Climate Foundation, funders and grantee partners, we formed a working group on reporting and learning. This group will seek to better understand the needs underpinning current approaches to monitoring and reporting, and develop prototypes to trial new ways of working that enable learning. In partnership with our grantee partners, we will become a true 'learning organisation', developing processes for reflection on successes and failures, as well as the flexibility to correct course as circumstances change.

## A new Strategic Foresight function to develop long-term resilience

In order to respond nimbly to major coming events, we need to anticipate major drivers of global change and have the financial capacity and organisational flexibility to quickly redirect resources. To this aim, in 2022 we created a Strategic Foresight function to develop more robust understandings and scenarios of developing trends and how they can impact the climate community's strategies. It does this by commissioning studies, convening and connecting actors, cultivating a network of partners, and incubating new coalitions around major issues identified - ultimately helping the broader climate ecosystem collectively articulate and organise responses to crises.



We provide clarity and transparency on the ECF strategy and how the work of our partners connects to that strategy while encouraging dialogue on strategic implementation.

## **ECF Grantmaking**

Connection

We make a concerted effort to connect our partners together as one mutually-reinforcing network.

#### Flexibility



We act with flexibility and nimbleness with our partners in constantly evolvina circumstances.

#### Respect



We set clear expectations, keep our processes simple and ask only for information we need and will use. We offer feedback and explain our decisions.

#### Learning



We aim to monitor. learn and adjust continuously through proportionate and timely conversations and reporting.

# Key figures

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#### Building, diversifying and strengthening our network

Thanks to the generous support of our philanthropic partners, in 2022 we provided 1,209 grants to 696 grantee organisations (representing a 13% increase in the number of grants from 2021). With 128 first-time partnerships, we have developed and expanded our ecosystem to new areas of action. Notably, we doubled our giving to non-environmental NGOs, with the intention of engaging with new and diverse organisations to bring fresh perspectives to the climate movement. We have also built up grassroots local capacity with growing teams in countries like Spain and Italy, increased grantmaking in key regions like Central and Eastern Europe, strengthened country-level communications capacity, and reinforced our grants management team in support of our partners.

In 2022, we were delighted to convene the ECF Partners Retreat, following a nearly three-year hiatus due to the Covid crisis. This annual convening of ECF programmatic staff, board, grantees and funding partners is a key moment for our powerful climate ecosystem to listen and learn from one another, identify opportunities for strategic alignment, and resolve shared issues.

1,209 grants

696 grantee partners

128 first-time partnerships

building citizen centred support for the transition 25.8% €35,570,279 Promoting a fossil free energy system built around cheap, secure, renewable sources of power €33,416,908 24.3% Developing and advocating fair and ambitious policy solutions to decarbonise sectors of the European economy €29,498,334 21.4% International programmes, diplomacy, and trade: targeting fulfilment of the Paris Agreement 10.3% €14,244,370 Strategic communications: promoting an informed public debate on climate change €7,248,730 5 3% Climate accountability: advancing transparency and integrity in net-zero plans 4.7% €6,501,126 Admin and organisational development

In-country national climate programmes:

These figures are based on our latest audited financial overview from 2022. Apart from administration and in-house projects, they cover regranting activities across the ECF's work programmes.

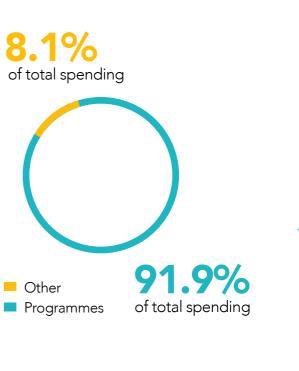
8 1%

€11,171,259

In addition to these programmes, we also incubate platforms to create and build out new institutions that are needed for climate action. These include the Pooled Fund for International Energy, Forum New Economy, **Climate Finance Fund** and Global Strategic Communications Council (GSCC).







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Read more about our Funding and Grantmaking here and our Governance here.

In 2020, the GSCC and ECF went through an organisational needs assessment to determine the optimal operating model for the network. The outcome was that GSCC should transition out of ECF to become its own operating and legal structure, with separate governance. The transition from GSCC to its new home, the Meliore Foundation, occurred on 1 July 2023. In 2022, we also supported the transition and spinoff of Tara Climate Foundation, now an independent entity accelerating Asia's energy transition.

ECF-hosted platforms usually work at the global level and have a specific governance structure and restricted funding. In 2022, ECF-hosted platforms had a total of 151 employees and €93,258,626 in expenditures.

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