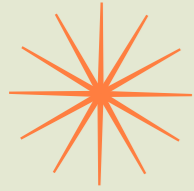




Climate Catalyst's
Impact and Learning
in 2023



About Climate Catalyst

Climate Catalyst works to create tipping points in areas where this is most needed, by mobilising the power of existing and new actors to compel political leaders to act at speed and scale. We do this by:

- Working behind the scenes with diverse stakeholders in Europe, India and Indonesia to identify critical issues where progress to date has been limited and the potential for collaboration is high.
- Bringing together renowned experts and new entrants to share ideas, and design and deliver creative strategies that shift investment flows and national and regional policies.
- Advising on strategy, offering grants and bringing creative communications, advocacy and business expertise to build power across the climate community and catalyse action.

To date, we've used this model successfully to mobilise the business community in support of the EU's incoming Nature Restoration Law, a key piece of legislation for peatlands protection across Europe, and spark collective action in India that led to a commitment from the Ministry of Steel to develop a green steel policy.

Our vision is a just, prosperous world in which global temperature rise is limited to 1.5°C.

Climate Catalyst is a sponsored project of Rockefeller Philanthropy Advisors. Find out more at www.climatecatalyst.org, on Twitter [@climacatalyst](https://twitter.com/climacatalyst) or email info@climatecatalyst.org.

Climate Catalyst was established in 2021. We launched our first programmes in early 2022. Our team of twenty five is primarily located in Europe and India.

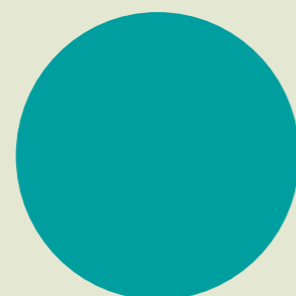
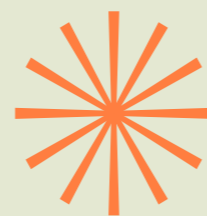
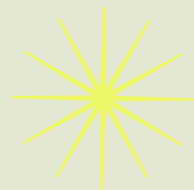


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Reflecting on Progress: A message from the Chief Executive



The past year has been exciting, sometimes challenging, and above all rewarding. Our goal at Climate Catalyst is to create tipping points in sectors where progress is most needed, by mobilising the power and ingenuity of both the private sector and civil society actors. 2023 really saw our vision come to life, and demonstrated the distinct role we can play in the climate ecosystem. We have unlocked important new action on steel decarbonisation in India, Japan and Korea, and peatlands protection in Europe. We've done so by working with partners on the critical interventions needed to make this happen.

This report is a snapshot of our progress over the last year, and the lessons we learnt along the way. We have taken these learnings with us as we adapt our model and set the ambitious new goals for 2024 captured at the end of this report.

The past year was the hottest in human history. This heat and extreme weather events already have devastating consequences for communities and organisations. These impacts are profoundly inequitable, mainly affecting people and countries that are least responsible for these emissions. It is hard to stay hopeful in the face of this reality. But I am encouraged by the exponential shifts now taking place in many countries at national level on issues like renewable energy and vehicle electrification, by the desire of so many partners to work together to create tipping points in other areas, and by the growing competition between countries for leadership in the low carbon transition. Our task is to use these forces to bring urgency and hope into many more areas.

The single most important ingredient in building successful organisations is the quality of their people, and the relationships and partnerships they build. Our progress to date has been powered by our staff and the organisations with whom we collaborate on steel and aviation. We're so much better together.

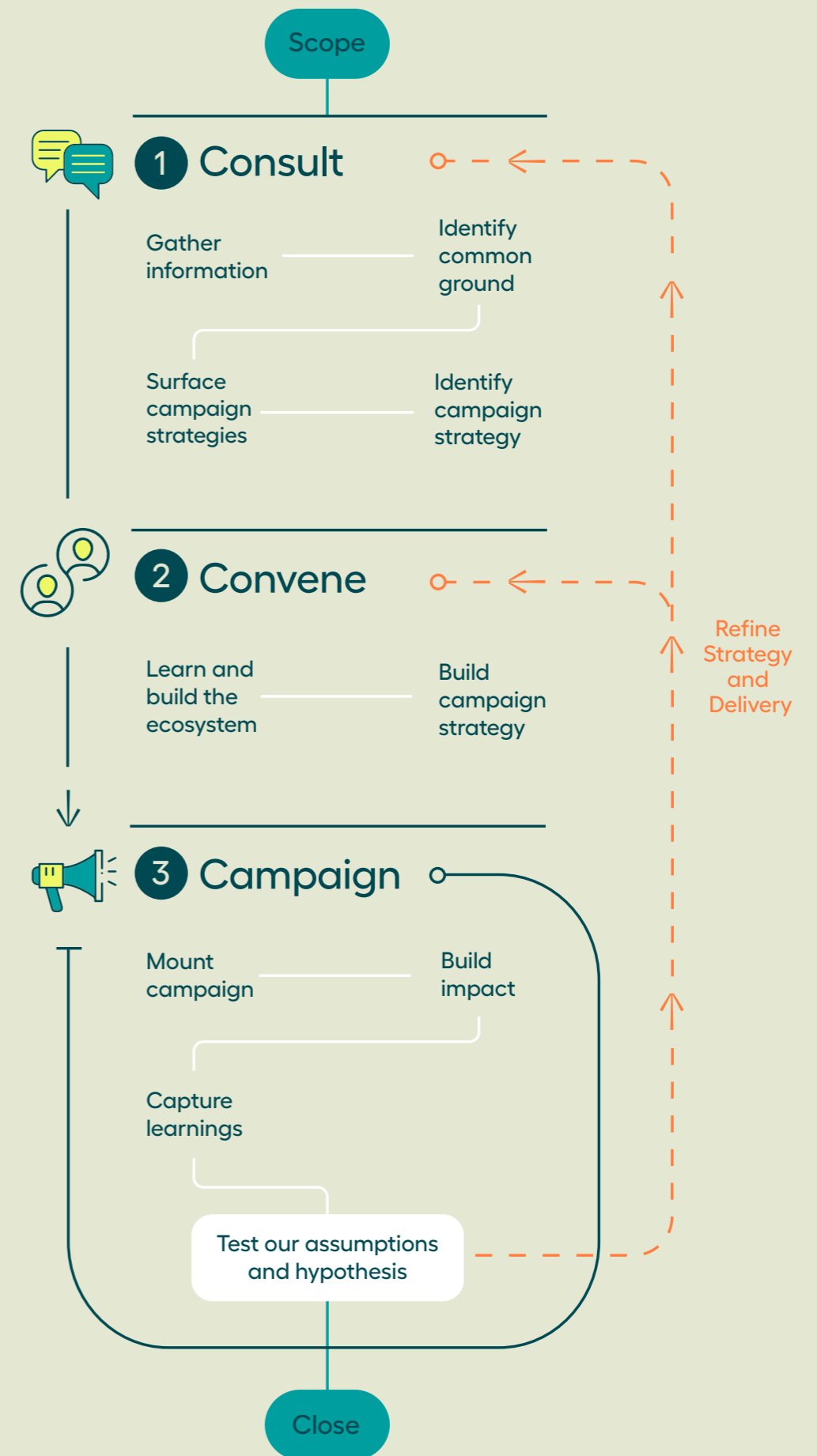
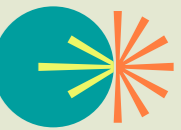
It's also been made possible by the wisdom, support and advice of our funders, advisory board and Strategic Council. I want in particular to thank our advisory board chair Celine Charveriat, and to welcome Shloka Nath and Mukund Rajan who joined our board this year.

We enter 2024 with ambitious goals for accelerating climate action through our work on steel in India and aviation in Europe. We will also consult, convene and then go live with our first initiative in Indonesia, led by in-country staff. I look forward to sharing news of our progress and learning a year from now.

Stephen Hale, Chief Executive, Climate Catalyst



THE CLIMATE CATALYST MODEL



OUR MISSION IN ACTION

Peatlands: We have closed our first programme!

An unsung climate hero, healthy peatlands store twice as much carbon as the world's forests, as well as being key to climate adaptation efforts. As the Nature Restoration Law (NRL) passed through the legislative process of the European Union, we saw a critical opportunity to give this vital ecosystem the prominence it deserves, and ensure Europe wide targets for its protection and restoration.

OUR PROGRAMME GOAL

To catalyse enabling conditions for ambitious policy change in the EU to protect and restore peatlands.

WHERE WE WERE AT THE BEGINNING OF 2023

By early 2023, we were fully embedded in efforts to secure a robust Nature Restoration Law (NRL). Our grant to BirdLife Europe and involvement in a coalition of European civil society organisations supported advocacy efforts towards the European Council and Parliament. Having quickly identified business as an important ally on this issue, we were in the early stages of a targeted partnership with Corporate Leaders Group Europe to collectively mobilise businesses and build deep connections between this community and our civil society partners. Meanwhile, in Germany, a potential advocate for the NRL, we were working closely with key partners to raise awareness of peatlands protection and restoration with the public and the private sector, ahead of the launch of an important Natural Climate Protection action programme (ANK).

The good news is that peatlands can be restored by rewetting, fostering specific vegetation and biodiversity, and introducing waterlogged conditions. Over time, restored peatlands stop emitting carbon and eventually transform into 'carbon sinks', meaning they store more carbon than they release.

JANUARY

The launch of *The Peat (Moor) Atlas* - a key public awareness and education tool - in Germany resulted in strong mainstream media coverage across press, TV and radio. This marked the beginning of a wider public awareness campaign to build public enthusiasm for peatland protection in Germany supported by Climate Catalyst and run by world renowned peat experts Greifswald Mire Centre (GMC) and creative campaign organisation Eurosité.

MARCH-MAY

CLG Europe co-ordinated critical business & investor groups to co-sign an open letter to EU decision makers and hosted a business event at the European Parliament calling for an ambitious NRL.

MARCH - JUNE

Realising that private sector understanding of peatlands was still limited we hosted a series of educational events, including a private finance webinar and Peatlands 101 webinar with partners Landscape Finance Lab. This culminated in an Innovation Lab in May - run with United Nations Environment Programme's Global Peatlands Initiative, the North Pennines AONB partnership, the Carbon Connects project and the UN High Level Climate Champions - which brought together participants across civil society, government, finance and business to share knowledge and spark creativity towards 'Unlocking private sector action for peatlands'.



By June the law was coming under increasing pressure as the European People's Party (EPP) launched a negative, public campaign to politicise the legislation. Working with our partners we shifted our approach, doubling down on work to amplify collective business support for the legislation as a whole (not just focusing on peatlands).

JUNE

CLG Europe and Business for Nature coordinated an open letter from over 80 European CEOs urging EU decision makers to support a robust NRL.

JULY

The European Parliament voted in favour of the Nature Restoration Law but the peatland's targets were removed from the text. This was still an important step for the law as a whole, however, keeping the door open to further discussions on peatlands during the next phase of the negotiations.

JUNE

The EU Council adopted a General Approach to the Nature Restoration Law with 2030 and 2050 targets on the restoration of drained peatlands. This kept the door open to the law entering the trilogue phase.

SEPTEMBER

Following the success of the *Peat (Moor) Atlas* in Germany, and its successful use for policy engagement, education and private sector engagement, a global *Peat Atlas* is launched in English, taking the findings to a wider audience.

"Climate Catalyst engaged the private sector quickly and effectively, leading multiple businesses to voice public support of the law and recognition that nature restoration is good for business. This has been vital in our fight to keep the law alive, and ambitious." - Andreas Baumueler, WWF European Policy office

OCTOBER

We supported the Michael Otto Foundation with their establishment of the Alliance of Pioneers to bring together companies from different industries to pilot and scale up the use of paludiculture in their value chains. Eight companies have committed themselves to joining the alliance.



The strong call from business - mobilised through our partnership with CLG Europe - was cited by EU Commission VP Frans Timmermans as an important driver for the proposed law, and business was widely credited for being a progressive voice on this law.

NOVEMBER

The Council and Parliament reached an agreement on the NRL which did include language requiring Member States to take measures to revitalise peatlands.

OCTOBER

The public awareness campaign run by GMC, Eurosité and Climate Catalyst reached over five million people across Germany, effectively bridging the gap between the scientific community and the public and bringing bring new voices and perspectives into the conversation, such as communities actively living and working on or around peatlands.

SEPTEMBER

The 'Power to the Peatlands' conference gathered over 500 peatlands experts from across Europe and beyond. Our partners GMC helped shape the conference declaration, and hosted a *Paludifair* which highlighted the opportunities of paludiculture as a sustainable, wet agricultural alternative.

SEPTEMBER

We joined partners, including the Taskforce on Nature-related Financial Disclosures, WWF, Holcim, Nestle, Business for Nature, and Finance for Biodiversity Foundation, to host a webinar on "Getting started on nature reporting: A guide to the major frameworks for businesses and investors" focused on how the private sector can use nature frameworks to better capture their climate and nature related impacts.



Our events brought the topic of peatlands to over 50 business and investor organisations and helped to forge new connections and collaboration between organisations, increase knowledge and build an appetite for action.



"With their profound knowledge in campaigning, Climate Catalyst springboarded our social media campaign on the rewetting of peatlands to stop them from emitting greenhouse gases, something we would not have been able to do without them." - Hanns von Sonntag, Eurosité



NOVEMBER

Climate Catalyst worked with Landscape Finance Lab and other partners to bring our collective campaigns learning together in an *Investor Guide on Peatlands*, a key resource to further the educational potential within the investment community after we closed our work.

END OF 2023

By the end of 2023 we have officially closed our peatlands programme, having met our key objectives of our work: to put the EU on track to deliver the NRL, including targets on peatlands; to catalyse the implementation of peatland restoration in Germany; to bring together first mover private sector actors; and to catalyse the power, leverage and funding potential of those working on peatlands. We are proud of what we were able to achieve by working with partners towards these goals.

Key

- Awareness raising in Germany
- Private sector action
- The Nature Restoration Law

OUR MISSION IN ACTION

Steel: Accelerating progress towards steel decarbonisation in Asia.

The global steel industry is one of the most energy intensive sectors in the world. Demand for steel is expected to grow 30 per cent by 2050. Asia is the world's largest steelmaking region, and India is the world's second largest producer. India's steel industry will grow substantially over the next decade as the country grows. In 2022, the Indian Ministry of Steel announced plans to develop a green steel policy to reduce the emissions footprint of the sector, and established task forces to help develop this policy. Corporate commitment to this endeavour is evident in the decisions of Tata Steel and JSW Group to join the Responsible Steel standard. India is in a prime position to lead the steel transition in Asia.

OUR PROGRAMME GOAL

To accelerate progress towards steel decarbonisation in Asia by driving policy change via commitments by steel buyers and suppliers, and building the national and regional power of civil society to support the transition.

WHERE WE WERE AT THE BEGINNING OF 2023

By early 2023, it was clear our work to accelerate progress on steel decarbonisation was gaining the most significant traction in India, and so we made the decision to use 2023 to transition our focus solely onto this country, phasing out our work in Japan and the Republic of Korea (ROK), while putting in place an ambitious plan to continue to consolidate and scale our work in India.

APRIL - MAY

We supported our partners TransitionAsia and NEXT Group to build positive international focus efforts to transition the steel sector in Japan and Korea through the placement of a op-eds in Nikkei Asia: 'G-7 summit is Kishida's best chance to move Japan to green steel' and 'POSCO needs to go green faster to keep up with global shifts'.

APRIL

Global Efficiency Intelligence (GEI) launched research - commissioned by Climate Catalyst - on Green Public Procurement (GPP) in India, Japan, and ROK. We used this evidence to drive our work on GPP and held a webinar with GEI and CDP, expanding on this research

FEBRUARY

We worked with MightyEarth/SteelWatch to host an event for civil society working on steel in Japan on the role of investor engagement in building momentum on greener steel, with presentations from Asia Investor Group on Climate Change (AIGCC), Principles for Responsible Investment (UN PRI), Australasian Centre for Corporate Responsibility (ACCR) and TransitionAsia.

MARCH

We held the first in-person meeting of the Korean Green Steel Network - a cross sectoral gathering of organisations working on steel decarbonisation in the country - with 17 participants in Seoul, ROK. Each organisation presented their steel decarbonisation work.

MAY

We successfully handed over the Korea Green Steel Network to Action Speaks Louder (ASL). This transition was supported by a key funder in the region, Tara Climate Foundation. ASL leads the network at a regional level and is supported by KFEM, a local grassroots campaigning organisation who facilitate domestic engagement.

JUNE

We hosted a strategy workshop to examine ways to promote green steel within Indian Railways. This new area of work aims to be a key leverage point to build momentum for steel decarbonisation in India.

JUNE

We published a G20 briefing, including recommendations, on unlocking green public procurement potential, authored by Climate Catalyst and The Climate Group

OCTOBER

We launched the Scrap Working Group (WG) of the India Green Steel Network (IGSN). The Scrap WG is set up to explore opportunities to enhance scrap generation from niche sectors like ship recycling in India, and links with the global shipping industry. With India's aspiration to become the largest ship recycling hub globally, a new ship recycling policy is needed to increase efficiencies and improve standards for recycling. International regulations like the IMO Hong Kong Convention prevent EU-registered ships from being sent to Indian shipyards for recycling. The Scrap WG will also work with partners in the EU to advocate for revised international regulations, which permit ships to be sent to Indian shipyards for recycling.

DECEMBER

We joined Mission Possible Partnership (MPP) and The Energy and Resources Institute (TERI) to host a COP28 side event examining steel decarbonisation in emerging economies. The event had good attendance from industry, sector experts and funders, bringing this critical topic to their attention.

DECEMBER

We hosted the first in-person meeting of the IGSN. 38 people attended, representing businesses, civil society, and other steel stakeholders, to form a common understanding of the challenges and opportunities of steel decarbonisation amongst the network's members.

END OF 2023

We had phased out our work in ROK and Japan, having met our objectives to strengthen investor engagement and increase civil society knowledge and coordination on investor engagement, and transitioned on-going work to key partners in each country. Meanwhile, the renewed momentum behind the IGSN and interest from members to work collectively on targeting scrap steel and the Indian railways, shows tremendous potential for our continued work in 2024 to reduce emissions at scale and make the Indian steel sector a global leader.

Key

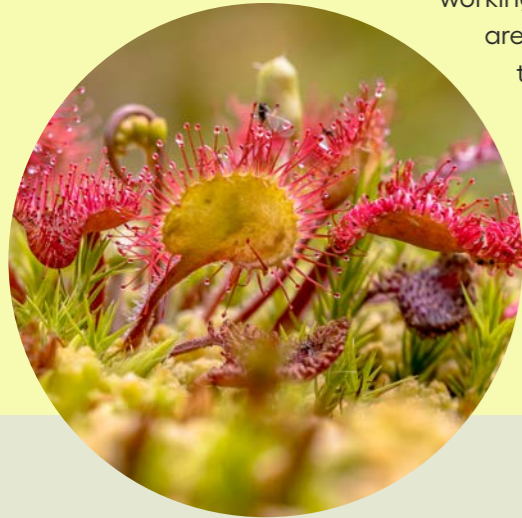
- Indian Green Steel Network
- Private sector action
- Action in Asia
- Korean Green Steel Network



Lessons from Peatlands

a. Delivering a compelling business case depends on finding the right entry point for your target audience: This is especially crucial with nascent or emerging topics. When we began our work on peatlands, we knew the business case for their protection and restoration was lacking and we set about supporting partners to build such a case. For peatlands, finding the right entry point meant looking more widely at nature and biodiversity as a starting point where business was already engaging. By starting with nature restoration, we were able to align our economic arguments on peatlands with existing language, narrative and priorities. We used this to educate our business and investor audiences on peatlands, and push them towards taking specific action. We will continue to look for the right entry points for each audience as we explore future topics.

b. The diversity and depth of our partnerships is critical to achieving impact through our work: The success of our work on peatland restoration came from working with partners with deep connections in the policy and business arenas, and the connections we were able to build between these partners to strengthen their individual efforts. By working with a strong coalition in Europe, we were able to advocate for change within the EU Parliament, while our partners' ability to tap into national-level connections and advocacy efforts tipped the balance in the final days of the discussions. Meanwhile, working with business and investor networks - and forging long-lasting relationships between these organisations and our civil society partners - allowed us to develop a coordinated approach to advocacy which proved critical



Cross programme lessons

c. Building strong analysis, partnerships and teams at national and regional level is critical to ensuring long-term success. We highlighted this in our 2022 report, and committed to experimenting with different approaches. In light of this, we have now committed to strengthening our staff capacity at national and regional level wherever we aim to achieve impact, including in India and now in Indonesia where we are scoping options for 2024 and beyond.

Lessons from Steel

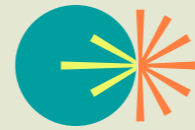
c. We need to be open-minded and agile about who we work with to achieve impact in different contexts. In India, we have made a concerted effort to ensure the diversity of members of the India Green Steel Network (IGSN) is truly representative of the steel ecosystem, bringing in organisations from the industry value chain, civil society, think tanks, investors and those looking to catalyse investment in this space. A 2024 metric for success is to increase that diversity by ensuring higher representation from industry to further boost the IGSN's impact and reach. Current IGSN members have expressed how useful it is to be connected to others they otherwise would not have met, working on different angles of the same problem.

d. Building power of existing and new partners in civil society and the private sector is essential to achieve policy impact and shifts in investment flows. We need to build power and community, in order to achieve our short term and also longer term goals. We know that the Indian steel ecosystem needs a strong network with an aligned vision in place to continue to drive strategic action domestically and internationally beyond our priority objectives. So while we are always conscious of how best to promote policy impact and shift investment flows to low-carbon solutions, we balance it with supporting and strengthening the work of existing and new partners in the space.



e. Developing a deep understanding of your audience is critical to effective communication and engagement. We explored audience research and message testing to effectively shape and direct our campaigns strategies, identifying the right narratives to drive action, and the best messengers to share our work. We know it is important to meet your stakeholders where they are at and not where you want them to be. We have significantly enhanced our ability to communicate and engage with our audiences by better understanding how they think and what motivates them. We piloted a message testing project in our peatlands programme with much success, and are employing these tools and with other forms of audience and market research for future initiatives.

OVERALL PRIORITIES FOR 2024



Our work in Climate Catalyst is to create tipping points in areas where this is needed most, to unlock rapid emissions reductions by 2030. Over the next three years our work will focus on three priority geographies - Europe, India, and Indonesia - stimulating action that will spread to other regions. In 2024 we will focus on steel and aviation, and develop a new area of work in Indonesia.

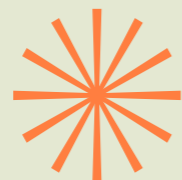
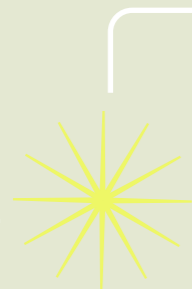
In each case we will break down silos, connect the dots for action, and bring new allies together. Our initiatives are designed to mobilise existing and new organisations in the private sector and civil society to achieve two types of impact:



Driving policy change through new commitments, legislation and effective enforcement.



Shifting investment flows towards low-emission solutions and/or away from high-emission emitting activities.



1. Steel in India:

Our work on steel in 2023 has catalysed new coalitions to achieve shifts in strategy and policy.

Our objective is: to unlock further action on steel decarbonisation in India by empowering partners through the India Green Steel Network (IGSN) to facilitate demand for low carbon steel, and increase the supply of scrap steel in India.

Our priorities are to:



Build the collective power of the India Green Steel Network to increase public and private sector ambition for steel decarbonisation in India.



Build demand for low carbon steel through the adoption of green public procurement policies by the Indian Government.



Facilitate an increase in the supply of domestic scrap steel from ship recycling, with attention to labour, environmental, and human rights concerns.

2. Aviation in Europe

Our new strategy on aviation has been scoped with leaders in the field, and we are ready for action in 2024. Air transport is responsible for 2.5% of CO2 emissions globally and could produce up to 25% by 2050 without action. Yet, the global nature of aviation sees it left out of countries' national climate goals. Our work will tackle the communications, financial, and policy barriers to tackling aviation emissions.

Our objective is to increase progress towards short and medium term reductions in aviation emissions by scaling investment into e-fuel production, while we change narratives and spur political will that lay the groundwork for policy, technology and investment enablers towards zero emission flight.

Our priorities are to:



Empower European civil society to challenge dominant industry narratives preventing regulation, in order to seed an ambitious, fair vision for the future of aviation.



Build investor engagement and ambition to scale investment into e-fuels production as a stepping stone to zero emission flight.



Accelerate zero emissions flight technology by unlocking funding and policy enablers.

3. Indonesia

Indonesia is a strategically important country, which has made significant progress in recent years in integrating climate in their growth and development. Climate Catalyst has identified it as the next country in Asia where our model could be deployed to good effect. Our in-country staff are meeting a wide range of stakeholders to deepen our understanding of progress and challenges, and identify areas where our model could be applied effectively. Our aim is to identify where there is an urgent need to accelerate action, and our value proposition and knowledge could be deployed with significant positive impact by working with a diverse range of partners.

Our objective is: to successfully scope, start and secure initial funding to apply our model to a specific issue with a strong and enthusiastic network of partners.

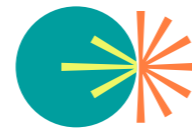
Our priorities are to:



Ensure that key climate players in the country understand and see the value in our model.



Build trust and co-create a new strategy in a specific area with clearly defined initial goals.



Our board



Céline Charveriat
Independent
Environmental



Joojin Kim
Managing Director at
Solutions for our Climate,
Republic of Korea



Amanda Leland
Executive Director
at Environmental
Defence Fund



Thomas Lingard
Global Head of Sustainability
(Environment)
at Unilever



Dr. Mukund Rajan
Chairperson at ECube
Investment Advisors



Shloka Nath
Chief Executive of the
India Climate
Collaborative



Sharan Burrow
Former Secretary-
General of International
Trade Union Congress



Bernice Lee
Hoffman Distinguished
Fellow, Chatham House



Matt Rogers
Investor and
Philanthropist



Anirban Ghosh
Head of Centre of Sustainability,
Mahindra University at Mahindra
& Mahindra Ltd



Fiona Reynolds
Independent director and advisory board
member for Environmental, social, and
governance (ESG) investing



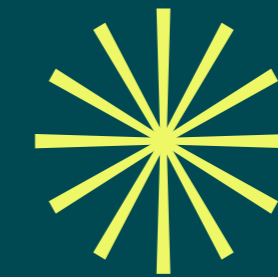
Anote Tong
Former President of
Kiribati



Pok Wei Heng
Climate Justice Design
Partner, World Economic
Forum

Our strategic council





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