

PROGRESSING TOWARDS A GREENER EUROPE

ENVIRONMENTAL DEFENSE FUND EUROPE

2023 REVIEW



PROGRESSING TOWARDS A GREENER EUROPE

Environmental Defense Fund Europe: 2023 Review

The geopolitical landscape in Europe has become ever more complex in 2023. While European leaders have been keen to try and demonstrate that they can deal with multiple international crises simultaneously, closer to home, the remaining elements in the EU's Green Deal have faced a number of challenges due to political headwinds. Nonetheless, Environmental Defense Fund (EDF) has achieved significant success in Europe over the last twelve months.

The EU's flagship Green Deal, launched in 2019, has shaped many of the policies of this Commission mandate. While several of the key pieces of legislation needed to bring the Green Deal to life have now been adopted, its progress during 2023 has been something of a rollercoaster ride, with numerous ups and downs in environmental policy making, including the weakening of some legislation. Other elements have been officially withdrawn, with the hope that the next Commission mandate will pick up the mantle to tackle areas like the sustainable food strategy, for example. Of course, even for those elements that have been adopted, the benefits will only come to life through implementation on the ground.

Working against this background of political volatility, it has become clearer than ever that leaning into EDF's combination of pragmatism and evidence-based advocacy is serving us well. During the course of this year, we refreshed our vision and strategy for our European work. We have identified three key approaches that make our work in Europe particularly impactful across our work in energy transition, transport, and food and agriculture. They are (1) our strong scientific credentials, (2) our ability to engage meaningfully with corporates and (3) our global footprint, with particular emphasis on EDF's anchor regions in the United States, China and India, in addition to Europe.

We have wasted no time in bringing our refocused vision to life and have taken advantage of moving to a new office in Brussels to position ourselves consciously to bridge the science-to-policy gap, hosting science-led conversations, for example, on soil carbon measurement and hydrogen emissions.

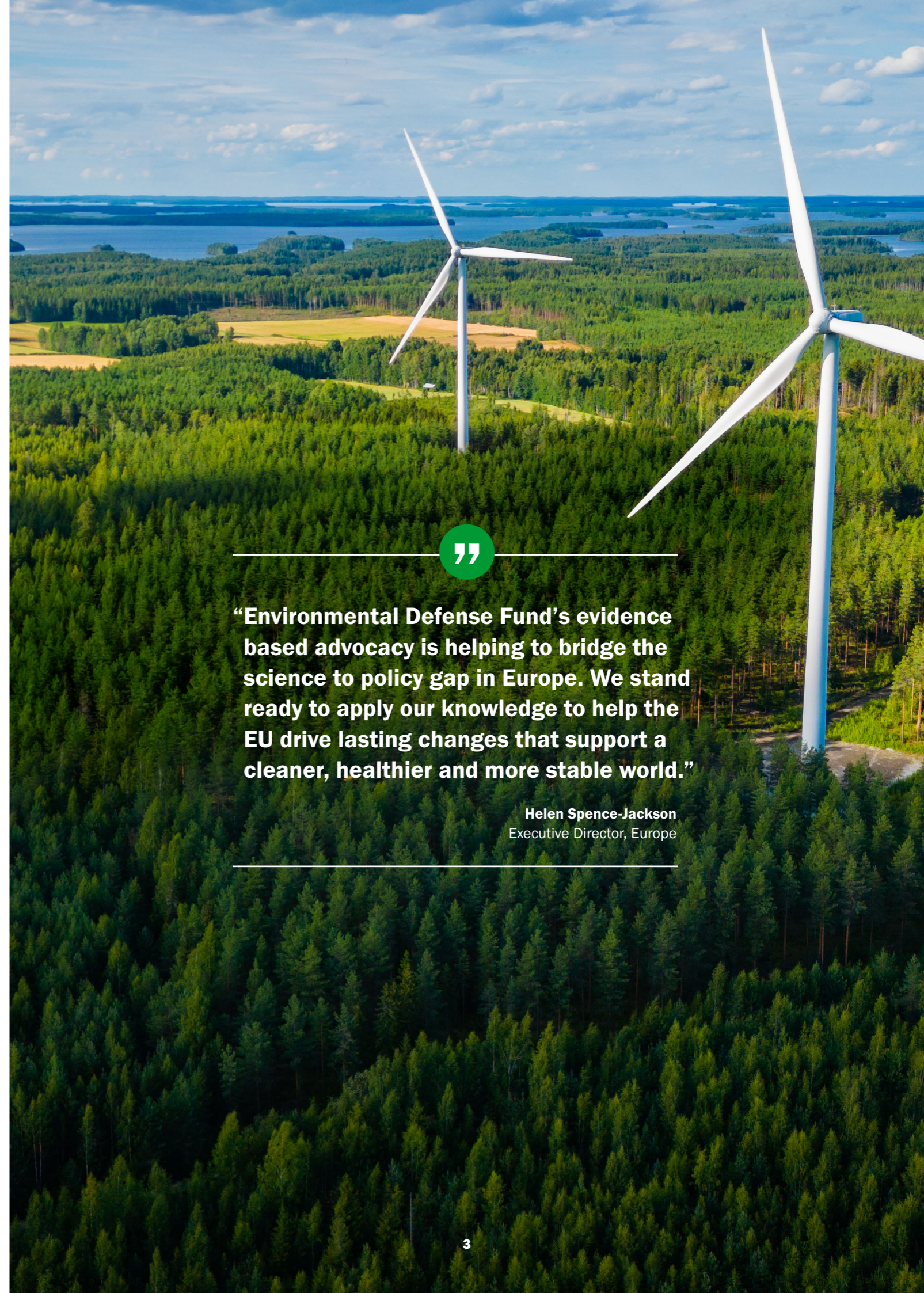
As you will see in this report, using the power of our science was a key element in several of our key success stories from the past year, including the adoption of the EU's methane regulation. We successfully proposed pragmatic, science-based solutions to meet Europe's energy security needs while also reducing methane emissions.

The end of the current EU mandate is approaching, with elections due in June 2024 and the minds of policymakers turning to the next policy-making horizon of 2040. We will, therefore, look forward to continuing to build on the valuable role that we can play in Europe to bring scientific data and evidence to decision makers—both politicians and business leaders. Helping to steer society away from investing in the wrong solutions and catalysing the EU's green transition will no doubt be key features across all our work as we step into the new year.

We will be building on a solid foundation. I'm very proud of the significant progress that the team made during 2023 and invite you to read on to find out more.



Helen Spence-Jackson
Executive Director, Europe
Environmental Defense Fund



“Environmental Defense Fund’s evidence based advocacy is helping to bridge the science to policy gap in Europe. We stand ready to apply our knowledge to help the EU drive lasting changes that support a cleaner, healthier and more stable world.”

Helen Spence-Jackson
Executive Director, Europe



REDUCING METHANE EMISSIONS

Two key facts demonstrate the importance of our focus on reducing methane emissions. Firstly, cutting methane is the fastest way to slow global warming. Secondly, the European Union is the world's largest importer of fossil fuels. The EU's proposal for a methane regulation to limit energy sector methane emissions, therefore, provided the opportunity to drive meaningful change in this space.

Working hand in hand with our scientists, EDF's team in Europe played a critical role in strengthening the draft EU methane regulation through countless direct engagements with policy makers, public events and increasingly strong relationships with other leading NGOs, both at the EU level and in member states. Our major communications campaign during the negotiation phase established EDF Europe as a trusted source of science-based policy recommendations.

After two years of negotiations, in November 2023, the European Union finally agreed on first-of-a-kind legislation to rein in methane emissions both within and beyond the EU's borders. We secured almost every ask from our detailed [policy recommendations](#).

As we look to the future, measuring progress made in methane reduction within the EU and its supplier countries will be critical. Methane-tracking technologies, including MethaneSat, will be crucial for the next stage to measure progress made on methane reduction, both within the EU and its supplier countries. We will be continuing to build on this work in the year ahead.

2023 Achievements



We ramped up campaigning efforts towards the European Parliament and the EU Council, amplifying both EDF experts' and external stakeholders' voices to push for stronger EU rules. Our campaign was widely visible in Brussels on billboards, through social media and in prominent news outlets, including [POLITICO Europe](#) and [Euractiv](#) – driving traffic to our campaign page [CutMethaneEU.org](#).



Our #CutMethaneEU campaign with the agency Fourtold drew positive attention and has been shortlisted for an award for the [European Excellence Awards 2023](#)



In addition to targeted outreach, including more than 100 policy-maker meetings, we took part in more than 20 public events with high-level participants, including Executive Vice President of the European Commission Frans Timmermans, and numerous high-level events in the European and national Parliaments. We also worked with 10 leading EU nonprofits and asked the European Parliament to push for ambitious amendments that followed our science-based policy recommendations.



On 15 November 2023, the EU methane regulation was agreed upon, with the inclusion of provisions we had advocated for over the last three years, including rules for reducing emissions from imported fossil fuels. This means that the methane regulation now has a global reach, as the EU imports about 90 percent of its fossil fuels.



GETTING HYDROGEN RIGHT

Although hydrogen is widely considered to hold great promise as a decarbonisation strategy, it creates several climate challenges, depending on how it is produced, managed and used. Our scientists have highlighted research showing that when released through venting, purging or unintended leaks, it increases the concentrations of other greenhouse gases in the atmosphere. Like methane, hydrogen's warming effects are short-lived but very potent. It is more than 35 times more powerful than carbon dioxide over the first 20 years after its release.

There remains, however, relatively limited awareness of these concerns in policy-making circles, which is particularly alarming at a time of critical regulatory and infrastructure decisions. The choices currently being made by policy makers have the potential to shape the energy system and our ability to reach climate neutrality for decades to come.

Our role during 2023 has, therefore, focused on raising awareness to make sure that we take the necessary steps in Europe to "get hydrogen right". We have worked closely with our science team to strengthen science-based advocacy in this space, helping decision makers and other stakeholders understand how to avoid policy pitfalls that might steer investment and climate neutrality efforts in the wrong direction. Our outreach has also helped to recruit European companies for our forthcoming hydrogen emissions measurement campaign. We expect to receive a newly developed hydrogen measurement sensor in Europe in 2024. This will help drive our EU hydrogen advocacy to the next level, as we will be able to deliver original, empirical research to critical decision makers in the policy, investor and business worlds.

2023 Achievements



We proactively shaped the EU debate by organising public-facing events, such as a webinar with [Euractiv](#) on hydrogen emissions featuring EDF's chief scientist and a stand at the EU Hydrogen Week (20-24 November) to showcase our work on hydrogen emissions and seek additional industrial partners for our forthcoming hydrogen measurement campaign.



We held multiple awareness-raising meetings with prominent and influential EU actors, including high-level EU policy makers such as the Cabinet of Executive Vice President of the European Commission Frans Timmermans and Jens Geier, a member of the European Parliament (MEP), as well as senior representatives and politicians from the Netherlands, Germany, Denmark and the United Kingdom.



Further to our discussions with MEPs, we secured a key amendment in the EU's hydrogen and decarbonized gas markets package, opening the window for the European Commission to evaluate the climate risk of hydrogen leakage and potentially submit a legislative proposal in the new EU mandate to introduce measures to minimise leaks.



After successfully applying for membership of the European Clean Hydrogen Alliance (ECH2A) task force on imports, we advocated for the appropriate consideration of the climate and wider environmental impacts of hydrogen. Our concerns are now referenced in the Alliance's latest report, published in December 2023.



ENHANCING OUR APPROACH TO EU TRANSPORT

While Europe has been a front runner in deploying e-mobility, EU transport emissions remain stubbornly high. Meanwhile, international transport emissions, from shipping and aviation, are projected to increase. This has made it harder for the EU to meet ambitious climate goals, as well as perpetuating bad air quality in cities across the continent.

We focus on those sectors that cannot be directly electrified, where emissions continue to grow and our scientific expertise can support balanced decision making about molecular energy carriers – for ships, aircraft and, potentially, heavy-duty vehicles. Our shipping work is well advanced; for aviation and heavy-duty vehicles, we are scoping new work.

2023 Achievements



We have made good use of our status as an official observer of the International Maritime Organization (IMO). Highlights included participating in July's climate negotiations to advocate for a significant increase in ambition aligned with the 1.5C Paris temperature goal, hosting an event to showcase green technologies and organising a call to action by fuel producers and other stakeholders to call on the IMO to adopt full life-cycle accounting principles to support the development of truly green fuel alternatives. We also participated in the IMO's Sub-Committee on the Carriage of Cargoes and Containers, where we discussed our work on the toxicity of ammonia used as shipping fuel and EDF's cutting-edge research on hydrogen leaks and global warming potential.



We published a study with researchers from CE Delft proposing a practical means of enacting emissions reductions in the EU in the short term through a climate label for shipping (also referred to as a Carbon Intensity Indicator, CII). The study showed that by requiring ships in the EU to reach grade "A" or "B", this could reduce shipping emissions by up to 30 percent. The study's findings were reported by major transport and energy outlets, including Offshore Energy and Trade Winds, and were socialised at the European Shipping Summit. A Euractiv panel event in December further explored EU opportunities for shipping decarbonisation through this shipping climate label. This work was also presented to European NGOs and to the European Sustainable Shipping Forum (ESSF), and, in August 2023, through the industry press (Bunkerspot) and social media.



In November, we published the report "[Urban freight partnerships - Why they're needed and how to ensure their success](#)". It is targeted at city officials, with the goal of laying out practical steps toward stakeholder engagement in sustainable freight delivery planning for cities. We commissioned this work, recognising the serious gap in implementation of sustainable freight strategies in European cities, despite the importance of this sector for climate mitigation and air quality. It soon became clear that this report indeed filled a gap, when city groups, including the EU Cities Mission, C40 cities, POLIS and ICLEI – Local Governments for Sustainability, shared it with their members to provide them with a practical tool. This initiative follows up our previous work on the "Sustainable Urban Freight and Zero-Emission Zones for freight" project, which concluded in 2022 with a call to scale up the practical solutions it found (<https://www.polisnetwork.eu/surf/>).



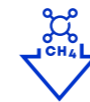
ADVANCING CLIMATE SMART AGRICULTURE

The EU policy context in this space has been challenging during 2023, with rebellion against environmental policy from the agri-food lobby and a bumpy path on food and farming elements of the EU Green Deal.

As a newcomer to this space, we have moved carefully to establish our role, while being convinced of the value that we can add to help drive change in this critical area for climate. In this complex political environment, we have the opportunity to leverage Environmental Defense Fund's DNA of bridging the space between science and policy and between science and corporate ambitions. We see our ability to engage in a positive way with the business sector as a particularly important gap to fill in this space.

We have built on the results of our 2022 multi-stakeholder workshop to start exploring solutions for reducing livestock methane emissions that balance climate action with socioeconomic considerations, such as the livelihood and sustainability of food systems. This has meant that our work focuses on promoting a holistic, systems-based approach. It seems clearer than ever that to have real impact, we need to explore win-win solutions for both farmers and the environment. Working with investors, financial institutions and intermediaries to embed sustainability in their activities is also key, along with driving towards a vision of how win-win solutions can be promoted via EU-wide policies, such as CAP-based incentives.

2023 Achievements



In January, EDF launched a [partnership with Danone](#), in which EDF will support the company to cut methane emissions in its global operations. In the EU, that includes two projects in Belgium and Spain. We are also jointly exploring solutions for financing sustainable practices, such as through blended finance.



Together with [EIT Climate-KIC](#), we kicked off the co-creation phase for the "new normal for sustainable dairy" Flagship project as part of the [Irish Deep Demonstration project](#). The aim of the project is to accelerate emission reduction and co-benefits for the environment (water, soil and biodiversity) in dairy farms by using a systems innovation approach, in which existing and new efforts will be supported to identify, test, validate and scale different combinations of actions to overcome barriers and incentivise action across multiple value chain actors in the farming sector. The co-creation phase will last until spring 2024, and, pending funding, will be followed by a multiyear implementation phase.



We launched a study in Ireland to identify pathways to increase access to private finance for methane emissions mitigation in the dairy sector. This builds on a study into funding gaps in the agriculture sector by the European Investment Bank (2019). The study uses two illustrative examples, each methane-reducing practices, to test with financial institutions in Ireland what their barriers and drivers are for granting loans to farmers.



STRENGTHENING OUR IMPACT

To strengthen our impact on our main focus areas, we undertook several pieces of work that focus on business engagement, and we have completed a scoping exercise to drive sustainable finance. We are also exploring how we can embed environmental justice principles in all our work going forward.



Circular Economy

EDF Europe contributed substantially to the global EDF +Biz '[Pathways to Net Zero: Circular Strategies for Climate Action](#)' Report, which launched in early November. This is the fourth in the Pathways series to help businesses create net zero business plans. It aims to raise awareness of the importance of circular economy and to provide practical tools and advice to incorporate circular planning into business models. In addition, we participated in the panel discussion for the launch event, highlighting regulatory developments in the circular economy space in Europe and their implications for global businesses. EDF Europe also hosted a Euractiv panel in July to promote awareness and action on the synergy between climate and circular economy policy in the EU.



Sustainable Finance

The [adoption of the European Sustainability Reporting Standards \(ESRS\)](#) by the European Commission in July 2023 marked an important milestone for corporate sustainability disclosures. EDF Europe played an important role in shaping these standards via its membership in EFRAG, the European Sustainable Financial Reporting Advisory Group. We also collaborated closely with other civil society organisations advocating to ensure that the ESRS are ambitious, comprehensive, practical and consistent with other EU legislation.

During the last quarter of 2023, EDF Europe has undertaken a strategic review of the work priorities in Sustainable Finance. Our intention is to go beyond the work on disclosures to leverage finance as a tool to accelerate Europe's transition to a sustainable economy within the agriculture, energy transition and transport sectors. This will mean holding the finance sector to account on commitments that have been made to support climate action in those sectors. It will also mean working with the finance industry and the relevant sectors to identify opportunities and solutions to financing the transition.



Environmental Justice

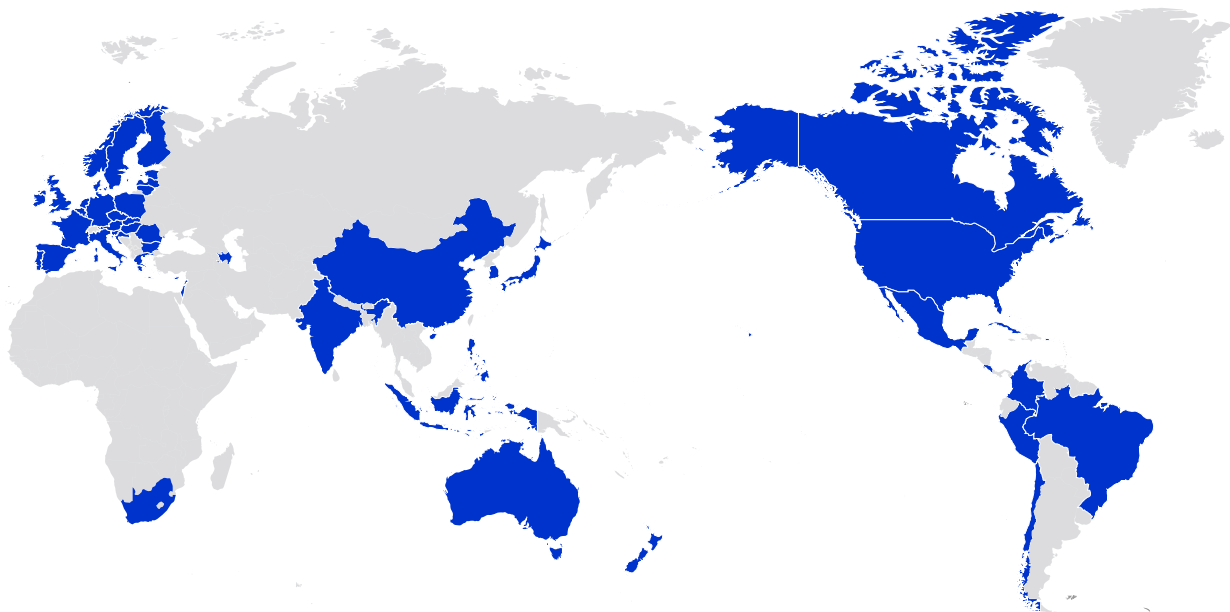
We have started a landscape assessment of environmental justice (EJ) and equity and EDF Europe's possible role in engaging in those issues. The assessment focuses on how the issue is understood in Europe, what policy exists and a stakeholder mapping. The consultancy undertaking the work will also conduct case studies in countries that we aim to engage in or that have a particular importance in understanding EJ issues in Europe: Spain, the Netherlands, Germany, Italy, Poland, Romania and Ireland.



OUTLOOK FOR 2024

The 2024 European elections will be a key moment for the future of the Union's climate policies. Many commentators point out that the EU is facing a make-or-break moment in terms of whether it is willing to pay both the financial and political costs of moving forward with decarbonisation at the speed outlined in the European Green Deal. The key question, therefore, is if the next EU mandate will continue the path – by setting appropriate 2040 targets – and whether EU Member States step up their implementation, ensuring that we remain on track for meeting the EU's carbon neutrality goals.

We stand ready to engage fully in these debates and to help drive lasting changes that support a cleaner, healthier and more stable world.



EDF'S GLOBAL PRESENCE

We have strategic initiatives and partnerships in more than 30 countries.

Environmental Defense Fund is sharply focused on addressing the climate crisis and achieving our vision of a vital Earth for everyone. We work with a wide array of partners and allies worldwide to spark innovative solutions to stabilise the climate, strengthen the ability of people and nature to thrive, and support people's health. Our staff are located in 30 countries and we most specifically focus on four geographies – Europe, India, China and the United States – which, together, produce about half of the world's climate pollution.



**Environmental
Defense
Fund**

edfeurope.org

Stichting Environmental Defense Fund Europe is a foundation registered in the Netherlands (Dutch trade registry number 72607440). On October 1st 2023, it registered a branch in Belgium (Belgian registry number 0770.948.080).

Environmental Defense Fund UK is a charitable company limited by guarantee registered in England and Wales (UK company registry number 09217493, charity registry number 1164661).

Stichting Environmental Defense Fund Europe and Environmental Defense Fund UK are collectively referred to as Environmental Defense Fund Europe.

© Copyright 2024 Environmental Defense Fund. All Rights Reserved. Environmental Defense Fund, EDF and the globe trademarks are registered and unregistered trademarks of Environmental Defense Fund, Inc in the US and around the world.

Please read more about our work at edfeurope.org

