Persistent in the Pursuit of Change

Annual report 2022
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Dear Friends and Members,

Most people can sense that the time is ripe for a paradigm shift.

We should be as ambitious as ever and unite to make this happen. As the new EU policy cycle starts in 2024, beginning with the next EU elections, our organisation will be busy collectively drafting our multi-year strategic plan.

In 2022, Finance Watch consolidated its policy leadership and impact, particularly for the following policy areas:

- **Financial Inclusion** - Protecting fragile households from predatory financial practices.

- **Public Finance** - Pushing back on the myth that resources are too scarce for Member States to invest in the needs of current and future generations.

- **Climate Risk** - Upgrading the prudential rule-book to integrate climate change’s impact on financial stability.

- **Sustainable Finance** - Redirecting capital away from socially and ecologically harmful activities and toward a sustainable economic transition.

Twelve years after its creation, our association is thriving. Our membership has grown to 111 members across 21 EU countries. The secretariat today is bigger than ever, growing by 20 per cent in 2022 with on track to grow by another 20 per cent for the coming year.

From all of Finance Watch’s staff and members throughout European civil society, thank you so much for your support.

Your faithful ally,

Benoît Lallemand
HOW FINANCE WATCH WORKS

Finance Watch was established in 2011 as an independent voice for civil society to counterbalance the financial lobby at the EU level. Finance Watch is an NGO registered in Brussels, Belgium, as a non-profit membership association (aisbl).

MISSION
The organisation’s core vision is to “make finance serve society.” Finance Watch advocates for reforms to stabilise and democratise markets, redirect capital toward public goods, and protect against systemic risks.

Finance Watch mobilises its team and members’ knowledge, energy, and expertise to challenge the financial lobby.

TEAM
Finance Watch secretariat staff includes financial experts, policy analysts, speech writers, network coordinators, editors, graphic designers, content experts, and communications specialists. The secretariat team coordinates campaigns, advocacy projects and national networks, and regularly publishes reports on regulatory issues of concern to the public.

STAKEHOLDER ENGAGEMENT
Finance Watch seeks input from civil society organisations, including experts and academics, on policy dossiers and campaigns. Finance Watch provides members with regular intelligence to aid advocacy efforts. Finance Watch invites its members to meet with policymakers and attend high-level events.

STAKEHOLDER GROUPS
Finance Watch represents civil society and the public interest through various EU-level stakeholder groups that provide policymakers and supervisors with technical input. This year, Finance Watch participated in nine expert groups under the auspices of the Commission, EBA, ESMA, EIOPA, and EFRAG:

European Commission
- Platform on Sustainable Finance
- Support to Circular Economy Financing Expert Group
- Financial Services User Group (FSUG)

European Banking Authority (EBA)
- Banking Stakeholder Group

European Securities and Markets Authority (ESMA)
- Securities and Markets Stakeholders Group
- Financial Innovation Standing Committee - Consultative Working Group (FISC CWG)

European Insurance and Occupational Pensions Authority (EIOPA)
- Insurance and Reinsurance Stakeholder Group
- Advisory Committee on Proportionality (EIOPA ACP)

European Financial Reporting Advisory Group (EFRAG)
- Sustainability Reporting Board

FINANCE WATCH
ANNUAL REPORT 2022

FUNDING
Finance Watch is a non-profit organisation funded by the European Union, membership fees, foundation grants, and private donations.

Financial statements are provided at the close of this report.
MEMBERSHIP

In 2022, Finance Watch welcomed nine new members, including seven individuals and two organisations.

Finance Watch now has 111 members in 21 European countries (18 EU Member States): Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, and the United Kingdom.

The organisation’s membership includes 66 organisations and 45 individual experts. Of these 111 members, 73 are full members, and 38 are associate members (*). Members who joined in 2022 are marked as (new).
AUSTRIA (2)
Organisations (AT)
> ASB Schuldnerberatungen
> BIG Eigentümer/-innen- und Verwaltungsgenossenschaft eG

BELGIUM (9)
Organisations (BE)
> Centre d’Appui des Services de Médiation de dettes de la Région de Bruxelles-Capitale*
> Centrale Nationale des Employés (CNE)
> Confederation of Christian Trade Unions of Belgium*
> Financité
> Rym Ayadi
> Yves Mathieu*
> Robert Thys
> André Peters*
> Greg Van Ertens

BULGARIA (1)
Individuals (BG)
> Iskra Christova-Balkanska*

CZECH REPUBLIC (1)
Organisations (CZ)
> Poradna*

DENMARK (1)
Organisations (DK)
> Foreningen Gode Penge* (new)

EUROPEAN UNION (11)
Organisations (EU)
> COFACE Families Europe *
> Austrian Federal Chamber of Labour (AK Europa)
> Bureau Européen des Unions de Consommateurs (BEUC)
> European Trade Union Confederation (ETUC)
> Heinrich-Böll-Stiftung – EU
> Housing Europe
> Oxfam International
> Transparency International EU Office (TI-EU)
> Positive Money EU*
> Age Platform*
> Greintervention asbl*

GERMANY (17)
Organisations (DE)
> Deutscher Gewerkschaftsbund (DGB)
> Dezernat Zukunft e.V.*
> MONNETA
> SÜDWIND e.V. - Institut für Ökonomie und Ökumene
> Vereinten Dienstleistungsgewerkschaft (VDEh)
> Verbraucherzentrale Bundesverband (vcvb)
> Weltwirtschaft Ökologie & Entwicklung (WEED)*
> Finanzwende Recherche
Individuals (DE)
> Markus Duscha
> Ingrid Groessl
> Christian Kellermann
> Udo Philipp
> Suleika Reiners
> Hans-Joachim Schrabe
> Nadine Strauss
> Tobias Beck* (new)

GREECE (1)
Organisations (GR)
> Union of Working Consumers of Greece (EKEE)*

INTERNATIONAL (2)
Organisations (INT)
> International Movement for Monetary Reform (IMMR)*

Individuals (INT)
> Jerry Monfant (new)

NORWAY (2)
Organisations (NO)
> Norwegian Confederation of Trade Unions (LO.NO)
> National Institute for Consumer Research (SIFO)*

POLAND (3)
Individuals (PL)
> Krzysztof Grabowski
> Maria Aluchna
> Marta Göltz

PORTUGAL (1)
Individuals (PT)
> Catarina Frade*

ROMANIA (2)
Organisations (RO)
> CREERE*
> Monica Calu

SWEDEN (2)
Organisations (SE)
> Nordic Financial Unions (NFU)
> Fredrik Tjulander*

SWITZERLAND (2)
Individuals (CH)
> Marc Chesney
> Michel Santi
FINLAND (1)
Individuals (FI)
> Richard Ahlström*

FRANCE (24)
Organisations (FR)
> Attac France
> Centre des Jeunes Dirigeants
> Confédération Générale du Travail (CGT)
> Fédération OFDT des Banques et Assurances
> Fédération des métiers de la Finance et de la Banque/CFE-CGC (FFB CFE-CGC)
> Fédération Européenne des Cadres des Établissements de Crédit (FECEC)
> Fédération Crésus*
> Institut Veblen pour les réformes économiques*
> Les Economistes Atterrés*
> Secours Catholique - Caritas France
> UNSA Banques et Assurances
> Consommation, logement et cadre de vie (CLCV)
> Fondation pour la Nature et l’Homme*
> Greenpeace France*
> Reclam Finance*
Individuals (FR)
> Dominique Perrut
> Laurence Scialom
> Yamina Tadjeddine*
> Jean Hetzel
> Christian Chavagneux
> Grégori Colin
> Rainer Geiger
> Emmanuelle Dubocage* (new)
> Philippe Pouliquen (new)

ITALY (6)
Organisations (IT)
> FABI
> FIRST Cisl
> FISAC CGIL
> Fondazione Finanza Etica
> Movimento Consumatori* (new)
Individuals (IT)
> Ivan Allegranti (new)

LUXEMBOURG (1)
Individuals (LU)
> Jean-Benoît Laithier*

NETHERLANDS (3)
Organisations (NL)
> Stichting Onderzoek Multinationale Ondernemingen (SOMO)
> National Institute for Family Finance Information (NIBUD)*
Individuals (NL)
> Anton Weenink (new)

UNITED KINGDOM (10)
Organisations (UK)
> Green Economy Coalition
> New Economics Foundation (NEF)
> Positive Money UK
> Finance Innovation Lab*
Individuals (UK)
> Freyja Theaker
> Jay Cullen
> Nicholas Dorn
> Deapa Govindarajan Driver
> Stephany Griffith-Jones
> Donald MacKenzie

Finance Watch thanked the following for their support:
UNI Europa (EU)
Baerbel Bohr (CH)
Citizens Information Board (IE)
Marcella Corsi (IT)
EKPIZO (GR)
Thomas Lines (UK)
Sandy Madar (Denmark)
Movimento Difesa del Cittadino (IT)
Novact (ES)
Observatori del Deute en la Globalització (ES)
Ludo van Oyen (NL)
TEAM

Secretariat staff members as of 31 December 2022

BENOÎT LALLEMAND
Secretary General

THIERRY PHILIPPONNAT
Chief Economist

EMILY GLANTZ
Strategic Development Officer

SAMUEL BOSSART
Head of Communications & Operations

CHRISTOPHE GILSON
Finance & Operations Officer

FARIE KRYPI
Administrative Support Assistant / Joined 2022

OPERATIONS & PROJECTS

SAMUEL BOSSART
Head of Communications & Operations

ALISON BURNS
Press Officer / Joined 2022

BEN CUZZUPE
Editorial & Communications Officer / Joined 2022

FLORINA DRAGHI
Digital Marketing Officer / Joined 2022

CAMILA DUBOIS
Graphic Designer Assistant

COMMUNICATIONS & NETWORKS

SAMUEL BOSSART
Head of Communications & Operations

ALISON BURNS
Press Officer / Joined 2022

BEN CUZZUPE
Editorial & Communications Officer / Joined 2022

FLORINA DRAGHI
Digital Marketing Officer / Joined 2022

CAMILA DUBOIS
Graphic Designer Assistant

TILL EHRRMANN
Campaigns & Communications Officer

PABLO GRANDJEAN
Communications Officer

RESEARCH AND ADVOCACY

JULIA SYMON
Head of Research & Advocacy

LUDOVIC SUTTOR-SOREL
Research & Advocacy Officer

PETER NORWOOD
Senior Research & Advocacy Officer

PAUL FOX
Research & Advocacy Officer

NIKOLAS CEIRNAERT
Research & Advocacy Officer / Joined 2022
On the Finance Watch Board sit eight directors, six of whom are full members and two of whom are independent non-members. The Board reflects a diverse demographic and geographic representation. Finance Watch thanks Rachel Oliver from Positive Money UK and Emilie Johann from Secours Catholique - Caritas France for their years of commitment to the association.

All details provided here were correct as of 31 December 2022. For details on current membership, leadership, and staff, visit the Finance Watch website.
Finance Watch published reports on overindebtedness and consumer protection in the digital retail financial services market. Finance Watch engaged with organisations, academics, activists, experts, and policymakers on issues critical to financial inclusion, such as personal insolvency, revisions to the Consumer Credit Directive (CCD), and online financial transaction protection.
In March, Finance Watch published a report entitled “Tackling causes of over-indebtedness in the EU consumer credit market.” These recommendations would bring the European Commission’s proposal in line with the Consumer Credit Directive (CCD).

Based on a mystery shopping exercise, this report highlighted the need to expand the CCD’s scope to include new unregulated consumer credit products. It also proved the need for more robust creditworthiness assessments and advertising rules to avoid over-indebtedness. The report presents the study’s findings and detailed policy recommendations for the CCD review.

In January, Finance Watch published a report entitled “From debtor prisons to being prisoners of debt.”

Finance Watch’s research found that Europe’s patchwork of insolvency frameworks offers severely limited resources to over-indebted people. The rules hinder citizens from making a fresh start when payments on personal debts strip away their agency, for example, to plan and save.

This report argues for harmonised EU consumer insolvency rules. Implementing best practices through EU-level legislation would ease the burden on families and individuals seeking debt relief.

In May, Finance Watch published a position paper on the EU Retail Investment Strategy.

Retail investors often receive bad or biased advice in a market facing rapid digitalisation, greenwashing, and overly-complex investment products.

Further improvements to this dossier would ensure citizens invest safely in capital markets. Finance Watch called upon the Commission to introduce modifications to the protection rules as part of their upcoming Retail Investment Strategy.
Europe has dealt with several humanitarian crises this year, especially in Ukraine and its neighbouring countries, leading to energy supply disruptions during an already-ongoing energy transition. Finance Watch published reports calling for the redirection of capital towards a more sustainable economy and economic framework for Europe.
The problem lies in the net
‘Making Finance Contribute to a Net Zero Economy’


The report proposes concrete policy measures to make the concept of “net-zero” meaningful to drive progress to net-zero in the real world and harness the stewardship powers of the financial sector to decarbonise the real economy.

Achieving carbon neutrality by 2050 requires replacing today’s over-optimistic focus on portfolio decarbonisation with more effective mechanisms backed by regulation, through which the financial sector can push the non-financial sector towards carbon neutrality.

A safer transition for fossil banking
In October, Finance Watch published a report entitled “A safer transition for fossil banking: Quantifying the additional capital needed to reflect the higher risks of fossil fuel exposures”

The research summarises findings for American, British, Canadian, French, German, Italian and Spanish banks, receiving coverage across European and international media. The study shows that the world’s 60 biggest banks have $1.35 trillion invested in fossil fuel assets, with capital increases needed to reflect risks, equivalent to 3-5 months of bank profits.

Applying a 150% risk weight to banks’ existing fossil fuel assets globally, as a Pillar 1 capital measure, would cushion against future losses on investments in fossil fuels.

Calling on the G20 for a #SafeTransition
In November, Finance Watch co-signed an open letter drafted and signed by more than 60 organisations, calling G20 leaders to recognise fossil fuel investments as ‘higher risk assets’ under the Basel capital framework. The Basel framework is an internationally-agreed set of principles for regulating banks.

Finance Watch and its partners urged G20 leaders to define and undertake ambitious actions to guarantee a smooth transition for the financial system by addressing the risks related to fossil fuel exposures at the G20 meeting in Bali.
Finance Watch collaborated with civil society organisations CAN and NEF, calling on the EU institutions to reform Europe’s fiscal framework for future generations. Finance Watch continued to advocate for a reinforced European economic governance framework and held briefings to educate stakeholders on the future of the Stability and Growth Pact.
MANIFESTO / MARCH 2022

For a Green, Just, and Democratic European Economy

In March, Finance Watch co-published a manifesto demanding reform to Europe's spending rules.

Signed by over 270 prominent academics, unions and civil society organisations from across Europe, the manifesto reminds EU finance ministers of the urgent need to upgrade its fiscal framework to meet 21st-century challenges.

JOINT POLICY BRIEF / JUNE 2022

From Maastricht to Paris

In June, Finance Watch and Climate Action Network (CAN Europe) co-published a policy brief titled ‘Why climate change should be considered in a reformed EU fiscal framework’. The policy brief argues that connections among climate change, debt sustainability, and the reform of the EU economic governance remain unexplored. The briefing unpacks these connections, formulating key recommendations for approaching reform of the fiscal rules.

In December, Finance Watch joined CAN Europe at the EU Commission’s headquarters in Madrid to present their findings. The event coincided with the 1992 Maastricht Treaty’s 30th anniversary and the 2010 Paris Climate Agreement’s 12th anniversary.

JOINT POLICY BRIEF / NOVEMBER 2022

Europe’s Fiscal Framework: The People’s View?

In November, Finance Watch co-published a public opinion survey conducted in March with New Economics Foundation (NEF).

The survey generated a representative dataset covering five EU countries, analysing respondents’ views on government spending cuts and the European fiscal framework. Respondents were nearly €3,000 poorer on average by household income, while governments spent €1,000 less per person on public and social services. Seventy per cent of Europeans are concerned about the impact of government spending cuts, given past experiences.
Financing Local Green Enterprises
‘Closing the funding gap for sustainable MSMEs in developing countries’

In September, Finance Watch and the Green Economy Coalition co-published a report documenting seven case studies conducted in developing countries. The report recommends facilitating financing opportunities for green small-to-medium enterprises through targeted economic reforms.

In October, Finance Watch convened a hybrid conference, “Financing local green enterprises in developing and emerging countries.”

Speakers included representatives from development finance institutions, development cooperation experts, and small-to-medium enterprises across seven developing countries.
CONSULTATION / JULY 2022

Open Finance Framework and Data Sharing in the Financial Sector

Also in July, Finance Watch responded to a consultation on the “Open Finance Framework and Data Sharing in the Financial Sector.

Finance Watch proposed strategies to regulate and supervise the emerging digital finance market.

WEBINAR / JULY 2022

The Digitalisation of Money

In July, Finance Watch held a webinar with book author Brett Scott, inviting discussion on the ongoing attempts to digitise money.

The development of the Digital Euro, in particular, presents a complex policy challenge.
Change Finance originated in 2017 as a network of non-profit organisations and activists from 67 countries across six continents. Change Finance is a civil society network with an action-oriented coalition at its core, dedicated to transforming the finance system so that it serves people and the planet.

In 2022, Change Finance mobilised on the most pressing issues faced across Europe and the world, organising to plan and rally at critical moments across the year, engaging and deepening links with climate activist groups to enhance common long-term strategic goals.

In March, Change Finance convened around the beginning of the Ukraine crisis, connecting actors across different financial regulation strands to coordinate and plan potential responses. These calls examined how civil activists could respond, particularly around the impacts the crisis would have on the financial system, the economy and energy markets.

Change Finance focused heavily on heading into spaces where grassroots activists meet to develop support for the One-for-One campaign. This campaign included attending the European Summer University of Social Movements held in Mönchengladbach, Germany, where Finance Watch and the Sunrise Project delivered a workshop on ‘fossil finance’ to activists.

In September, Change Finance attended a 350.org workshop in Berlin, presenting sustainable finance’s limitations to climate activists. It outlined why moving beyond transparency and disclosures towards allocating capital is imperative in making a real difference.

**WORKSHOP / SEPTEMBER 2022**

**Change Finance delivered a presentation during a Fossil Finance workshop of 350.org in Berlin (pictured)**

In the final quarter of 2022, Change Finance supported campaign actions around the European Parliament ECON committee vote on the Banking Package (CRR/CRD). As part of this, Change Finance engaged in One-for-One campaign activities, which sought to have the One-for-One rule as part of the broader package of prudential regulation.

Mobilisation included the development of a *Twitter Tool* to facilitate social media engagement. The tool enabled activists from SumOfUs, 350.org and Fridays for Future to contact and lobby MEPs directly on the vote. Finance Watch provided member updates, assisting with broader campaign background documents.
## FINANCIAL STATEMENT

### INCOMES

<table>
<thead>
<tr>
<th>Incomes</th>
<th>in euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own funding</td>
<td>87,350</td>
</tr>
<tr>
<td>Membership fees</td>
<td>36,630</td>
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<tr>
<td>Miscellaneous</td>
<td>31,120</td>
</tr>
<tr>
<td>Subrent</td>
<td>19,600</td>
</tr>
<tr>
<td>3rd party funding</td>
<td>1,410,741</td>
</tr>
<tr>
<td>Quadrature Climate Foundation</td>
<td>744,199</td>
</tr>
<tr>
<td>Laudes Foundation</td>
<td>206,286</td>
</tr>
<tr>
<td>European Climate Foundation</td>
<td>170,051</td>
</tr>
<tr>
<td>New Economics Foundation</td>
<td>92,237</td>
</tr>
<tr>
<td>Open Society Initiative for Europe</td>
<td>88,409</td>
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<tr>
<td>The Sunrise Project</td>
<td>64,716</td>
</tr>
<tr>
<td>Fondation Charles Léopold Mayer</td>
<td>30,000</td>
</tr>
<tr>
<td>Donations by private individuals</td>
<td>14,843</td>
</tr>
<tr>
<td><strong>EU funding</strong></td>
<td><strong>1,212,927</strong></td>
</tr>
<tr>
<td>EU DG FISMA</td>
<td>1,042,691</td>
</tr>
<tr>
<td>EU DG DEVCO</td>
<td>170,236</td>
</tr>
<tr>
<td><strong>Total incomes</strong></td>
<td><strong>2,711,018</strong></td>
</tr>
</tbody>
</table>

For 2022, total funding increased by 20 per cent (€455,855) over the previous year, boosted again by project-based funding from Quadrature Climate Foundation and Laudes Foundation.

EU funding accounts for 45 per cent of total Finance Watch income, the majority of which is provided by DG FISMA.

Non-EU funding accounts for 52 per cent of total income, a 31 per cent increase over the previous year, thanks to renewed contributions for projects related to Retail & Financial inclusion, Public Finance, and Sustainable Finance. Donations from private individuals increased by €1,078 (+8%) over the previous year.
## FINANCIAL STATEMENT

### EXPENSES

<table>
<thead>
<tr>
<th>Expenses</th>
<th>in euros</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff costs</strong>&lt;br&gt; (includes salaries, pensions and insurance)</td>
<td>1,953,732</td>
</tr>
<tr>
<td>Salary cost</td>
<td>1,773,456</td>
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<tr>
<td>Consultant salary costs</td>
<td>180,276</td>
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<tr>
<td>Representation</td>
<td>65,581</td>
</tr>
<tr>
<td>Travel costs</td>
<td>23,983</td>
</tr>
<tr>
<td>Meetings &amp; events</td>
<td>41,598</td>
</tr>
<tr>
<td><strong>Equipment &amp; supplies</strong></td>
<td>48,519</td>
</tr>
<tr>
<td><strong>External services</strong></td>
<td>169,171</td>
</tr>
<tr>
<td><strong>Operating costs</strong></td>
<td>437,450</td>
</tr>
<tr>
<td>Rent &amp; office expenses</td>
<td>186,220</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>77,671</td>
</tr>
<tr>
<td><strong>Miscellaneous costs</strong></td>
<td>149,896</td>
</tr>
<tr>
<td>Financial costs &amp; tax</td>
<td>23,663</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>2,674,453</td>
</tr>
</tbody>
</table>

In 2022, Finance Watch expenses increased by €445,715 (+20%) due to hiring new personnel and miscellaneous goods and services.

Human resource spending increased by €264,595 (+16%) over the previous year due to new hires and promotions of some personnel, an automatic two per cent indexation of salaries, and increases in consultancy hours (which the previous year had been unusually low).

External services increased due to subcontracting on communications and campaigns, including an internal re-organisation of the communications department.

Rent costs and charges increased due to increased rent for the office and a correction regarding 2021 office tax. Office expenses also increased due to increased staff and increased (post-pandemic) presence of staff at the office.

Costs related to miscellaneous goods and services increased due to project requirements and deliverables such as data storage, video production, and CRM services.

Expenses 1 January to 31 December 2022
About us

We advocate for public interest outcomes in European financial policy and regulation. We build the capacity of civil society to represent its interests, especially the views of citizens and financial services end-users. Our vision is an inclusive, fair and sustainable financial system designed around the needs of society and the planet.