



Finance Watch

Making finance serve society

2021

Making the Recovery Count by Changing Finance for the Better

Annual report 2021

finance-watch.org





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LETTER FROM THE SECRETARY GENERAL



Dear Friends and Members,

The previous year has proven that societies can radically change, even over a short time. Not for several decades has the possibility of societies breaking free from inequality and the unsustainable status-quo seemed so real.

The shock of the COVID pandemic and related lockdowns - forcing people to stay home and planes to stay grounded - proved that a drastic change in the way we produce, consume and live is possible.

Finance Watch was at the forefront of policy proposals that would have allowed Europe to Build Back Better. Sadly, governments limited their action to just fighting the fire, and failed to embrace their role as architects and rebuilding the house for long-term resilience and social well-being.

As the Maastricht rules nearly enter their third decade, the battle is still on to transform the European Economic Governance from a vector of austerity to an instrument for a social and ecological transformation of our economies.

We will continue to challenge and develop proposals for change, to build a Europe which is fairer, more sustainable and more united than ever before.

Benoît Lallemand
Secretary General

HOW FINANCE WATCH WORKS

Finance Watch is a European, non-governmental, membership organisation supported by a permanent secretariat. It was founded in 2011 and is registered in Belgium as an Association Internationale Sans But Lucratif (AISBL, Non-Profit Association).

MISSION



Making finance serve society by centering public interest at the heart of financial regulation.

VISION



A reformed financial system that creates and allocates capital for productive as well as socially and environmentally sustainable uses, through fair and open markets, in a transparent and sustainable manner, in line with needs expressed democratically and without exploiting or endangering society at large.

MEMBERS



Include non-profit organisations and expert individuals from throughout Europe. Members can have either full membership (voting) or associate membership (non-voting). Finance Watch's General Assembly of members meets at least once a year to debate and approve association priorities, budget and accounts, to elect the Board of Directors, and approve the membership of the Committee of Transparency and Independence (CTI), which safeguards its independence from the financial industry and political parties.

FUNDING



Comes entirely from its members, philanthropic foundations, public donations, and the EU. A full breakdown of funding is provided with our financial statements.

TEAM



Finance Watch staff includes financial experts, formerly of the financial sector, working closely with policy analysts, stakeholder engagement experts, graphic designers, and communications specialists. It comprises both Brussels-based full-time staff and in-house consultants. The team advocates at the European level and provides technical know-how and coordination for its civil society network.

Members receive advice and intelligence to help their advocacy efforts, as well as invitations to attend events, meet with policymakers and work on common campaigns. Finance Watch also seeks input from members on policy dossiers and campaigns. Together, Finance Watch and its members act as a counterweight to the financial sector lobby. Finance Watch represents civil society and the public interest of financial policymakers in the European Union.

REPRESENTING PUBLIC INTEREST



Finance Watch represents civil society and the public interest in a number of the stakeholder groups that policymakers and supervisors set up for technical advice.

In 2021, Finance Watch participated in the following expert groups:

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)

- ESMA Financial Innovation Standing Committee - Consultative Working Group (ESMA FISC CWG)

European Insurance and Occupational Pensions Authority (EIOPA)

- EIOPA Insurance and Reinsurance Stakeholder Group
- EIOPA Advisory Committee on Proportionality

MEMBERSHIP

Finance Watch welcomed five new members in 2021 – one individual expert and four organizations – bringing association membership to 112. They represent 20 European countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland. And the United Kingdom.

The Finance Watch membership comprises 70 organisations and 42 individual experts, of which 74 are full members and 38 are associate members ().*

AUSTRIA / 3

- > ASB Schuldnerberatungen*
- > Austrian Federal Chamber of Labour Belgium (AK Europa)
- > BfG Eigentümer/-innen- und Verwaltungsgenossenschaft eG

BELGIUM / 9

- > 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
- > Greg van Elsen
- > Rym Ayadi
- > Yves Mathieu*
- > Robert Thys
- > Andre Peters - Joined in 2021

BULGARIA / 1

- > Iskra Christova-Balkanska*

CZECH REPUBLIC / 1

- > Poradna*

DENMARK / 1

- > Sandy Madar

EUROPEAN UNION / 11

- > Families Europe (COFACE)*
- > 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)
- > UNI Europa
- > Positive Money EU*
- > Age Platform*
- > Greentervention asbl*

FRANCE / 22

- > Attac France
- > Centre des Jeunes Dirigeants
- > Confédération Générale du Travail (CGT)
- > Fédération CFDT 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)
- > Fondation 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)
- > Christian Chavagneux
- > Grégori Colin
- > Rainer Geiger
- > Dominique Perrut
- > Laurence Scialom

- > Yamina Tadjeddine*
- > Jean Hetzel
- > Fondation pour la Nature et l'Homme - joined in 2021
- > Greenpeace France - joined in 2021
- > Reclaim Finance - joined in 2021

FINLAND / 1

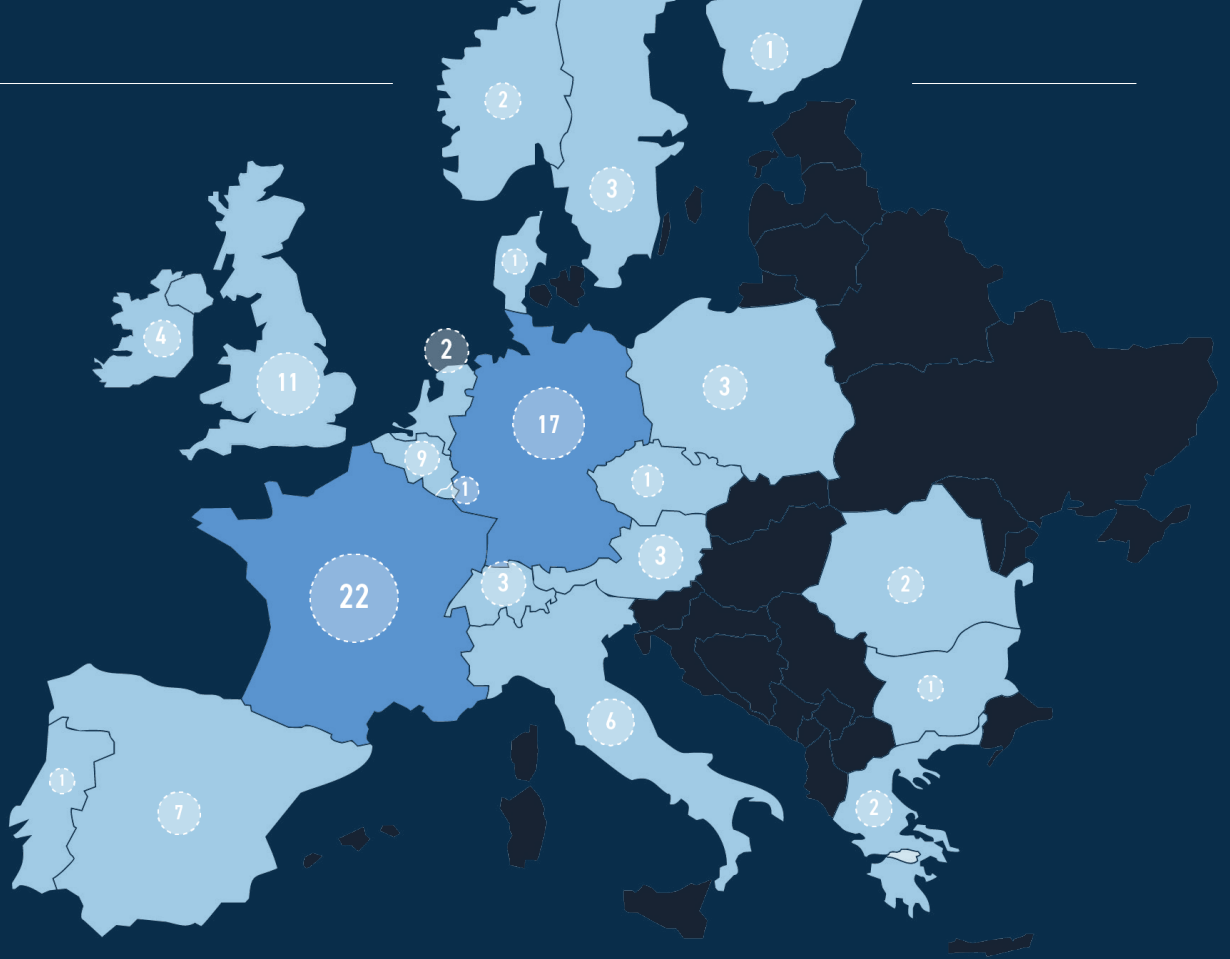
- > Richard Ahlström

GERMANY / 17

- > Deutscher Gewerkschaftsbund (DGB)
- > Dezernat Zukunft e.V.*
- > MONNETA
- > SÜDWIND e.V. - Institut für Ökonomie und Ökumene
- > Vereinte Dienstleistungsgewerkschaft (VERDI)
- > Verbraucherzentrale Bundesverband (vzbv)
- > Weltwirtschaft Ökologie & Entwicklung (WEED)
- > Finanzwende
- > Markus Duscha
- > Ingrid Groessl
- > Christian Kellermann
- > Rainer Lenz
- > Udo Philipp
- > Suleika Reiners
- > Hans-Joachim Schwabe
- > Nadine Strauss

GREECE / 2

- > EKPIZO*
- > Union of Working Consumers of Greece (EKE)*



INTERNATIONAL / 1

- > International Movement for Monetary Reform (IMMR)*

IRELAND / 4

- > Centre for Co-operative Studies - University College Cork (UCC)*
- > Citizens Information Board – joined in 2020
- > Money Advice and Budgeting Service (Dublin South) – joined in 2020
- > Stuart Stamp*

ITALY / 6

- > FABI
- > FIRST Cisl
- > FISAC CGIL
- > Fondazione Finanza Etica
- > Movimento Difesa del Cittadino (MDC)
- > Marcella Corsi*

LUXEMBOURG / 1

- > Jean-Benoît Laithier*

NETHERLANDS / 2

- > Stichting Onderzoek Multinationale Ondernemingen (SOMO)
- > National Institute for Family Finance Information (NIBUD)*

NORWAY / 2

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

POLAND / 3

- > Krzysztof Grabowski
- > Maria Aluchna
- > Marta Götz

PORTUGAL / 1

- > Catarina Frade*

ROMANIA / 2

- > Monica Calu
- > CREDERE*

SPAIN / 7

- > Asociación de Usuarios Financieros (ASUFIN)
- > Asociación de Comunidades Autofinanciadas (ACAF)*
- > Confederación Sindical de Comisiones Obreras
- > revo Prosperidad Sostenible*
- > Novact*
- > Observatori del Deute en la Globalització (ODG)*
- > Fundación Finanzas Éticas

SWEDEN / 2

- > Nordic Financial Unions (NFU)
- > Fredrik Tjulander*

SWITZERLAND / 3

- > Bärbel Bohr
- > Marc Chesney
- > Michel Santi

UNITED KINGDOM / 11

- > Green Economy Coalition
- > New Economics Foundation (nef)
- > Positive Money
- > Freyja Theaker
- > Jay Cullen
- > Nicholas Dorn
- > Deepa Govindarajan Driver
- > Stephany Griffith-Jones
- > Thomas Lines
- > Donald MacKenzie
- > Finance Innovation Lab - Joined in 2021

OTHER

- > Marek Hudon (Belgium) became an independent board member.
- > Finance Watch said “thank you” to Stefan Calvi and Paul A. Jones

TEAM

Finance Watch's Brussels secretariat operates to fulfil its mission through a collaboration of three departments: Research & Advocacy, Communications & Networks and Operations & Projects, which are also supported by consultant advisors and interns.



BENOÎT LALLEMAND
Secretary General

COMMUNICATIONS & NETWORKS



PABLO GRANDJEAN
Communications Officer



TILL EHRMANN
Campaigns & Communications Officer



CAMILA DUBOIS
Graphic Design Assistant



JAMES PIEPER
Senior Editorial & Press Officer
joined 2021



SHONAN KOTHARI
Campaigns & Communications Officer



THIERRY PHILIPPONNAT
Head of Research & Advocacy



PETER NORWOOD
Senior Research & Advocacy Officer



ALEKSANDRA PALINSKA
Senior Research & Advocacy Officer



JULIA SYMON
Senior Research & Advocacy Officer
joined 2021



PAUL FOX
Research & Advocacy Officer



LUDOVIC SUTOR-SOREL
Research & Advocacy Officer



EMILY GLANTZ
Research & Advocacy Assistant

OPERATIONS & PROJECTS



SAMUEL BOSSART
Head of Operations & Projects, and Interim Head of Communications & Networks



CHRISTOPHE GILSON
Finance & Operations Officer



GREG FORD
Senior Advisor



DUNCAN LINDO
Senior Policy Advisor



CHRISTIAN M. STIEFMÜLLER
Senior Research & Advocacy Advisor

THE COMMITTEE OF TRANSPARENCY AND INDEPENDENCE (CTI)

The Committee of Transparency and Independence (CTI) is composed of three to five members from outside the organisation. The committee advises the Board on safeguarding the independence of Finance Watch advocacy and avoiding conflicts of interest concerning membership and funding:

- JÉRÔME CAZES, CHAIR
- ROBIN JARVIS

Charlotte Geiger and Giulia Porino left Finance Watch in 2021. We thank them for their contribution.

BOARD OF DIRECTORS

The Finance Watch Board of Directors includes six full members elected from the association general assembly and two external Directors (non-members). The majority-female board reflects a diverse range of age and geographic reach.

All details about members, Board Directors, CTI and staff were correct as of 31 December 2021; all updates can be found on the [website](#)



ALEXANDRA ANDHOV
Chair
Associate Professor, Corporate Law - Faculty of Law, University of Copenhagen (Denmark)
Independent Board member



MAREK HUDON
Vice-Chair
Professor, Social and Sustainable Finance - Solvay Brussels School of Economics & Management, ULB (Belgium)
Independent Board member



RAINER GEIGER
Director
Attorney-at-law and lecturer of international economic law, University of Paris I, Pantheon-Sorbonne (France)



ANNA MARIA ROMANO
Treasurer
International Policy Coordinator
CGIL Toscana/FISAC (Italy)



NADINE STRAUSS
Director
Assistant Professor of Strategic Communication and Media Management
University of Zurich (Switzerland)



PATRICIA SUÁREZ
Director
President & Founder
ASUFIN (Spain)



RACHEL OLIVER
Director
Head of Campaigns & Organising
Positive Money (United Kingdom)



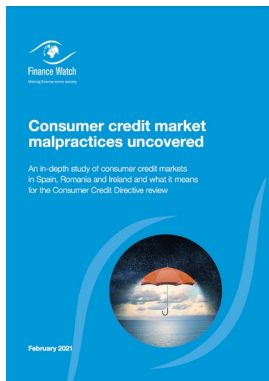
EMILIE JOHANN, DIRECTOR
Director
Advocacy Director, Secours Catholique-Caritas France
(Note: Emilie Johann replaced Erwan Malary on the Board in February 2021)

RETAIL & FINANCIAL INCLUSION

ENSURING UNIVERSAL AFFORDABLE ACCESS TO BASIC FINANCIAL SERVICES, WHILE COMBATTING OVER-INDEBTEDNESS

In Europe, access to basic financial services in the field of payments, savings, insurance and credit should be accessible for all consumers. Finance Watch and its staff have dedicated the past year to reviewing market malpractices, combatting over-indebtedness and identifying barriers to accessing finance for the most vulnerable.

CONSUMER CREDIT MARKET MALPRACTICES UNCOVERED



In February, Finance Watch published an in-depth study of the EU consumer credit market. The study was based on a mystery shopping exercise conducted in Spain, Romania and Ireland, outlining what its findings meant for the Consumer Credit Directive (CCD) review.

[The report](#) focused on identifying what are the reasons for the mis-selling of consumer credit and irresponsible lending in the EU consumer credit market. Analysis of the data collected identified many troubling malpractices by lenders which are putting consumers, in particular vulnerable groups, at risk of becoming over-indebted.

A WRINKLE IN THE PROCESS – FINANCIAL BARRIERS IN AN AGEING EU



In April, Finance Watch published a groundbreaking look at vulnerability among older people in the European Union and the barriers they face which limit their access to basic, mainstream-market financial services and products appropriate to their needs, including within the context of the COVID crisis.

[The report](#) reaffirmed the importance of older people needing access to a basic package of financial tools and services, which enable them to lead a normal social life in the society in which they belong.

In May, Finance Watch hosted a workshop related to the topic of this report. The workshop was attended by a range of stakeholders across the European Commission, taskforce members and MEPs.



SUSTAINABLE FINANCE

ORIENTING CAPITAL TOWARDS A SUSTAINABLE ECONOMY

With the global economic system bracing for an inevitable phase out of fossil fuel dependence, Finance Watch continued its cutting-edge research and front-foot advocacy in 2021.

Finance Watch advocated for changes that would have a positive effect on three fronts – severely reducing the looming risks of stranded assets and disruption which could cause another global financial crisis, limiting the approval of new fossil fuel projects and also enabling significant investment into renewables and sustainable jobs for Europe.

DOOMLOOP

Insurance Report, Letter to European Policy-makers and Stakeholders & Further Partner Engagement

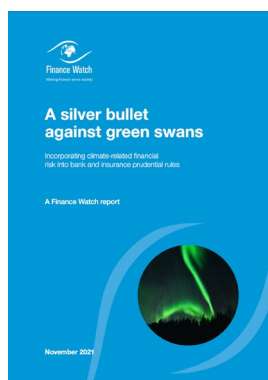
In May, Finance Watch wrote to Commission President Ursula von der Leyen and Executive President Valdis Dombrovskis regarding the climate-finance doomloop, urging them to amend the capital requirements applied to fossil fuel exposures.

In July, Finance Watch released its report 'Insuring the Uninsurable: Tackling the link between climate change and financial instability in the insurance sector', exploring the policy action required as part of the European Commission's **Renewed Sustainable Finance Strategy** to ensure insurance sector resilience to sustainability risks.

[The paper](#) argues that measures policymakers are currently focusing on, such as climate change-related scenario analyses and improved ESG disclosures, will not be effective in meeting this aim. Instead, climate change-related risks need to be integrated into the capital requirements rules of Solvency II, the prudential rulebook for insurers.

Ahead of COP 26, Finance Watch developed the joint 'One for One' campaign, co-signing an open letter in October, addressed policymakers in the United States, European Union and the United Kingdom.

INCORPORATING CLIMATE RISK INTO PRUDENTIAL RULES



In November, Finance Watch delivered its report 'A 'silver bullet' against Green Swans'.

[The paper](#) explored a wide array of prudential measures to tackle climate-related financial risk, concluding that a climate-driven financial crisis can be thwarted if climate-related financial risks get inserted 'without delay' into EU bank and insurance prudential capital rules.

SUSTAINABLE CORPORATE GOVERNANCE INITIATIVES

In June, Finance Watch signed a [joint policy briefing](#) which laid out proposals to mainstream sustainability into corporate governance.

Responding to recent initiatives by the European Commission, a coalition of NGOs active in corporate sustainability and sustainable finance published the briefing, with key recommendations to help clarify directors' responsibilities to oversee sustainability targets under existing European laws. Workshops were also held among Finance Watch members and other stakeholders to better refine these recommendations.



FISCAL POLICY

REFORMING EUROPE'S FISCAL FRAMEWORK TO CREATE A FAIRER AND MORE STABLE ECONOMIC SYSTEM

As the Maastricht Treaty approaches its third decade, Finance Watch dedicated substantial resources in 2021 to reviewing on-hold debt rules and advocating for their reform. Such reforms could unlock the transition to a greener and fairer economy for all Europeans. A diverse array of civil society organisations have joined with Finance Watch to advocate for much-needed reform and more sustainable recovery.

RETHINK THE RECOVERY

In February, Finance Watch spearheaded a new coalition, named [Rethink the Recovery](#), calling on Finance Ministers to revise spending plans and reforms in order to prioritise the urgently needed green transition to a sustainable economy with improved living standards.

Rethink the Recovery has brought together a pan-European coalition of non-profit organisations, trade unions and think tanks, including the European Trade Union Confederation (ETUC), Greenpeace and the European Youth Forum (EYF). In April, this civil society coalition demanded its members have a voice leading up to the submission of National Recovery and Resilience plans to the European Commission.

FISCAL MATTERS - FINANCE WATCH CO-HOSTS A WEEK OF EVENTS

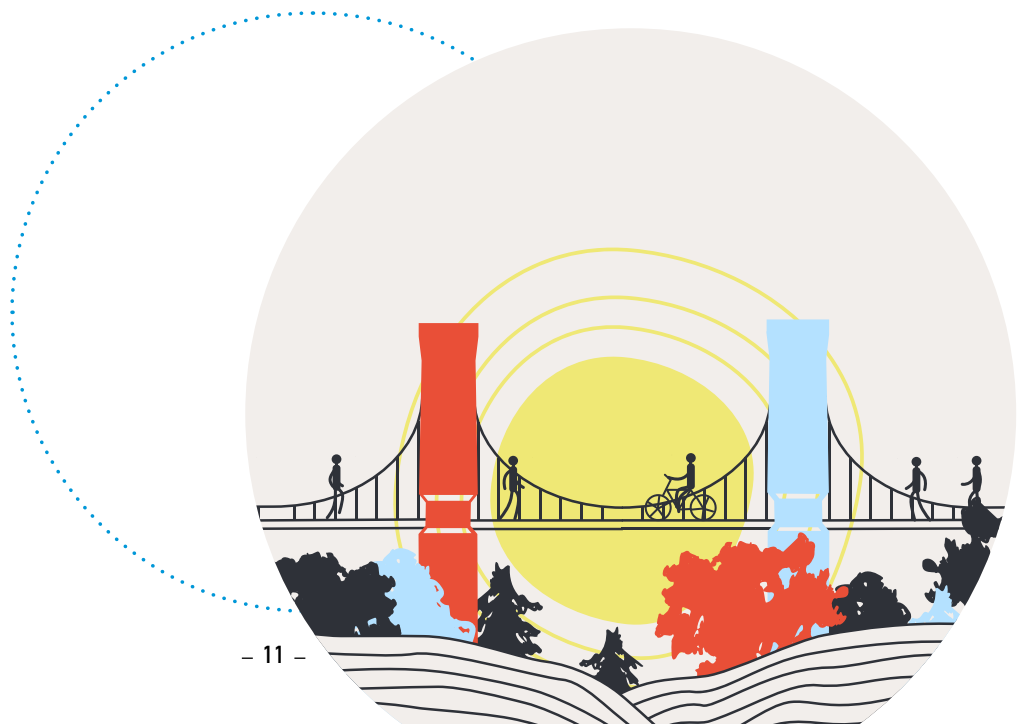
In the final week of September, Finance Watch co-hosted a [Fiscal Matters](#) week of debates on EU fiscal policy, with 22 online events attracting over 800 participants. High profile speakers included Joseph Stiglitz, Marianna Mazzucato, Paschal Donohoe, Marco Buti and many more.

Fiscal Matters continues to bring together civil society organisations, think tanks and trade unions - including the European Trade Union Confederation, the European Environmental Bureau, the European Youth Forum, Climate Action Network Europe, Finance Watch, New Economics Foundation, Greentervention, Sustainable Finance Lab, and the ZOE Institute for Future-fit Economies.

RESHAPING THE EU'S FISCAL FRAMEWORK FOR SUSTAINABLE RECOVERY

In December, Finance Watch responded to the [European Commission's public consultation](#) on the review of the European economic governance framework. This publication came up with a range of key reform proposals, which were squarely aimed at creating fairer debt rules and enhancing stability within the monetary union.

Finance Watch engaged in substantial research and advocacy across 2021 regarding the EU's fiscal framework and the need for reform.



OTHER FINANCE WATCH INITIATIVES - DEVELOPMENT FINANCE AND DIGITAL FINANCE

Finance Watch is now researching opportunities for the European Union to work with partners in developing economies.

DEVELOPMENT FINANCE

- Early research and workshops began in late 2021 to assess what opportunities are available to the EU in engaging with nations across Africa, Asia, South America and the Middle East, in order to help create sustainable growth industries in emerging economies.
- Considering challenges such as climate change and the flow-on effects on agriculture, industry and energy, Finance Watch in 2022 will focus on developing positions and working with members and partners, in order to ensure the EU has an equitable fiscal strategy to foster global growth.

DIGITAL FINANCE

- In October, Finance Watch published a new [report](#) and analysis of policy proposals by the European Commission to regulate and supervise the fast-emerging market of digital finance.
- This report welcomed the Commission's initiative and explored the proposed regulations across crypto-assets (MiCA), digital operational resilience (DORA) and market infrastructures based on Distributed Ledger Technology (DLT Pilot).
- In 2022, Finance Watch will continue policy research into high-tech financial products and services, such as cryptocurrencies and electronic wallets, as these controversial technologies pose a range of challenges for policymakers and EU legislation.



CHANGE FINANCE: A COALITION GROWING STRONGER WITH AGE

Change Finance originated as a network of non-profit organisations and activists from more than 67 countries and 6 continents.

Throughout 2021, Finance Watch continued its close work with coalition partners, assisting and leading a broader effort to campaign for finance to serve people and the planet.

In January 2021, Change Finance sent an [open letter](#) to the European Commission and Mairead McGuinness, the EU Finance Commissioner, requesting that the upcoming Renewed Sustainable Finance Strategy includes an ambitious agenda for creating an EU classification system (taxonomy) of activities

that harm the climate and the environment.

In July, Change Finance demanded strong instruments and laws to achieve necessary change, amid an environment of financial corporations and resourceful lobby groups seeking to water down any sustainable finance measures.

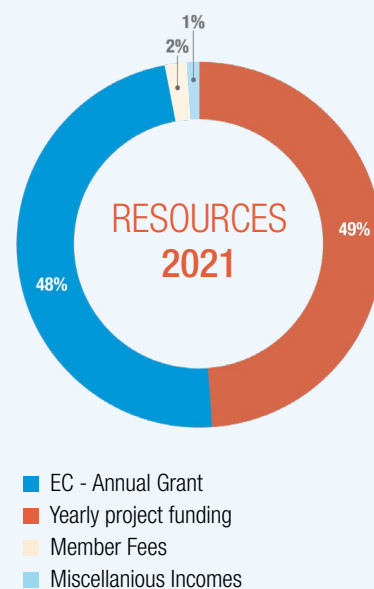
In August 2021, Change Finance mobilised to challenge an advisory report authored by asset manager BlackRock and intended to assist in the development of the EU's Sustainable Finance Strategy. Blackrock's report mainly focused on data, disclosure and guidance, pushing the Commission to sideline swift, strict and mandatory measures.



FINANCIAL STATEMENT

Resources and expenses 1 January to 31 December 2021

Resources 2021	in euros
Own funding	66,242
Membership fees	46,745
Subrent	18,600
3rd party funding	1,074,111
Fondation Charles Léopold Mayer	30,000
European Climate Foundation	58,134
Open Society Foundation	162,518
Climateworks Foundation	36,333
Laudes Foundation	187,192
New Economics Foundation	75,798
Quadrature Climate Foundation	504,071
Friedrich-Ebert-Stiftung	6,300
Donations by private individuals	13,765
EU funding	1,114,810
EU DG DEVCO	33,641
EU DG FISMA	1,081,169
Total resources	2,255,163

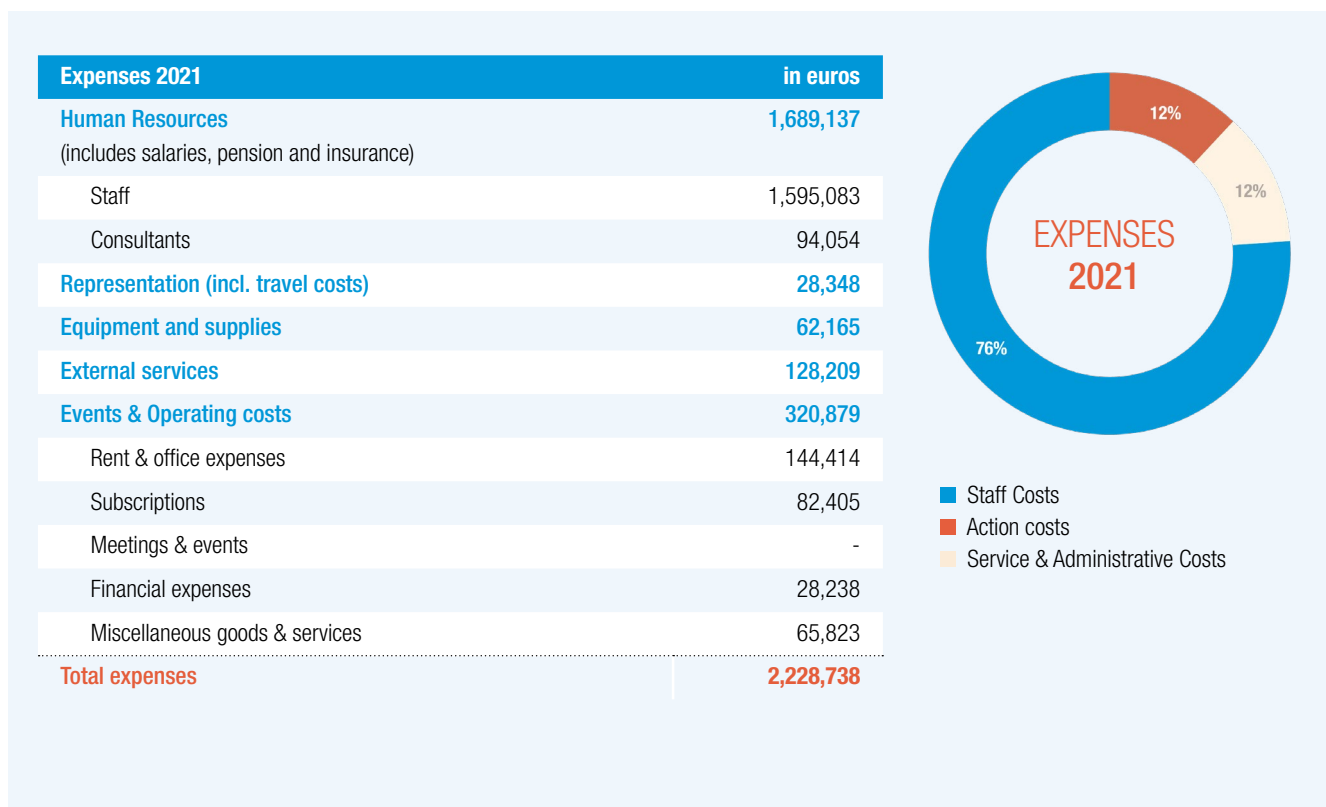


Finance Watch resources in 2021 were 21.5% higher than in 2020.

The European funding represented 47.9% of the total resources, while donations from private individuals decreased by 14%.

In 2021, Finance Watch welcomed a new first-time funder, Quadrature Climate Foundation. Their generous support allowed for a significant increase in resources over the previous year.

Finance Watch funding partners otherwise remained the same as the previous year, including support from the Laudes Foundation, New Economics Foundation, Open Society Foundation, ClimateWorks Foundation, European Climate Foundation, Friedrich-Ebert-Stiftung, and Fondation Charles Mayer Pour le Progrès de l'Homme.



In 2021, Finance Watch increased its budget while diversifying its funding sources, by onboarding 11 new donors compared to 2020.

Expenses increased in line with expectations, mostly due to increased investment in dedicated staff and other vital external services.

Human resources expenses were higher this year than the previous year. Finance Watch added two new full-time staff, while reducing consultancy hours.

The result for the year 2021 is an **accounting surplus of €26,425**.



Finance Watch

Making finance serve society

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.

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