NGOs FOR SALE
ONGs À VENDRE
How the US super-rich influence EU climate and energy policy
Introduction

The EU “energy transition” will see enormous change in response to the climate challenge. The proposed expansion of renewables will need to be balanced by secure generation from conventional sources. Coal will play an important role: moderating the cost of transition while ensuring security of supply. However, well-targeted campaigns by non-governmental organisations (NGOs) promote an energy mix without coal. They use every imaginable argument against coal, often twisting the truth and playing on irrational fears. This report examines who is behind these NGOs and their campaigns. We find that a wave of money is flooding into the EU policy space, a wave that the few donors hope will influence policy and favour their own preferred solutions, whatever the cost to consumers. This is a story about money and power.

EURACOAL does not question climate change and the need to act. What we do question is the efficiency of the measures proposed. We want to expose the funders behind the public campaigns that are portrayed as grass-roots movements, but are in fact well-orchestrated by a small number of super-rich individuals who see democracy as an obstacle to climate action.

This report focuses on one organisation – the European Climate Foundation – because it sits at the centre of a complex web of NGOs who together command significant influence with European governments and the European Commission. With its enormous spending power, the European Climate Foundation has been able to direct a massive campaign by apparently independent actors, but who are in fact puppets of the Foundation and its rich US sponsors.
The European Climate Foundation

The European Climate Foundation is one of the largest European NGOs, operating under Dutch law, with offices in Brussels, The Hague, Berlin, London and Warsaw. The organisation aims to promote energy and climate policies that greatly reduce Europe’s greenhouse gas (GHG) emissions. It views the EU energy transition as experimental.

Since it was established in early 2008, the European Climate Foundation has been supported by the Climate-Works Foundation, a US organisation that funds climate action initiatives all over the world (CWF, 2011, p.32). The European Climate Foundation maintains close links with the ClimateWorks Foundation, being described by ClimateWorks as their “Regional Climate Foundation in Europe” (ibid.) and is part of the ClimateWorks “Regranting Network” (ECF, 2014, p.36).

The European Climate Foundation has a large budget: about €21 million in 2011 (ECF, 2012, p.6), growing to more than €26 million in 2013 (ECF, 2014, p.42). Unusually for an NGO, the European Climate Foundation does not publish details of its funding: annual reports present only “core funders”, with no information on how much each pays to the Foundation.

The European Climate Foundation has appointed several notable fellows:

- **Princess Laurentien van Oranje-Nassau**, wife of Prince Constantijn and sister-in-law of King Willem-Alexander and Queen Máxima of the Netherlands;
- **Bert Metz**, former Co-chair of the Intergovernmental Panel on Climate Change Working Group III on the mitigation of climate change for the third and fourth IPCC assessment reports;
- **John Ashton**, former Special Representative for Climate Change at the UK Foreign and Commonwealth Office from 2006 until 2012; and
- **Julian Popov**, former Environment Minister of Bulgaria.

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**Europe as a Laboratory for the World**

We view Europe as a laboratory for the world on how to handle the transformation from a high-carbon to a low-carbon economy. Overall we believe that Europe is in a privileged position to demonstrate the feasibility of decarbonisation without sacrificing prosperity. This has been verified in multiple studies, not least in the ECF’s Roadmap 2050 and Power Perspectives 2030 analyses.

Based on our experience to date, we have learned that policymakers tend to see coalitions combining stakeholders from business and civil society as most valuable, since they transcend the typical polarisation of lobbying by business groups and single-cause advocacy by civil society groups.

As we monitor implementation of policies, we pay special attention to investment flows. The ECF cannot directly influence the availability of private finance or the development of technologies. However, both benefit from policy interventions as investors seek stable policy frameworks as a context for their decisions.

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**Associations**

- Coolproducts for a Coolplanet Coalition (BE) / European Environmental Citizens’ Organisation for Standardisation (BE) / Coalition France pour l’Efficacité Énergétique (FR) / Coalition for Energy Savings (BE)

**Websites**

- Coolproducts / European Environmental Citizens’ Organisation for Standardisation / Coalition France pour l’Efficacité Énergétique / Coalition for Energy Savings

**Campaigns**

- The Unpaid Health Bill: how coal power plants make us sick (HEAL)

**Surveys**

- EURACOAL_Fake_Philanthropy_v5_Euracoal

**Publications**

- Monique Tandjirou et al. / Climate Change and Energy / The Energy Research Unit (UK)

**Support/ sponsored events**

- Joint events for COPs and workshops

**NGOs**

- Arosa Energienettt (DE) / CarbonBrief (BE) / Climate Action Tracker (BE) / Climate Policy Tracker (BE) / Klimataften (SE) / Low Emission Poland 2050 (PL) / Roadmap 2050 (BE) / Sandbag (UK) / WWF Europe (BE) / Health and Environment Alliance (BE) / ClimateEarth (BE) / Carbon Tracker (BE) / Partners of the Earth Europe (BE) / Climate Action Network Europe (BE) / European Environmental Bureau (BE) / Transport & Environment (BE) / The International Council on Clean Transportation (US) / E3G (UK) / Institute for Environmental Economics (PL) / DENEFF (DE) / Energy Bill Revolution (UK)

**Figure 1 – Who’s paid by the European Climate Foundation?**
Consultancies
- PwC (BE) / CDP (US) / CE Delft (NL) / McLaren Environmental (UK) / EnergieKlub (HU) / ECOFYS (NL) / Economist Intelligence Unit (UK) / Cambridge Econometrics (UK) / Ricardo-AEA (UK)

Publications
- European Climate Foundation
- EURACOAL_Fake Philantropy_v5_Euracoal 8/10/15 12:50 Page 5

Orchestrated events
- Academia
  - LSE Grantham Research Institute (UK) / Cambridge Judge Business School (UK) / The Regional Centre for Energy Policy Research (REKK) - Corvinus University Budapest (HU)

Websites
- Buildings Performance Institute Europe (BE) / Center for Clean Air Policy (US) / Regulatory Assistance Project (BE)
Most of the European Climate Foundation’s own funding is re-granted to other NGOs, think tanks, consultancies, website hosts, bloggers, event organisers and climate activists. In this way, the European Climate Foundation creates the illusion of a mass rally in support of climate action. While protecting the environment is a noble goal, and many grass-roots NGOs do good work, the European Climate Foundation pushes its particular agenda in ways that are less than transparent. The Foundation operates more as a lobbying agency rather than a non-governmental organisation. The questions then are what service does the European Climate Foundation provide, to whom and for what purpose?

The European Climate Foundation’s strategic priorities are clear and well-developed. Its number one objective is to, “craft robust narratives … to guide the transition to a low-carbon economy” (ECF, 2014, p.8). The priority task is not then to protect the environment, but to create a particular type of economy, regardless of cost. Another objective is, “developing ambitious cross-sector European policy frameworks for driving this transition in the EU and for encouraging appropriate international aspirations” (ibid.). While this objective appears aligned with EU policy, the European Climate Foundation admits that it views Europe as a laboratory for the world.

Finally, another objective of the European Climate Foundation is, “limiting fossil-fuel emissions in the EU and neighbouring countries” (ibid.). In practice, the European Climate Foundation has chosen to fight against one of the few reliable energy sources in Europe – coal. Most of the Foundation’s funding is targeted towards its “Power Programme” and its “EU Climate Policies and Low-Carbon Economy Programme”, where, using grants, the European Climate Foundation pays think tanks and NGOs to report and campaign against coal in Europe. Who benefits from the lobbying services that the European Climate Foundation buys from NGOs and others?

### Funding sources and disbursements

The number of European Climate Foundation grantees is remarkable. In 2011, €14.2 million, out of a total budget of €21.4 million, was disbursed to 74 grantees (ECF, 2012, p.6). In 2012, the European Climate Foundation sponsored 102 grantees with 181 grants (ECF, 2013b, p.5). In 2013, the grantee budget increased to €15.3 million, out of a total budget of €26.5 million, providing 150 grantees with 239 grants (ECF, 2014, p.42).

Many NGOs struggle on limited funding, but not the European Climate Foundation which paid its CEO €299 856 in 2014 (ECF, 2015a).

*Figure 2 – Total annual budget of the European Climate Foundation and number of grantees*

21.440 m€ (2011) 74 grantees  
25.055 m€ (2012) 102 grantees  
26.495 m€ (2013) 150 grantees

Through the European Climate Foundation, a small number of wealthy donors buy a service from a large number of NGOs, a service that promotes a particular ideology. The entities shown in Figure 1 were all supported or commissioned by the European Climate Foundation in 2013 (ECF, 2014).
Who are the six donors?

The European Climate Foundation does not publish details of the donations it receives or of the sums it pays to grantees. According to its Annual Report 2013, there are six core funders: Children’s Investment Fund Foundation (UK), Nationale Postcode Loterij (NL), Velux Fonden (DK), Oak Foundation (CH), McCall MacBain Foundation (CH) and, the biggest funder, ClimateWorks Foundation (US).

Children’s Investment Fund Foundation
The Children’s Investment Fund Foundation has around $4 billion in assets managed by The Children’s Investment Fund Management Ltd. (CIFF, 2014, pp.20-21) – a UK hedge fund that invests aggressively in, “businesses with sustainable competitive advantages” (TCI, 2015). After taking a stake in Coal India Ltd., the fund sued the Government of India over its restrictive coal price controls (Reuters, 2012; FT, 2014). The European Climate Foundation received $25.6 million from the Children’s Investment Fund Foundation over a five-year period starting in 2011 (CIFF, 2015).

Nationale Postcode Loterij
Nationale Postcode Loterij’s mission statement is, “to support organisations working on a fairer, greener world” (NPL, 2015a). The Postcode Lottery aims to support charities with broad public support and public recognition, preferably initiatives that have emerged in civil society. According to its annual reports, the Postcode Lottery has given €500 000 each year to the European Climate Foundation since 2010 (€2.5 million in total to 2015) (NPL 2014, pp.58-59; NPL, 2015b).

Velux Fonden
Velux Fonden, with assets of DKK 2 648 million (about €355 million) was established by the founder of the Velux Group, Villum Kann Rasmussen (Velux Foundations, 2015, p.17). The Group lobbies in Brussels for tougher energy efficiency standards for buildings and hence a bigger market for Velux windows. Since 2008, when the European Climate Foundation was founded, the Velux Fonden have twice supported the European Climate Foundation. In 2011, the Villum Foundation, a sister of the Velux Foundation, gave DKK 3 750 000 (about €500 000) to the European Climate Foundation for “Higher Energy Efficiency Standards in Poland” (Velux Foundations, 2011, p.2) and, in 2012, DKK 22 360 072 (about €3 million) to “Strategically Address Climate Change Issues” (Velux Foundations, 2013, p.30).

Oak Foundation
The Oak Foundation was founded by Alan Parker and started a substantive programme of annual grant making in the early 1990s (Oak Foundation, 2015a). The Oak Foundation’s capital originated from Mr. Parker’s interest in Duty Free Shoppers which grew out of lucrative concessions, including one awarded by the US government for duty free sales in Hawaii. Oak Foundation funding to the European Climate Foundation has gradually increased over the years, from $1 009 234 (about €0.7 million) in 2008, peaking at $6 825 710 (about €5.3 million) in 2012 (Oak Foundation, 2015b).

Figure 3 – Grants made by the Oak Foundation to the European Climate Foundation

0.7 m€ 2008
1.23 m€ 2009
2.1 m€ 2011
5.3 m€ 2012
3.95 m€ 2013
0.38 m€ 2014
McCall MacBain Foundation

The McCall MacBain Foundation is a grant-making organisation set up by John and Marcy McCall MacBain, following the sale of Trader Classified Media, a Canadian company specialised in classified advertising. John McCall MacBain is also the founder of Pamoja Capital SA, the Foundation’s investment arm. This fund, “adopts innovative structures designed to closely align its interests with those of its co-investors and management” (Pamoja Capital, 2015). Pamoja Capital’s website mentions, “global investments across a number of industry sectors, including education, life sciences, information technology, real estate and media and communications” (ibid.). A report from OPIC, the US government’s development finance institution, shows that Pamoja Capital is an investor in renewable energy projects (OPIC, 2012). The McCall MacBain Foundation sponsored the European Climate Foundation in 2008 and 2012, but the actual sums are not reported (McCall MacBain Foundation, 2015).

ClimateWorks Foundation

The ClimateWorks Foundation is a behemoth, with total net assets of about $212 million at the beginning of 2013. This US foundation granted about $143 million in 2013 and grants about $25 million per year to European recipients, according to its statutory income tax forms submitted to the US government (Form 990).

The core funders of the ClimateWorks Foundation are the William and Flora Hewlett Foundation, the David and Lucile Packard Foundation, KR Foundation, the John D. and Catherine T. MacArthur Foundation and the Oak Foundation (CWF, 2015). The Hewlett Foundation made a five-year, $100 million annual commitment to ClimateWorks, beginning in 2008 (Hewlett Foundation, 2015a), although this does not appear in the Hewlett Foundation grants database. In 2015, according to the same database, the ClimateWorks Foundation received $3.7 million (Hewlett Foundation, 2015b). In addition, the Hewlett Foundation separately sponsors the European Climate Foundation; these direct grants increased sharply to $0.9 million in 2014 (ibid).

The Packard Foundation sponsored the ClimateWorks Foundation with a $66.1 million grant in 2014 (Packard Foundation, 2015).
Finally, the Oak Foundation, which also directly sponsors the European Climate Foundation, was a relatively small contributor to ClimateWorks, at least until 2014 when it suddenly ramped up its funding to $77 million (Oak Foundation, 2015b).

The McKnight Foundation has contributed as well in some years ($16 million in 2008, $26 million in 2010 and $1 million in 2013) (McKnight Foundation, 2015).

Figure 5 – Packard Foundation funding to ClimateWorks

Figure 6 – Oak Foundation funding to ClimateWorks
ClimateWorks Foundation does not make its annual reports easily available, but some can be found in web archives and show that ClimateWorks Foundation funded the European Climate Foundation with $13,632,557 in 2011 (CWF, 2011, p.46). Adding the “Climate policy, global initiatives, and research” section, where the European Climate Foundation received a further $2,190,000 to support global climate policy initiatives and diplomacy, and to track, assess and compare national carbon mitigation actions (ibid., p.51), $775,000 to support the Deutsche Umwelthilfe “Soot-Free for the Climate” European diesel filter campaign (ibid., p.52) and $600,000 to support the CarbonBrief.org website and communications on the Intergovernmental Panel on Climate Change (ibid., p.53), gave a total of $17.2 million in 2011.

**Figure 7 – European Climate Foundation donors in 2011, € million (own estimates based on annual reports)**

![Figure 7 - European Climate Foundation donors in 2011, € million (own estimates based on annual reports)](image-url)
Examples of lobbying funded by the European Climate Foundation

The European Climate Foundation sponsors consultants that work under contract to the European Commission, as well as numerous NGOs that are represented on Commission working groups and respond to public consultations.

- For example, Ecofys, a Dutch consultancy, undertakes studies for DG Energy (European Commission, 2014a) and was commissioned by the European Climate Foundation to write two reports, “2030 Resolution could achieve emissions reductions of up to 54%” and “Energy efficiency can reduce German dependence on Russian gas by 50%” (ECF, 2015b, p.38).

- CE Delft, another Dutch contractor to the Commission (CE Delft, 2015), was supported by the European Climate Foundation in 2014 to prepare a “Review of the impact assessment for a 2030 climate and energy policy framework” (ECF, 2015b, p.38) and in 2013 for a report on “Carbon leakage and the future of the EU ETS market” (ECF, 2014, p.43).

- Triple E Consulting was commissioned by the European Commission to review the CCS Directive and carries out commissioned studies for the European Climate Foundation (ECF, 2014, p.15).

- Ernst & Young was also a recipient of European Climate Foundation funding for a report on the “Macroeconomic impacts of the low-carbon transition” (ECF, 2015b, p.38).

- The European Environment Bureau (EEB) claims to represent civil society in Commission consultations and has been supported for many years by the European Climate Foundation (ECF, 2012; ECF, 2014; ECF, 2015b). E3G also claims to represent civil society in public consultations and benefits from direct grant funding from the European Climate Foundation (ECF 2012; ECF, 2013b; ECF, 2014; ECF, 2015b).

- The Climate and Development Network; the Center for Clean Air Policy; the Building Performance Institute Europe; and the renowned Potsdam Institute for Climate Research have all been funded by the European Climate Foundation. The Coalition for Energy or Coolproducts for a Coolplanet Coalition is funded by European Climate Foundation grants and its members also receive grants (ECF, 2014).

- The Carbon Brief website (www.carbonbrief.org), the Nauka o Klimacie website (naukaoklimacie.pl) and the Klimafakten website (www.klimafakten.de) are all supported by the European Climate Foundation to deliver “facts” about climate and energy in the media (ECF, 2015b).

- Climate Action Tracker is an “independent”, “science-based” assessment to track the emission commitments and actions of countries, supported by the European Climate Foundation (ECF 2014, p.26 & p.44).

- CEE Bankwatch Network has for many years been sponsored by the European Climate Foundation to lobby the European Investment Bank (EIB) to stop its funding of new coal plants (ECF, 2012; ECF, 2013b; ECF, 2014).

- In the UK, the European Climate Foundation supports Sandbag (ECF, 2012; ECF, 2013b; ECF, 2014; ECF, 2015b), an organisation set up by and still led by Baroness Worthington who sits in the House of Lords, the upper chamber of the UK parliament (Sandbag, 2010). She helped draft the UK Climate Change Act 2008 and sits on the government’s influential Climate Change Committee which oversees implementation of the act.

- The European Climate Foundation has also funded the British chapter of 350.org which supports climate activists, including those involved in civil disobedience, under the leadership of US environmentalist, Bill McKibben (ECF, 2014).
Studies from the **Health and Environment Alliance** (HEAL) ("The Unpaid Health Bill: how coal power plants make us sick"), Sandbag ("Europe’s Failure to Tackle Coal: risks for the EU low-carbon transition"), Friends of the Earth Europe ("Dirty Deals – how trade talks threaten to undermine EU climate policies"), WWF Europe, CAN Europe, EEB, HEAL and Klima Allianz ("Europe’s Dirty 30 – how the EU’s coal-fired power plants are undermining its climate efforts"), and many other reports were all supported by the European Climate Foundation (ECF, 2014, pp.43-44; ECF, 2015b).

In Germany, the European Climate Foundation funds **Agora Energiewende**, a €12 million platform which supports the development of "fact" bases and building capacity. Agora’s first director was a former government official, Rainer Baake, who returned to government in 2014 as State Secretary responsible for the Energiewende and European policy in the German Federal Ministry for Economic Affairs and Energy.

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Overall, the budgets of the most prominent green NGOs in Brussels show just two main funding sources: the **European Climate Foundation** and the **European Commission** through its **LIFE+** programme which has a dedicated line of €9 million for green NGOs (European Commission, 2015).
Conclusions

All foundations and grant makers that aim to improve humanity should be applauded. Buying the services of NGOs to influence political decisions or to boost particular investment returns is less welcome. Where there is a political ambition or a clear conflict of interest, donors cannot be viewed as philanthropists. Yet that is what is happening in Europe where some donors seek policy influence through compliant NGOs and then profit from their new-found political influence. In the case of the European Climate Foundation, all the main donors are represented on the Foundation’s supervisory board (ECF, 2014):

The management board of the European Climate Foundation (comprising one person) is responsible only to its supervisory board. The Foundation has no responsibility to civil society in Europe, only to a board that represents wealthy donors who are, for the most part, not even EU citizens. Yet, the Foundation purchases services from many NGOs and consultancies to promote an anti-coal agenda with EU policy makers.

In a free society, individuals are free to spend their money as they wish, but it cannot be viewed as philanthropic to support political and investment aims through charitable donations. Lifting people out of fuel poverty would certainly be a charitable aim, but one that some climate lobbyists ignore because they want to eliminate coal – the most affordable and secure fossil fuel.

According to the IEA, of the 22 271 TWh of electricity generated in the world in 2012, 15 432 TWh or 69% came from fossil fuels and 1 135 TWh or 5% from new renewables. In 2040, under the IEA’s new policies scenario, electricity generation is forecast to grow to 40 104 TWh, with fossil fuels accounting for 22 232 TWh and new renewables for 7 007 TWh (IEA, 2014, p.208).
The world will continue to depend heavily on fossil fuels, under all scenarios. The European Climate Foundation and its donors do not like the current structure of society, built as it is on the use of fossil fuels. They wish to change this structure using lobbying techniques that are far from transparent. This report shows that a small number of very wealthy individuals create the illusion of a grass-roots, climate-action movement; they do not represent civil society. They have created an echo chamber in Brussels that amplifies the call for climate action, especially against coal, to give the appearance that it comes from many mouths, when in fact it comes from just a few. Their call comes from well-paid professional agents who act on behalf of the super-rich, many from the US. In a properly functioning democracy, the changes that are demanded by the European Climate Foundation and its wealthy donors would come about through the ballot box. Instead, the Foundation has resorted to tactics that, if left unchallenged, would see Europe slip into an anocratic state.

The coal industry stands for progress through the deployment of cleaner, more efficient technologies. The European Climate Foundation buys the services of NGOs who, through a complex web, campaign against coal. If coal falls, then society will be poorer.

Coal now stands between a project to dismantle our way of life and to replace it with an experiment promoted by an elite class who seeks influence over EU policy makers, power over EU citizens and a new concentration of wealth taken from us all. The European Climate Foundation views Europe as a laboratory for the world: EU citizens are merely laboratory rats that may prosper or wither, depending on the outcome of this experimental project.

Epilogue

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