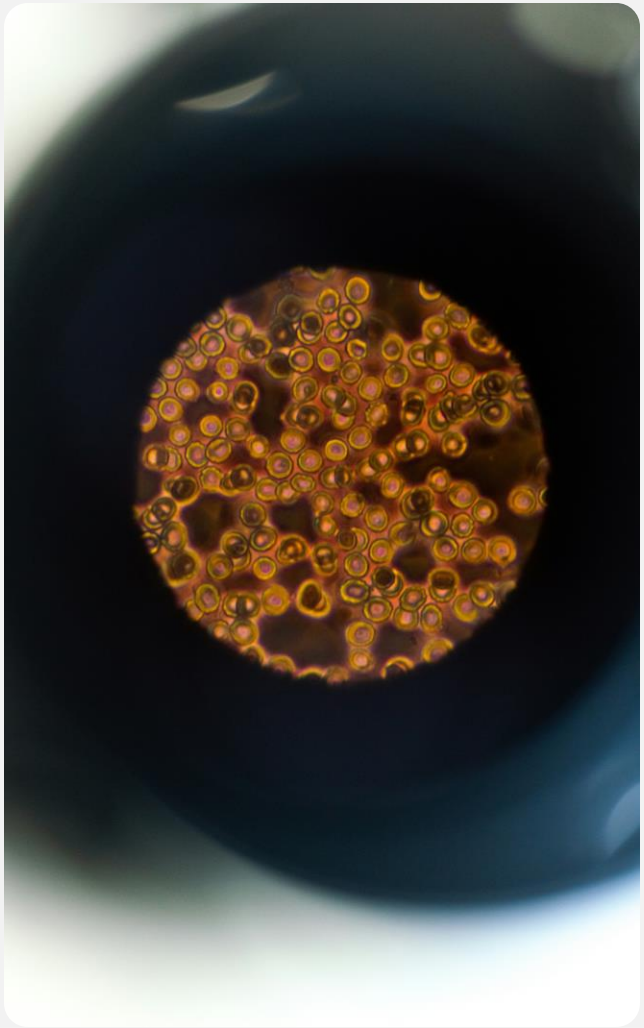
Getting started with the ESO capacity building journey

June 2025

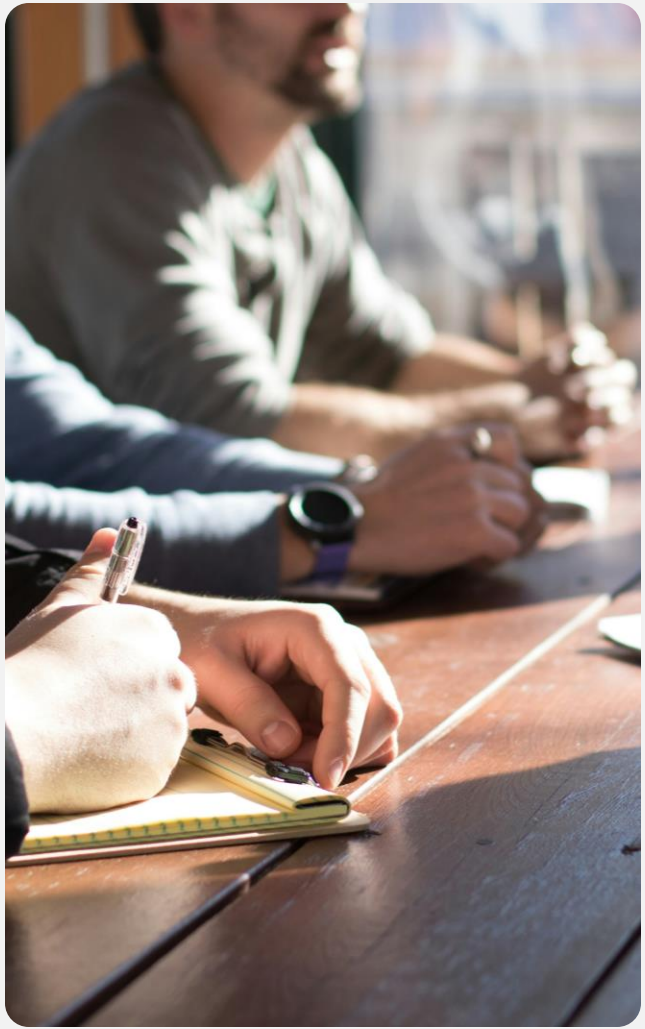
This action is supported by the European Institute of Innovation and Technology (EIT).

A body of the European Union



What we’ll look at today

- ➔ What brings us here?
- ➔ Climate and Impact
- ➔ Innovation in Systems
- ➔ Making the learning journey your own



What we'll leave with

➔ **Perspectives on**

The complex nature of addressing climate change
The importance of collaboration to effectively navigate this

➔ **Contributions to**

Knowledge and understanding on climate innovation
Insights and tools to better support climate entrepreneurs
Connection to other organisations with similar aspirtations across Europe

Some principles to help us host each other

Pay attention to no attention

What do you need to leave for later to gift others your presence?

Bring your perspective

There are no right answers or silly questions. Your perspective is valuable for the group.

Listen to understand

In conversations: Are you thinking of your answer already while someone else is talking?

Host yourself

Take a bio break when you need one. Have a snack or a drink when you need one.

CHECKING IN

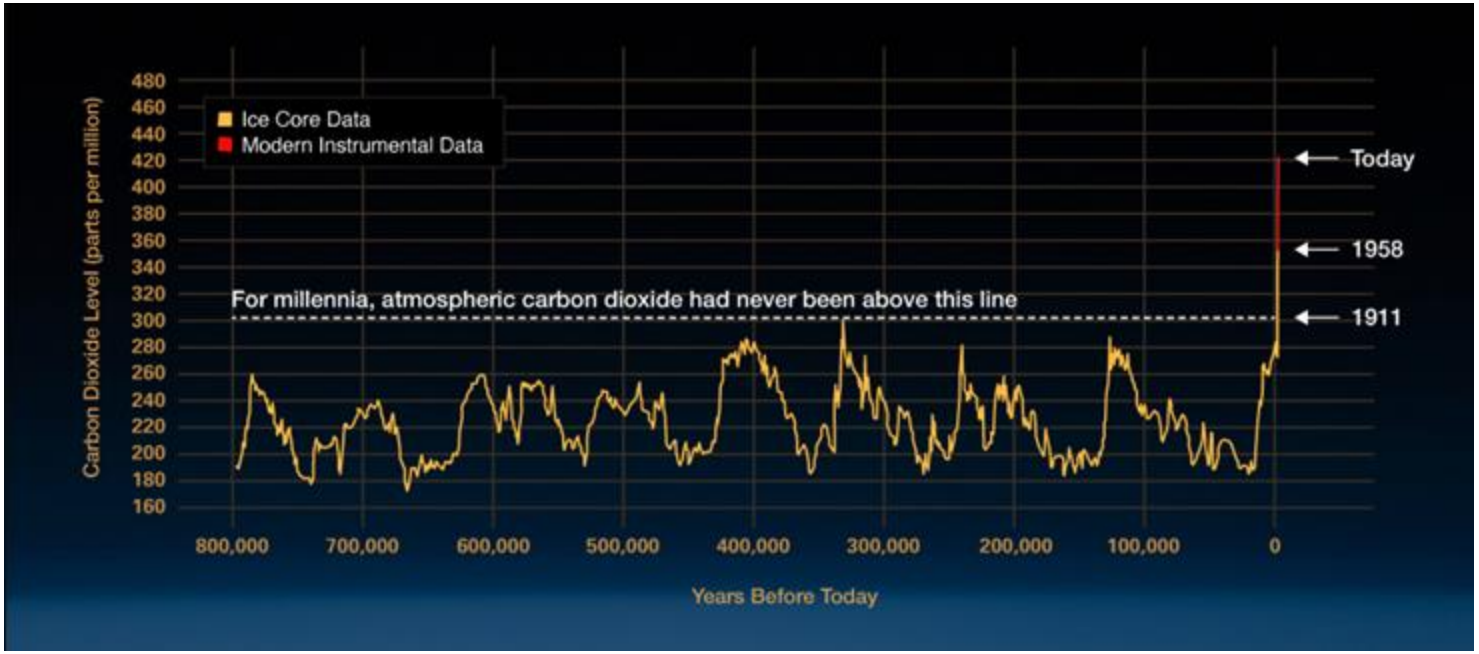
What brings us here?

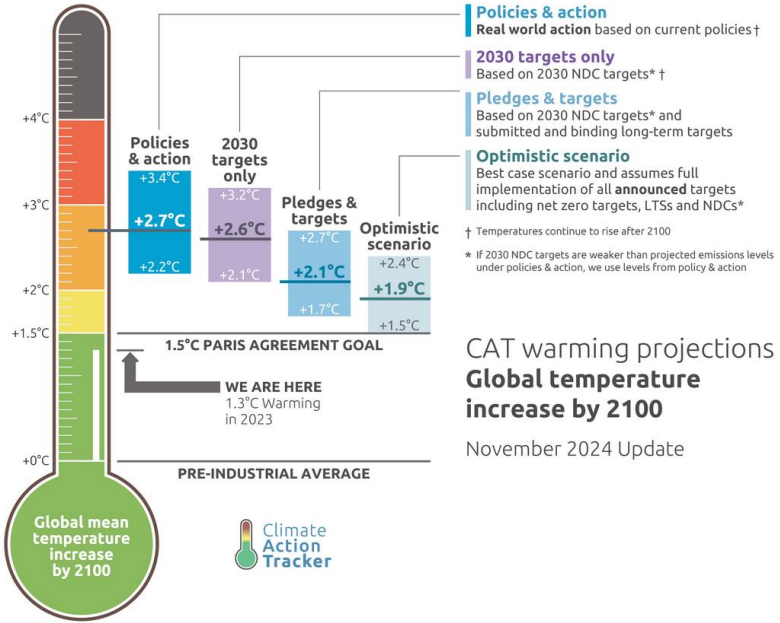
Getting started

Climate and Impact

Climate and Impact

Getting started

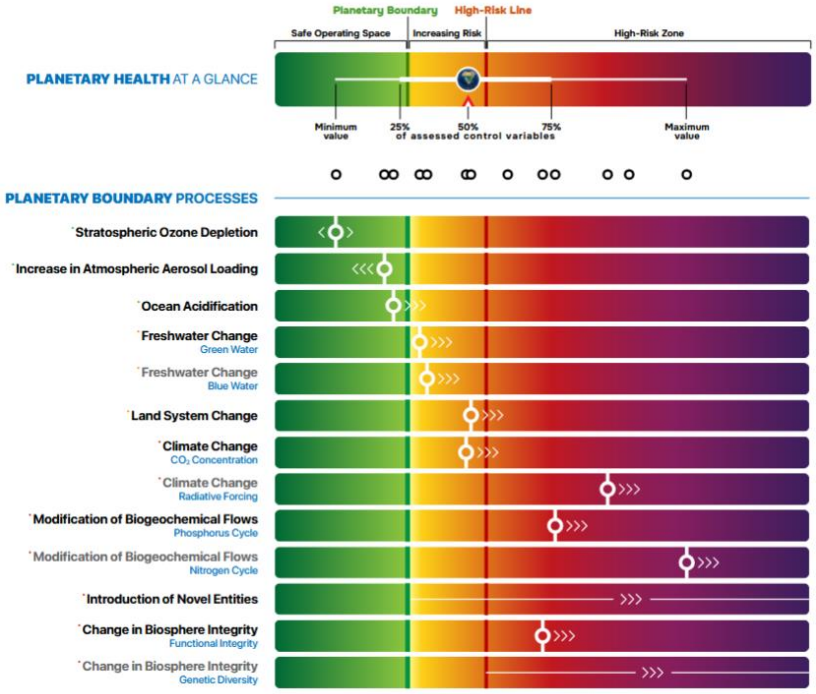




Status check

- CAT temperature projections are median estimates with a 50% chance of exceeding the calculated warming if current emissions pathways are followed (e.g. 2.1°C with pledges and targets).
- Current 2030 targets lead to 2.6°C warming by 2100, with a >99.7% chance of exceeding 1.5°C; even with long-term targets, the probability of staying below 1.5°C is very low.
- Net zero targets in 140+ countries could lower warming to 1.9°C, but this still carries only a 50/50 chance and does not guarantee staying below 2°C.

Climate Action Tracker 2024 November Update



[Climate Action Tracker 2024 November Update]

Planetary boundaries

- Six planetary boundaries have been breached, including climate change, biosphere integrity, land system change, freshwater change, biogeochemical flows, and novel entities
- Climate change and biosphere degradation are accelerating, with CO_2 levels at a 15-million-year high and a rapid loss of genetic and functional biodiversity reducing Earth's resilience
- Land use and agriculture are major drivers, with global forest loss and excessive nitrogen/phosphorus use pushing ecosystems into high-risk zones, causing pollution and biodiversity collapse.
- Novel entities like plastics and synthetic chemicals are poorly regulated, increasingly contaminating ecosystems and potentially causing irreversible damage to Earth system functions.

Climate innovation needs

Mitigation

Innovations which directly prevent GHG emissions

This is achieved by reducing the sources of greenhouse gases or by enhancing the storage of these gases. In short this means innovations that reduce the amount of GHG in the Earth's Atmosphere.

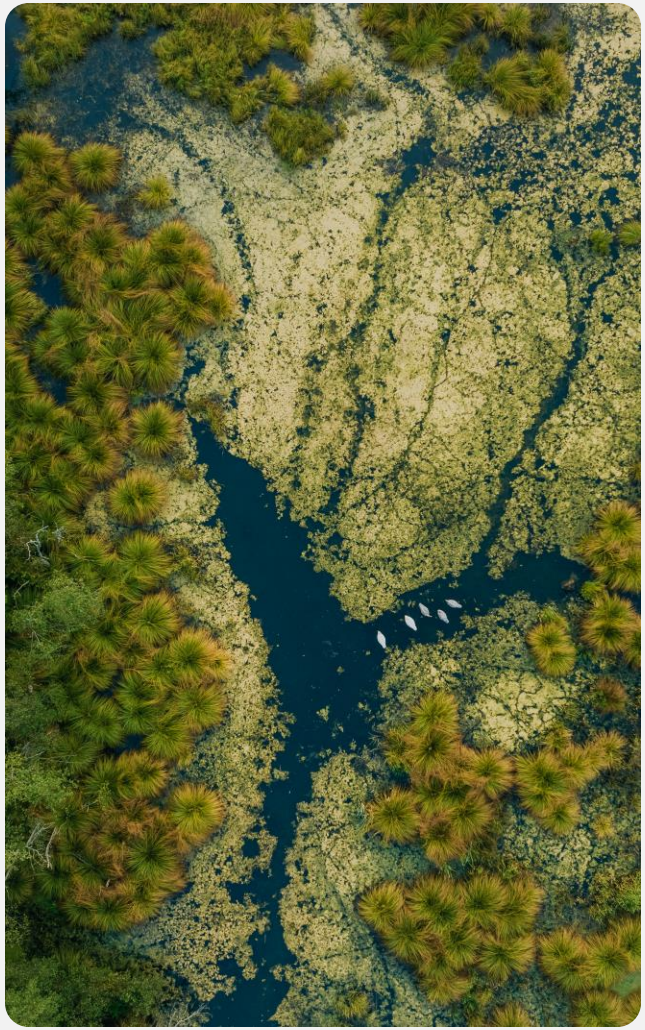
→ **Global scope, complicated causality**

Adaptation

Innovations which help cope with the effects of climate change

This is achieved by taking action to prevent or minimise the damage caused by climate change. These innovations help us in adjusting to the current and future effects of climate change.

→ **Global scope, complicated causality**



CLIMATE INNOVATION NEEDS

Impact Imperative in Climate Innovation

➔ **Accountability and Transparency:**
Focus on measuring and disclosing a company's climate impact enables informed decision-making and encourages responsible business practices.

➔ **Climate Risk Assessment:**
It helps assess the risks and vulnerabilities associated with climate change to develop appropriate adaptation and resilience strategies.

➔ **Emission Reduction Strategies:**
Help companies prioritise actions and investments to achieve wider meaningful carbon reductions

➔ **Investor Decision-Making:**
Assisting investors in assessing climate-related risks and opportunities in their investment portfolios.

➔ **Regulatory Compliance:**
Enabling companies to demonstrate their commitment to sustainability and alignment with evolving regulatory frameworks

➔ **Reputation and Branding:**
Enhancing a company's reputation, building trust, loyalty, and positive brand associations among consumers

Supporting Ventures With Climate Impact

GHG accounting methods
Track emissions by source, scope, and responsibility.

Direct measurement
Measure the quantity of emissions released into the atmosphere from specific sources.

Carbon Footprinting
Calculate the total GHG emissions associated with an individual, organization, or product

Life Cycle Assessment (LCA)
Evaluate the environmental impact of a product or system throughout its entire life cycle.

Systems Innovation & Social Indicators

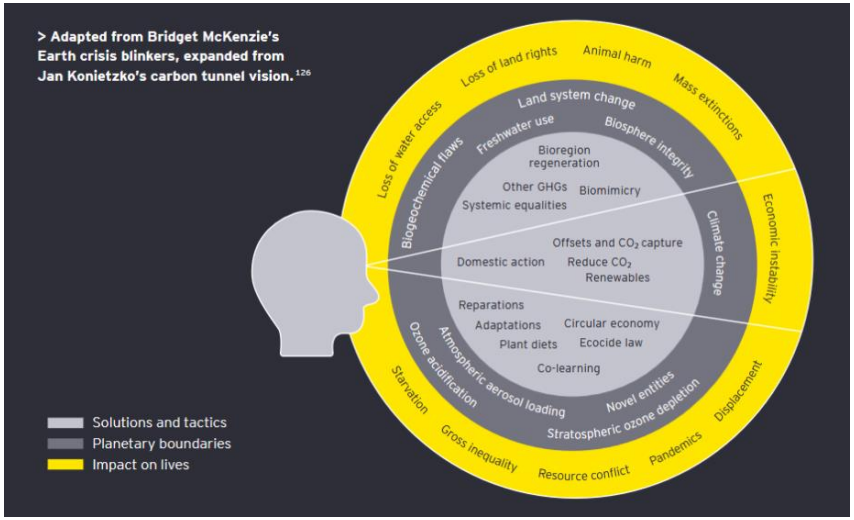
Inspire companies to do more to help them shift from a narrow “traditional business model” that focuses solely on profitability or an incremental climate impact focus to a broader perspective that emphasises transformational change.

Adaptation & Resilience

Plan and track adjustments in ecological, social or economic systems in response to actual or expected climatic stimuli and their effects

Gender

Plan and track strategies for increased participation of women in responsiveness to climate threats and inclusivity in innovation processes, access to livelihoods.



Applying a more integrated view

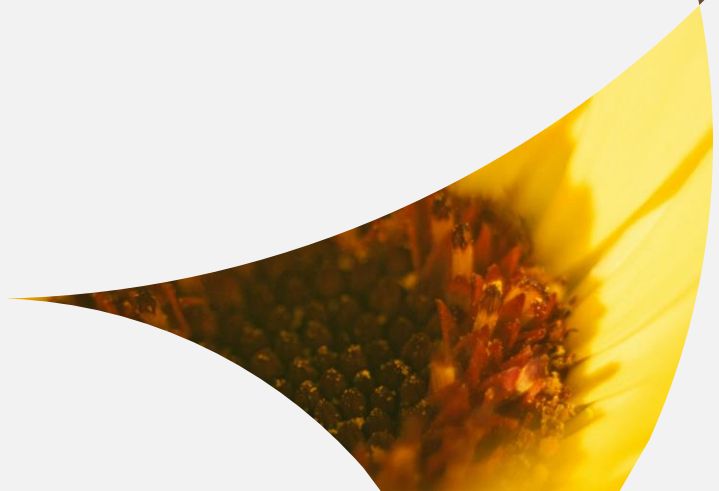
- Breaking problems into separate parts can lead to disconnection and missed opportunities for bigger impact.
- To drive real change, entrepreneurs need to combine focused expertise with a big-picture view of how everything connects.

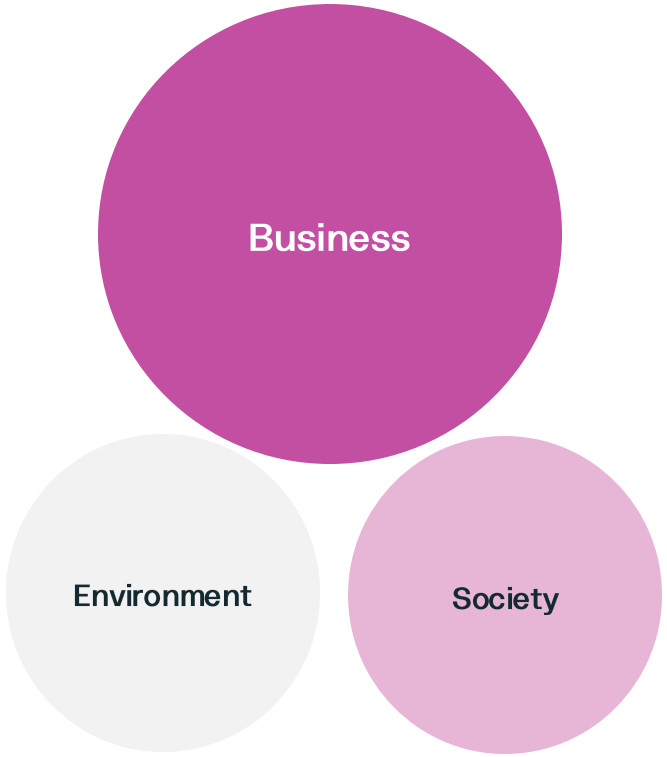
DISCUSSION

Why is this important to our context?

Getting started

Innovation in systems



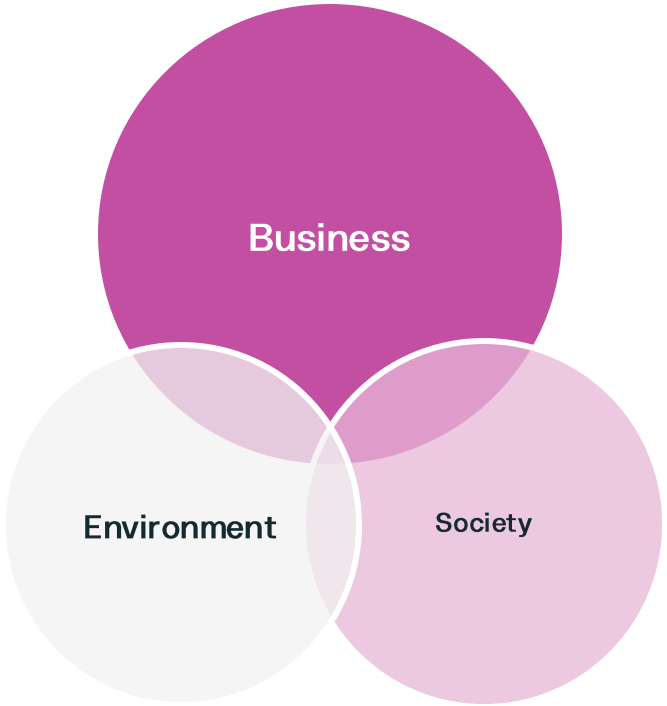


Shareholder Value
Financial returns are all that matters: companies privatise gains and externalise losses

Supporting ventures to be Future Fit

- A systems-based approach allows identifying some unforeseen issues and avoiding or at least addressing some of those issues to reduce negative trade-offs
- This is referred to as System Value

Future Fit Business Benchmark Methodology 2025



Shared Value
Business comes first: negative impacts are often not sufficiently internalised, or are justified by doing good elsewhere

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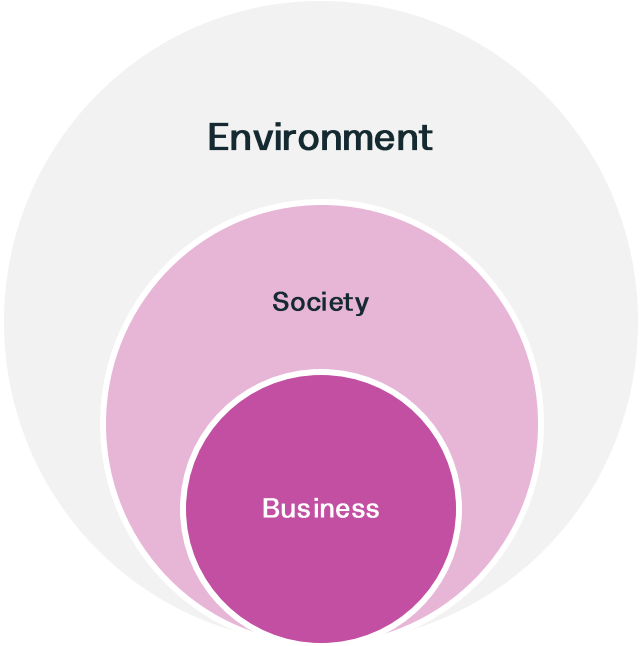
Future Fit Business Benchmark Methodology 2025



System Value
Business addresses societal needs in a holistic way, while not hindering progress toward a flourishing future

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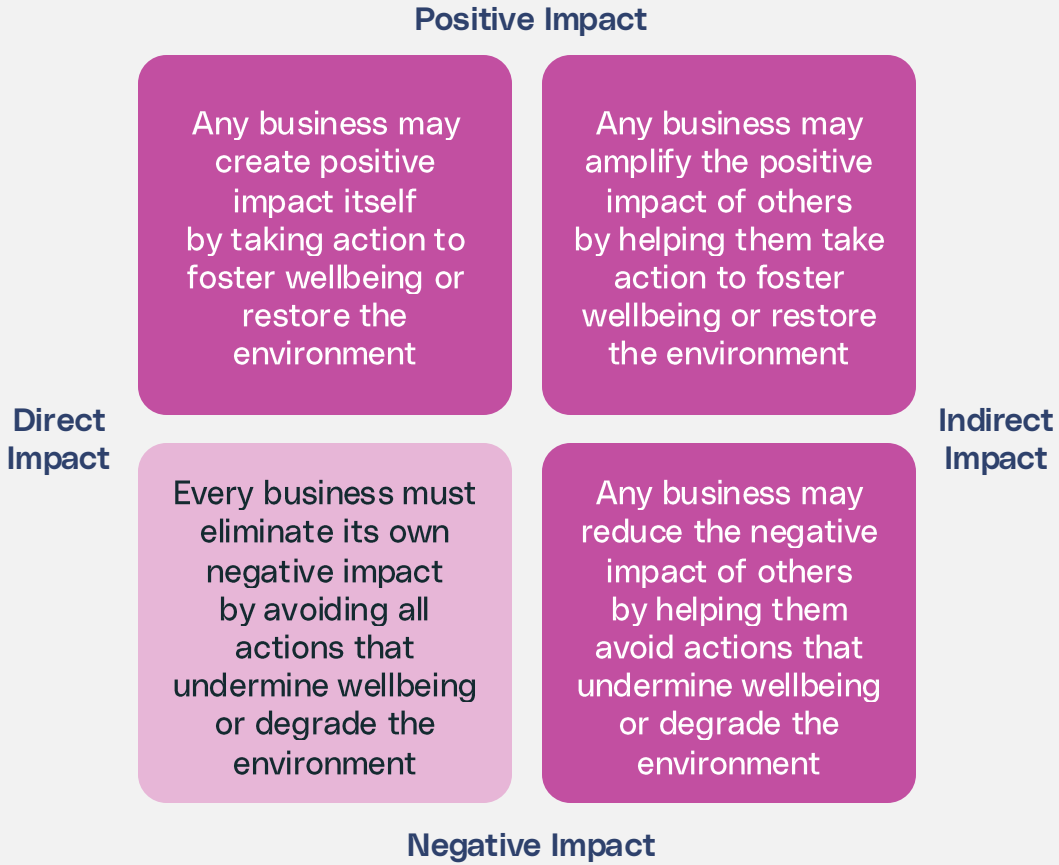
Future Fit Business Benchmark Methodology 2025



Supporting ventures to be Future Fit

- A holistic approach that positively impacts socio, environmental and economic dimensions by considering the type of impacts.
- A business should consider its “break-even” costs + “must” and “may” do to support the collective Future-Fit journey.

Methodology Guide

What the Benchmark is, its scientific foundations, and how it was developed.

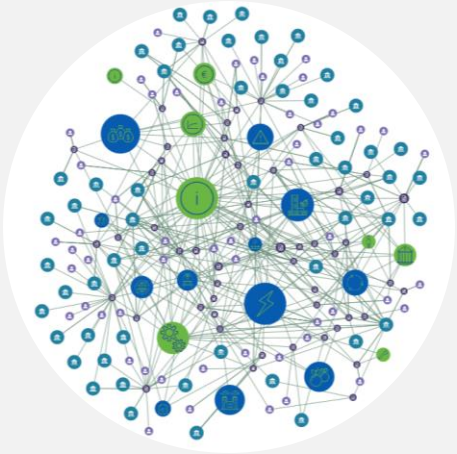
This guide presents the core components of the Future-Fit Business Benchmark, together with details of the development process, and the scientific foundations upon which it was built.

Systems Innovation approach as an ESO

Incremental

- Project finance model
- Single projects and incremental change
- Siloed and fragmented activities, often focused on technological improvements

Systems innovation



Transformational

- Project finance model
- Portfolio of connected innovations that learn from each other
- Wide appreciation of change levers

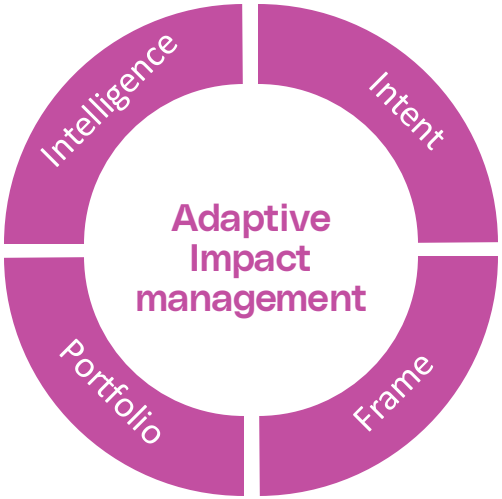
Aiming to influence systems as an ESO

4. Sensemaking and feedback loops

Collective reflection on the experience and learning
Analytics drawing on innovation experience
Convening ventures, other ESOs, other ecosystem players (investors!)

3. Devise an innovation portfolio

Call for proposals
Selection, activation, synergies, engagement map
Theory of change – outcome control, desired impact and contributions to larger shifts
(re)Design Options and learnings



1. Understand your context as system

Establishing directionality, scoping needs and objectives for change
Contextual systems and stakeholder mapping
Vision for the future and map change pathways as navigational goals

2. Define the programme strategy

Define the field for innovation action, mapping project areas
Reconnaissance
Establish portfolio principles

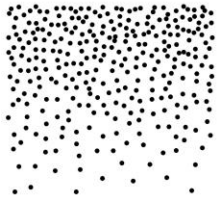
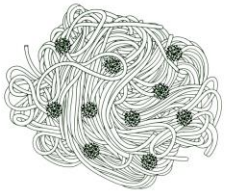
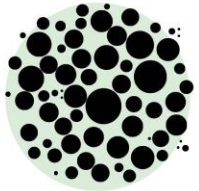
“Large-scale problems do not require large scale solutions.

They require small-scale solutions within a large scale framework.”

- David Fleming

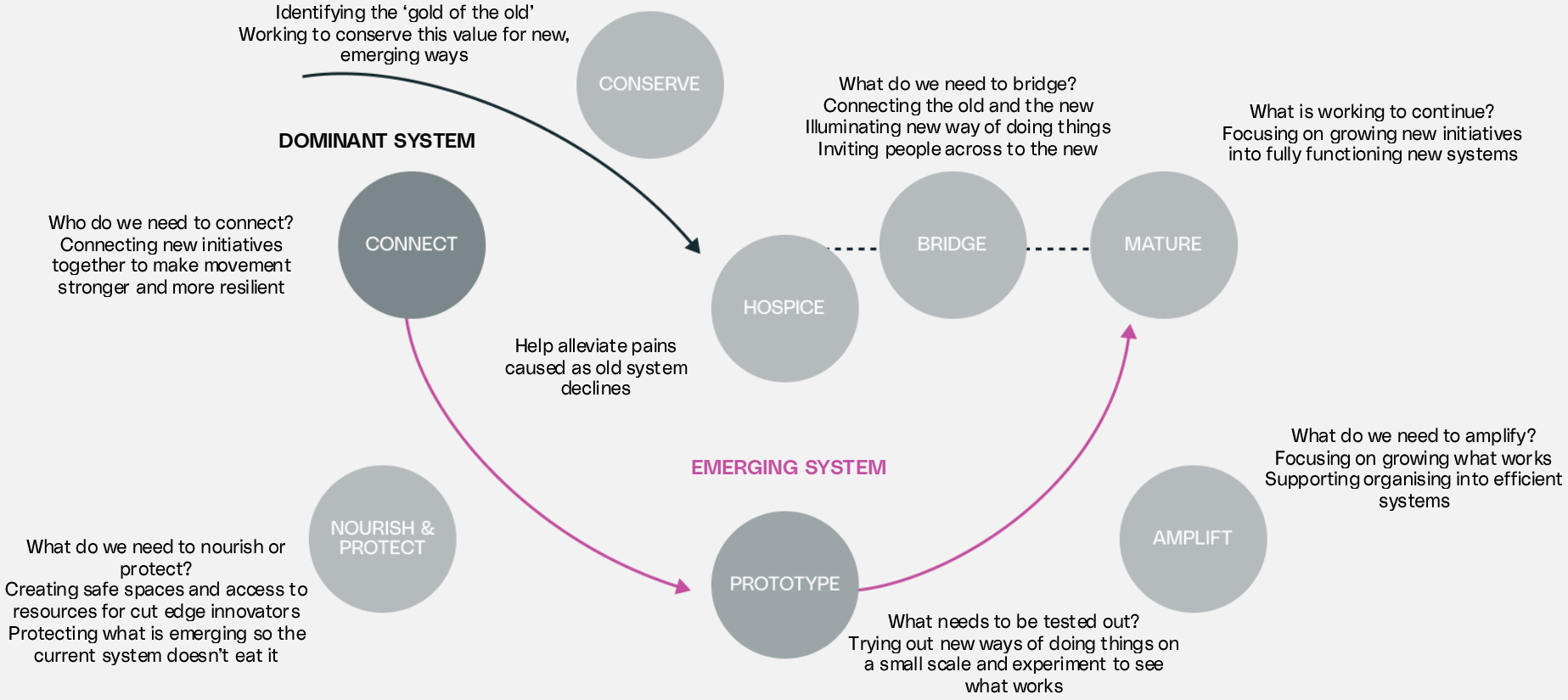
Portfolio logic

- Explore, test and learn to understand your position as ecosystem actor and connect to wider community of ESOs
- Spread the risk (make failing an explicit part of the logic!) AND, importantly to spread learning

Confetti	*Spaghetti*	(Plant based) *Meatballs*
		
Intentional step from acting and supporting in siloes	System-wide learning (challenge or strategy goal)	Your ESO contribution

Challenge-Led Innovation, Organising for Systems Innovation at Scale, GCSI, 2023

Accelerating transitions in systems



Establishing a Theory of Change

- ➔ Aiming your contribution to be meaningful in a changing world needs iterative focus on your Theory of Change in a large-scale framework
- ➔ More on this in the next session

The Problem	If we...	By...	This will result in...	And eventually...	The Broad Goal
What is the problem we are seeking to address – and why is it important to address this in relation to the broad goal we are trying to achieve?	Start to make these changes, for this purpose **(What we will do)**	The activities we propose to undertake as part of the process, in order to achieve the change **(How we will do it)**	The outputs we hypothesise will result from these activities **Measurable, immediate outputs**	The outcomes we hypothesise that we are likely to see over time **Longer-term outcomes that activities will influence**	What is the broad goal our work will contribute to, the change we wish to see?
	Activities		Outputs	Outcomes	Impacts
What an initiative:		Has control over		Can influence	Contributes to

Our learning journey

Our session today

Adaptation & Resilience Business Models and the Climate Causality Framework

Nature-Based Solutions

Mitigation Impact Assessment

Circular Economy

Monitoring Evaluation Learning (MEL) for ESOs

Integrating Impact Assessment into a Programme

Inclusive Programme Design

Perspectives on Funding in and through ESOs

Peer-to-peer learning sessions?

DISCUSSION

What MIGHT we aim for?

Thank you!

CONTACT

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