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### **Executive Summary**

Fires are burning, storms raging, and communities suffering through "once-in-a-century" heat waves across the globe. So it may seem odd to talk about winning on climate change. "We are in the fight of our lives," UN Secretary-General António Guterres said of the climate crisis in November 2022. "And we are losing."

Yet, over the past decade, the world has also seen some important climate change advances—beginning to bend the curve of the planet's future away from the worst-case scenarios imagined just a few years earlier. As the *New York Times* has noted,² in 2014 the world was on track to heat up nearly 4 degrees Celsius (7.2 degrees Fahrenheit) from pre-industrial global temperatures by the end of the century. But mitigation efforts since, as we publish this report, have reduced that to a projected warming of 3 degrees Celsius. That's still a frightening future, to be sure, but it is material progress.

Thinking about winning requires us to keep two apparently opposed ideas in mind—that we are living in a time of escalating peril and crisis, and that, over the next 10 years, major progress against climate change is entirely possible. As a virtuous cycle of wins generates momentum, we can turn the fight around.

This article considers how donors—especially those who are newer to the cause or thinking about how to significantly ramp up their climate philanthropy—can spur progress on climate change over the next decade, building both on established pathways and newer ones.

In interviews with funders, former and current government officials, leaders of climate collaboratives, and frontline leaders around the world, we asked them to name the most significant climate change wins or signs of progress over the past two decades. Two especially interesting insights about climate change and philanthropy jump out from these responses.

First, there were 10 wins or signs of progress collectively named by at least four interviewees—and philanthropy played a significant role in all of them. Those most frequently cited include the Beyond Coal campaign in the United States, which has helped retire approximately two-thirds of coal plants in the nation; the Kigali Amendment to the Montreal Protocol, the 2016 global agreement to dramatically curb the use and production of climate-warming hydrofluorocarbons; the movement for Indigenous peoples and local communities' land tenure, which has the potential to protect a vast amount of carbonstoring forest and grassland; and the landmark US Inflation Reduction Act, passed in 2022.

<sup>1</sup> António Guterres, "<u>Secretary-General's High-Level Remarks</u>," 27th United Nations Climate Change conference, Sharm El-Sheik, Egypt, November 27, 2022.

<sup>2</sup> Brad Plumer and Nadja Popovich, "Yes, There Has Been Progress on Climate. No, It's Not Nearly Enough," New York Times, October 25, 2021.

Second is the great diversity of the wins and signs of progress. Even with the benefit of hindsight, there was only moderate consensus among our experts about past wins and signs of progress beyond the 10 frequently mentioned ones. Policy wins, technology, market dynamics, and grassroots action all had a role to play in addressing climate change to date—and will continue to do so into the future. Some cited very specific accomplishments, such as the suspension of the Keystone XL pipeline or a reduction in the use of palm oil. Others talked about broader trends like price reductions in renewable energy, which have opened up new opportunities for government action and philanthropic impact. This diversity of perspectives about past wins suggests there's no current consensus about the most promising pathway for progress against climate change. Yet it also highlights an important opportunity for funders—there are many potential pathways to progress, and all of them will be needed.

Three climate philanthropy practices are likely to be especially important in the decade ahead:

**Invest in early efforts connected to a big goal.** Given the magnitude of capital that will need to be mobilized, big bets are important. But they often materialize only after many earlier efforts converge.

- In addition to backing big bets, donors can sow the seeds of future progress toward big goals by backing early efforts, many of them small-scale.
- Such efforts can include championing grassroots organizations with deep roots in their communities.
- Early and flexible money is likely to have the greatest impact, even if the path forward is not always clear. Providing flexible resources to organizations and campaigns in early stages, including those with novel strategies, offers the opportunity to prove concepts. Philanthropy can provide risk capital that encourages and enables experimentation and creativity, which can later scale.

Join other climate actors through existing structures. Newer donors to climate philanthropy sometimes tell us that they find the space especially challenging: it's very complicated, it's hard to know what will work, and the problem is so big it's not clear how any single donor can make a difference. But donors in the climate sector don't have to figure everything out from scratch. There are multiple pathways for fast and potentially high-impact giving. And there are well-established—if often still underfunded and newer—structures for action. Collaboratives and other kinds of intermediaries can provide value to climate donors and climate change efforts in a variety of ways:

- Coordinating strategy and communications
- · Allowing funds from multiple donors to be pooled or coordinated for greater impact
- Providing an easy on-ramp to giving for newer donors
- Providing funding and technical support to on-the-ground actors
- Developing and sharing expertise about what works

### Support the equitable implementation of laws, treaties, and policy changes.

The pathways discussed here—investing in smaller efforts connected to a big goal and working through existing structures for climate action like funder collaboratives and intermediaries—can be used to make progress on one of the biggest opportunities for climate donors over the next decade: supporting the equitable implementation of laws, treaties, and policy changes that have already been enacted. There will be many opportunities for donors to support the equitable implementation of those public-sector advances:

- Donors can fund nonprofits in the United States that help states, counties, municipalities, and communities access new federal funding and use it to reduce emissions and adapt to a changing climate.
- For donors who focus on place, there are tremendous opportunities to help local nonprofits and support on-the-ground implementation.
- Across the globe, there is an extraordinary array of climate innovations being implemented on the ground by communities and grassroots movements that need money to scale.

The complexity and size of the climate issue is no reason for philanthropic money to stay on the sidelines. And while there has been a substantial increase in donor support for climate action, hardly any of the experts we interviewed felt there is currently anything like sufficient private funding to meet the urgency of the moment. Instead, there is a daunting investment gap. The only way to bridge it is to start funding today.

### Introduction

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Yet, over the past decade, the world has also seen some important climate change advances—beginning to bend the curve of the planet's future away from the worst-case scenarios imagined just a few years earlier. As the *New York Times* has noted,² in 2014 the world was on track to heat up nearly 4 degrees Celsius (7.2 degrees Fahrenheit) from pre-industrial global temperatures by the end of the century. But mitigation efforts since, as we publish this report, have reduced that to a projected warming of 3 degrees Celsius. That's still a frightening future, to be sure, but it is material progress.

Thinking about winning requires us to keep two apparently opposed ideas in mind—that we are living in a time of escalating peril and crisis, and that, over the next 10 years, major progress against climate change is entirely possible. As a virtuous cycle of wins generates momentum, we can turn the fight around.

This article considers how donors—especially those who are newer to the cause or thinking about how to significantly ramp up their climate philanthropy—can spur progress on climate change over the next decade, building both on established pathways and newer ones. It is based on dozens of interviews with funders, former and current government officials, leaders of climate collaboratives, and frontline leaders around the world. This article also builds on insights from The Bridgespan Group's advisory work on a range of climate change issues with donors, impact investors, collaboratives, and NGOs, as well as on the published work of leaders in the field.

As part of the interviews, we asked approximately 30 experts to name the most significant climate change wins or signs of progress over the past two decades. (See the timeline running throughout this report, and visit our website for an interactive, extended version.) Two especially interesting insights about climate change and philanthropy jump out from these responses.

First, there were 10 wins or signs of progress collectively named by at least four interviewees—and philanthropy played a significant role in all of them. Those most frequently cited include the Beyond Coal campaign in the United States, which has helped retire approximately two-thirds of coal plants in the nation; the Kigali Amendment to the Montreal Protocol, the 2016 global agreement to dramatically curb the use and production of climate-warming hydrofluorocarbons (HFCs); the movement for Indigenous peoples and local communities' land tenure, which has the potential to protect a vast amount of carbon-storing forest and grassland; and the landmark US Inflation Reduction Act, passed in 2022.

<sup>1</sup> António Guterres, "<u>Secretary-General's High-Level Remarks</u>," 27th United Nations Climate Change conference, Sharm El-Sheik, Egypt, November 27, 2022.

<sup>2</sup> Brad Plumer and Nadja Popovich, "Yes, There Has Been Progress on Climate. No, It's Not Nearly Enough," New York Times, October 25, 2021.



# Climate change philanthropy is growing—but not fast enough

- ClimateWorks' Funding
   Trends 2022 report finds that
   philanthropic giving to climate
   change mitigation grew 25
   percent over the previous
   year—though it still makes up
   less than 2 percent of total
   global philanthropic giving.
- The number of grantees is expanding, from about 1,400 in 2015 to about 2,775 in 2021, according to ClimateWorks, suggesting that the base of donor-funded action is broadening.
- A survey of foundations conducted for a 2022 report from the Center for Effective Philanthropy finds that, while 80 percent of foundations that don't fund climate describe the issue as a "very urgent" or "extremely urgent" problem that will negatively impact their work, 79 percent don't see it as within their giving purview. Meanwhile, 45 percent say they are considering climate-related funding.

Second is the great diversity of the wins and signs of progress. Even with the benefit of hindsight, there was only moderate consensus among our experts about past wins and signs of progress beyond the 10 frequently mentioned ones. Policy wins, technology, market dynamics, and grassroots action all had a role to play in addressing climate change to date—and will continue to do so into the future. Some cited very specific accomplishments, such as the suspension of the Keystone XL pipeline or a reduction in the use of palm oil. Others talked about broader trends like price reductions in renewable energy, which have opened up new opportunities for government action and philanthropic impact. This diversity of perspectives about past wins suggests there's no current consensus about the most promising pathway for progress against climate change. Yet it also highlights an important opportunity for funders—there are many potential pathways to progress, and all of them will be needed.

Climate change is a fiercely complicated subject, and the debates within the field about the best paths forward can be contentious. Experts may differ on how best to achieve even the obvious routes, such as reducing emissions largely by moving away from fossil fuels, taking carbon out of the air through natural processes that have cobenefits for resilience and biodiversity, enabling individuals and communities to adapt to climate impacts, and prioritizing historically marginalized people and communities who are being disproportionately harmed by climate change.

Given the range of plausible pathways to more climate wins, this article doesn't advocate for a specific substantive strategy or investment goal. Rather, we seek to provide advice about how donors can navigate this complexity to make fast and thoughtful funding decisions toward a range of climate goals.

### There are three climate philanthropy practices we believe are likely to be especially important in the decade ahead:



Invest in early efforts connected to a big goal.



Join other climate actors through existing structures.



Support the equitable implementation of new laws, treaties, and policy changes.



### Invest in Early Efforts Connected to a Big Goal

Given the magnitude of capital that will need to be mobilized, big bets are important. But they often materialize only after many earlier efforts converge.

- In addition to backing big bets, donors can sow the seeds of future progress toward big goals by backing early efforts, many of them small-scale.
- Such efforts can include championing grassroots organizations with deep roots in their communities.
- Early and flexible money is likely to have the greatest impact, even if the path forward is not always clear.

One of the barriers to climate change philanthropy we most often hear is that it feels too big for any one donor to make a difference. Yet, in practice, there are many opportunities to provide early-stage funding that can aid movement toward achieving big goals. Climate change is global, national, and local at the same time—and so are the pathways to progress. As the CLIMA Fund has noted, there is great value in empowering local actors to create and share their own solutions, in "engaging a more diverse coalition, and in elevating climate solutions that draw from the lived experience of people grappling with the problem."

Climate change wins typically build upon a whole history of wins and losses along the way. Indeed, failure has been and will likely continue to be a critical part of the climate change story. Many of our interviewees mentioned the failure of the Waxman-Markey climate bill in the US Congress in 2010 as a blow to hopes for an effective US climate response.

### PERSPECTIVES ON PROGRESS

"Over the past 20 years, this used to be gloom-and-doom stories.

There was a marked shift four to five years ago with the rise of the youth movement, where this became much less about scientists and polar bears and much more about people and livelihoods and cultures. People have been beating that drum for a while, but we still have not seen the level of action that we need to see."

HEATHER MCGRAY, DIRECTOR, CLIMATE JUSTICE RESILIENCE FUND

"It was a moment where we had to acknowledge how weak philanthropy and the advocacy community were and how ill-prepared they were to pass legislation," explains Kathleen Welch, board chair of the Natural Resources Defense Council and founder of Corridor Partners. Twelve years later, the US finally passed landmark climate legislation.

"Over the course of a decade, the climate movement built the political power-and the political will-to get big things done," Welch says. "That required capacity that didn't exist in 2010—an empowered grassroots movement, a more diverse coalition, and the resources and skills to do the hard-hitting advocacy and electoral work that's needed to win. Over the course of those years, the ecosystem of groups learned to embrace shared goals and strategies and to largely transcend policy differences. That, combined with a decade-long effort to elect climate champions and hold opponents

accountable, created the political muscle and coordinated strategy that got the job done. That level of coordination and sophisticated strategy will still be needed to make our victories durable and accelerate further progress."

Providing flexible resources to organizations and campaigns in early stages, including those with novel strategies, offers the opportunity to prove concepts. Philanthropy can provide risk capital that encourages and enables experimentation and creativity, which can later scale.

Consider what's known as the Kigali Amendment, a global agreement to dramatically curb the use and production of HFCs, the "super-pollutants" widely used in air conditioning and refrigeration that are thousands of times more potent than carbon dioxide at heating up the earth. The 2016 agreement is part of what the Clean Cooling Collaborative has called "the largest single philanthropic commitment that has ever been made to advance energy efficiency in the developing world." It has been ratified by 150 nations as of June 2023 (including by the United States Senate with bipartisan support).

<sup>3 &</sup>quot;The Kigali Cooling Efficiency Program: An Exciting New Philanthropic Initiative Makes Its Debut," Clean Cooling Collaborative, April 5, 2017.

<sup>4 &</sup>quot;Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer," Kigali, United Nations Treaty Collection, accessed June 2023.

"We knew it could be difficult to get there, but there was clarity about the objective," explains Sonia Medina, who oversees the climate change portfolio for the Children's Investment Fund Foundation (CIFF) and has been deeply involved in the work to regulate HFCs. "No government was going to take that on. This is where philanthropy could make a difference—seeing the possibility of a future where HFCs were globally regulated."

For example, CIFF put in several hundred thousand dollars for a research study, which produced data showing that moving away from HFCs could also help catalyze improvements in energy efficiency. The effort started with that small piece of the puzzle, then expanded to a wider range of policy and advocacy initiatives. Over eight or nine years, CIFF spent approximately \$15 million, working alongside partners to leverage more resources. "That's a lot of money," says Medina. "But it's not out of reach, and, working together, philanthropic organizations can afford large investments."

An example of how local efforts in the early stages can lead to historic national progress

later is Beyond Coal, a campaign created in the United States in 2010 and led by the Sierra Club in partnership with other organizations. It is working to replace coal and gas with clean energy throughout the country. In our interviews with experts, Beyond Coal was an oft-mentioned success story. As of summer 2023, over 370 coal plants have closed or set a planned retirement date, and Beyond Coal and its allies are working hard to close the remaining 158. Bloomberg Philanthropies, by far the largest funder of the campaign, has so far provided over \$170 million in the effort.<sup>5</sup>

Before Bloomberg and the national campaign, there were many local efforts. One example was a small, scrappy regional effort to stop coal plants in Illinois. Startup funding came from eight wealthy individuals who committed a total of \$200,000. "We were able to persuade some energy-focused funders to support a few local campaigns, and we started winning," recalls Bruce Nilles, who played a major role in the effort when he was at the Sierra Club and is now the executive director of Climate Imperative. "And nothing begets more resources like winning."



### **Beyond Coal**

- 372 plant retirements or retirements in progress to date, totaling more than two-thirds of America's coal power plants.
- Most of the declining carbon-dioxide emissions in the United States between 2005 and 2019 can be explained by the transition away from coal-powered electricity.

<sup>5</sup> To give credit where it is due, there were many other actors we have not mentioned, all working in parallel to move power infrastructure away from coal. The decline of coal can also be attributed, in part, to both the declining costs of renewable power generation and the declining cost of natural gas driven by fracking technologies.

## PERSPECTIVES ON PROGRESS

"A lot of the time when equity comes up, it seems like a moral argument. But we have learned that if we leave people out, solutions don't work."

RYAN STRODE, SENIOR PROGRAM OFFICER,
BUILDERS INITIATIVE

A coalition of upper-Midwest funders came together to invest more in the campaign, and later a major national funder committed \$3 million over three years. "That was big," says Nilles. "They'd never funded us before. This whole early phase was trying to build up proof of concept. It was fighting individual plants, with big impact on climate, that mattered to the people living in the community."

As Beyond Coal went national, its funding and technical support propelled hundreds of local efforts led by on-the-ground organizations, large and small. Antha Williams, who leads the Environment Program of Bloomberg Philanthropies, says that for Beyond Coal,

"the strategy of continuing to fight at the local level really paid off." With changing administrations and political fortunes in Washington, investment in local leadership and community-based efforts was an effective strategy. Says Nilles, "The beauty of working with the Sierra Club is that its members live everywhere—almost any proposed coal plant will have some Sierra Club members in the area. So, there was almost always someone who knew the situation and could act as the early warning system."

Today, the work that Nilles and others started in the United States is now shifting to stopping the use of coal in key geographies around the world. In addition to Bloomberg, other organizations are leading local and regional efforts to accelerate the energy transition away from fossil fuels, including the Tara Climate Foundation in Asia and Energy Foundation China.

Donors won't always be able to identify the next Beyond Coal in its startup or early growth phase. There will be false turns and bad bets. But, similarly to how venture capital ends up backing winners among lots of less profitable investments, donors can sow the seeds of future progress toward big goals by backing promising early-stage efforts in the areas they care about—whether that be technology, policy change, community organizing, environmental justice, or one of the other fronts on which the fight against climate change must be advanced.

And they could fund and learn from smaller organizations with deep roots in their communities—some of which have traditionally not been considered part of the "climate movement." There were some important gaps in past philanthropy, says Andrea Yodsampa, the CEO of DEPLOY/US, which works to strengthen conservative, climate-forward organizations in the United States in pursuit of bipartisan action. As Yodsampa told us, there is a critical need for philanthropy to invest in more broad-based political support for climate solutions if initiatives are going to endure through transitions of leadership in Washington, DC. Less than 2 percent of philanthropic funding for climate communications in the United States, for example, was directed toward engaging political conservatives from 2011 to 2015.6

<sup>6</sup> Matthew C. Nisbet, "<u>Strategic Philanthropy in the Post-Cap-and-Trade Years: Reviewing U.S. Climate and Energy Foundation Funding</u>," *WIREs Climate* 9, no. 4, July/August 2018.



In addition to reaching across ideological lines, funders can advance climate progress by bridging racial and economic gaps. "A lot of the time when equity comes up, it seems like a moral argument," says Ryan Strode of the <u>Builders Initiative</u>, a funding intermediary founded by the philanthropist Lukas Walton. "But we have learned that if we leave people out, solutions don't work."

"Justice is not inevitable," says a large individual donor, who prefers to remain unnamed, about the clean energy transition. "We can't end up with structures that leave people and communities out. So right now, I'm focused on efforts which are community-led."

Coalfield Development is an example of a community-led organization that is helping to sustain progress on climate goals. Since 2010, the West Virginia nonprofit has been working to create economic alternatives to the declining coal industry through support for social enterprises, community redevelopment, training, and career development.

"The environmental groups were getting wins in the courts, but they weren't getting any buy-in from communities," says Brandon Dennison, the organization's CEO. "You can't tell people in West Virginia to turn away from coal without giving them something tangible to turn to." Funded by Bloomberg Philanthropies' Climate and Environment program, Coalfield Development is an example of how an organization without "green" in its name can be a vital element of building public will for a transition to clean energy.

Coalfield Development relied on volunteers for 16 months before receiving its first philanthropic funding and a business loan. Dennison notes: "For other funders, they'd see our work as poverty alleviation and not see the connection to climate. Our connection to Beyond Coal helped funders see how important our work is to a just transition to a post-fossil-fuel environment." In communities across the globe, there are small organizations like Coalfield Development that, with philanthropic support, can together play a big role in making progress against climate change.

# Join Other Climate Actors Through Existing Structures

Collaboratives and other kinds of intermediaries can provide value to climate donors and climate change efforts in a variety of ways:

- · Coordinating strategy and communications.
- Allowing funds from multiple donors to be pooled or coordinated for greater impact.
- Providing an easy on-ramp to giving for newer donors.
- Providing funding and technical support to on-the-ground actors.
- · Developing and sharing expertise about what works.

Newer donors to climate philanthropy sometimes tell us that they find the space especially challenging: it's very complicated, it's hard to know what will work, and the problem is so big it's not clear how any single donor can make a difference. But the great opportunity is that donors in the climate sector don't have to figure everything out from scratch. There are multiple pathways for fast and potentially high-impact giving. And there are well-established—if often still underfunded and newer—structures for action. Both funder collaboratives and intermediary organizations have relationships in key communities, coordinate strategy, share expertise, and build movements. In almost all the climate wins most often mentioned by our interviewees—and in many of the others as well—collaboratives or intermediaries played a big role.

Funder collaboratives allow money from multiple donors to be pooled or coordinated for greater impact. "Combining assets should also sound like a familiar tactic," argues a 2021 Bridgespan article, "Releasing the Potential of Philanthropic Collaborations," since "donor collaboratives, in all their many forms, provide donors the same advantages that mutual funds, private equity, and venture capital provide investors—portfolio diversification placed in the hands of specialists." As a group, there is capacity for funds to do much more. In a survey of approximately 100 funds conducted for that article, respondents estimated that they could disburse up to \$15 billion a year with minimal growth in current staffing. That's more than five times their current grantmaking.

## PERSPECTIVES ON PROGRESS

"We are not going to win this unless we broaden the movement—people of color, poor white folks, everyone.

People need to see themselves in the future."

ROGER KIM, EXECUTIVE DIRECTOR, CLIMATE
AND CLEAN ENERGY EQUITY FUND

Larry Kramer, president of The William and Flora Hewlett Foundation (one of the funders of this report), emphasizes that even for donors who plan on doing most of their giving alone, there are "different types of collaboratives you can join—places to learn, develop trust, and connect with people, without giving up your own autonomy."

One example is the Global Methane Hub, a two-year-old collaborative of philanthropies focused on funding in methane-reduction solutions in the energy, agricultural, and waste sectors worldwide.

"There are vital things that climate donors will find hard to do on their own," says Jennifer Kitt, president of the Climate Leadership Initiative, "like building relationships and trust with Indigenous communities or with local grassroots organizations. So you have groups like the Hive Fund, which focuses on the US South, and the Tenure Facility, which focuses on Indigenous rights in the Global South. They can make these connections for donors."

With its approach of providing flexible funding to organizations predominantly led by women and people of color, the Hive Fund for Climate and Gender Justice is working to address deep racial and gender inequities in access to philanthropic funding. Recent research from Yale University<sup>7</sup> spotlights this inequity—showing that white-led environmental organizations have received over 80 percent of general-support grants in the field, whereas less than 10 percent of general-support grants have gone to organizations focused on people of color. Environmental organizations led by women have received just one-third of total grant dollars.

One of the most striking—and concerning—survey data points from a 2022 report from the Center for Effective Philanthropy:

7 Dorceta E. Taylor and Molly Blondell, <u>Examining</u> <u>Disparities in Environmental Grantmaking: Where the Money Goes</u>, Justice, Equity, Diversity, and Sustainability Initiative, Yale School of the Environment, March 2023.

# 10 Signs of Progress



Nearly 80 percent of foundations that don't currently fund climate change see climate as outside their giving purview—despite the same percentage viewing climate change as an urgent issue that will negatively impact their work.8 But there are many funds that can help bridge climate work with other social issues donors care about. For example, as one of the authors of this report, Sonali Patel, and two of her Bridgespan colleagues have argued in *Inside Philanthropy*, while climate events worsen existing gender inequities, the women, girls, and nonbinary people who endure them are precisely the people who can help solve our climate crisis: "They know from experience what changes are needed, and they have the drive to realize those changes," they wrote. "Indeed, their survival depends on it."

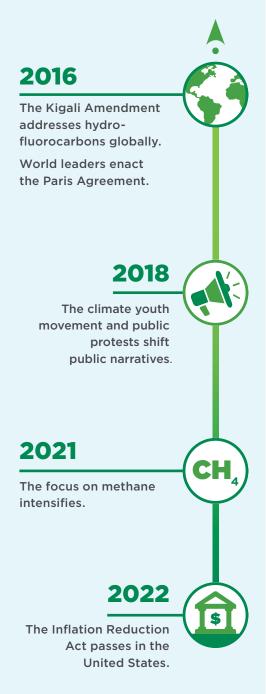
Climate-focused feminist funds, such as the Global Greengrants Fund, Pastoral Women's Council, Urgent Action Fund, and MADRE, provide support across movements to promote more systemic change. For example, MADRE is funding organizations in Kenya and Sudan to help women mitigate the effects of drought with water-storage tanks and innovative water-harvesting techniques.

One way donors can figure out if a funder collaborative is a good match with their goals and giving styles: talk to other participating donors. They can learn more about how the collaborative is governed, who's empowered to make decisions, and how quickly and effectively it moves money.

Intermediary organizations are another powerful pathway for giving. They can coordinate strategies and build a field or a movement<sup>9</sup> by engaging partners at the community, national, or global level; gather and communicate evidence and information;

- 8 Naomi Orensten, Katarina Malmgren, and Maria Lopez, <u>Much Alarm, Less Action: Foundations and Climate</u> <u>Change</u>, Center for Effective Philanthropy, 2022.
- 9 Lija McHugh Farnham, Emma Nothmann, and Cora Daniels, "<u>Field Building for Population-Level Change</u>," The Bridgespan Group, March 27, 2020.

# 10 Signs of Progress,



To learn more about these events and how we chose them, see "Major Climate Wins: Signs of Progress" on page 20. provide technical knowledge to others working on the issue; and bridge political divides.

Consider the example of the Indigenous peoples' and local communities' (IPLC) land tenure movement. These communities are estimated to live on and manage more than half of the world's land—with the potential to protect a vast amount of carbon-storing forest and grassland—but they have legal ownership of only 10 percent of their ancestral territories.

"There were a few small NGOs working on the issue of IPLC land rights, but despite the issue being so pervasive, they were practically invisible," says Andy White, coordinator of the Rights and Resources Initiative (RRI), a global coalition of over 150 organizations, "And the few people who did know about it tended to think that nothing could be done. But three key constituencies donors, activists and researchers, and Indigenous communities themselves started meeting to talk about what we could do together. This led to the RRI, which was set up to do something about this lack of visibility and lack of possibility."10



### Indigenous Peoples' and Local Communities' Land Tenure Movement

- Sequestration from steadily increasing Indigenous land tenure may be equivalent to 8 to 13 gigatons of carbon dioxide by 2050 (the planet currently releases around 40 gigatons of carbon into the atmosphere every year)<sup>9</sup>
- In 2021 alone, the Tenure
   Facility and its partners
   advanced collective tenure
   security over more than
   15 million hectares
   (37 million acres)

As an intermediary, RRI performs a variety of functions: it provides funding to organizations for advocacy, capacity building, and convening; incubates coalitions and collaborations in such countries as Colombia and Indonesia; builds networks of actors to fill gaps in the international framework of organizations working toward Indigenous, Afro-descendant, and community land rights; and builds the evidence base to better understand the issue and track progress—for example, working with scientists to estimate how much it costs to secure land rights and how much carbon could be sequestered in such land.

One early success in building the evidence base was an analysis from Forest Trends that found 22 percent of forests in developing countries were already in the hands of these communities, and that the share was actually increasing. "The fact that it was growing shocked a lot of people," says White. "It gave a lot of people hope." The percentage of forestland in the hands of Indigenous people and local communities has become a key metric to track the movement's progress.



Today, an intermediary originally incubated by RRI—the Tenure Facility—is providing funding and technical support to IPLC actors across the globe to help communities secure land rights, as well as sharing practical approaches with others in the movement. The Tenure Facility receives some of its funding from national and multilateral organizations and some from philanthropy, including from Bezos Earth Fund, Ford Foundation, and Audacious Project donors. In 2021, the Tenure Facility advanced tenure security—whether by outright title or documenting claims—to more than 37 million acres (approximately 15 million hectares) of land. And the broader movement has driven more direct funding for the work, influenced the efforts of government and multilateral funders, enabled stronger participation and decision-making power by those who are most directly affected, and created a link among efforts across multiple continents.

"We see the movement's progress as a result of 30 years of work because we have been able to prove our impact," says Myrna Cunningham, a Miskitu feminist and Indigenous rights activist from Nicaragua who has been heavily involved in the land rights movement. "We have gathered evidence that proved Indigenous peoples who control territories are the ones that secure biodiversity." Today, the land tenure movement is attracting far more attention and funding than in those early "invisible" days. At the 2021 United Nations climate change summit, known as COP26, government and private donors pledged \$1.7 billion to the work—the largest-ever public-private commitment to support Indigenous peoples and local communities."

Donors will pursue their philanthropy in a variety of ways, and some working largely alone may contribute significantly to progress in the decade ahead. But today's climate action landscape offers a range of existing structures that can provide donors a way to work together, at scale, in the areas they care about, to give now rather than waiting, and to learn from others as they go.

<sup>11</sup> Laurel Sutherland, "\$1.7 Billion Pledged in Support of Indigenous and Local Communities' Land Tenure," Mongabay, November 2, 2021.

# Support the Equitable Implementation of Laws, Treaties, and Policy Changes

Governments are passing substantive new laws, ratifying global and regional treaties, and setting new policy and regulatory directions. There will be many opportunities for donors to support equitable implementation of those public-sector advances:

- Donors can fund nonprofits in the United States that help states, counties, municipalities, and communities access new federal funding and use it to reduce emissions and adapt to a changing climate.
- For donors who focus on place, there are tremendous opportunities to help local nonprofits and support on-the-ground implementation.
- Across the globe, there is an extraordinary array of climate innovations being implemented on the ground by communities and grassroots movements that need money to scale.

The pathways discussed here—investing in smaller efforts connected to a big goal and working through existing structures for climate action like funder collaboratives and intermediaries—can be used to make progress on one of the biggest opportunities for climate donors over the next decade: supporting the equitable implementation of laws, treaties, and policy changes that have already been enacted.

Over the past two years, the US Congress passed three bills that open the door for faster progress on climate—the Infrastructure Investment and Jobs Act; the Creating Helpful Incentives to Produce Semiconductors, or CHIPS, Act (which could boost green technologies); and the Inflation Reduction Act. These new laws provide funding for the transition to clean energy, target billions of dollars to environmental justice efforts, set new emissions standards for methane, direct funds to coastal communities to prepare for rising sea levels and extreme weather, and much more. But none of them are self-implementing—no more than most other climate laws, treaties, court decisions, policies, and commitments made across the globe in the past few years. "After you pass a bill or enact a policy," says the Hive Fund's Co-Director Erin Rogers, "there's still a lot of work to make sure it gets enforced and to avoid the shift back to the status quo. Too often, funders want to move on once a policy is in place."

### PERSPECTIVES ON PROGRESS

"Some funders may think climate philanthropy is a crowded space. But there is so much work to do on every front. Funding needs to grow exponentially, or we will not seize the opportunities in front of us."

CHARLOTTE PERA, VICE PRESIDENT AND DEPUTY CEO, BEZOS EARTH FUND

Among the most important areas where donors could make a difference in the implementation of this new legislation in the United States:

- Donors can play an important role in helping to fund local-national partnerships.

  Community organizations have local implementation experience, and large national groups bring expertise in accessing federal funding—but many state and local governments don't have the capacity or knowledge to access federal funding and put it to work effectively. "It will be important to help small and medium-sized cities access funds and use them effectively to implement new programs," says Bloomberg Philanthropies' Williams. "This could be a significant challenge because they may not have had a lot of experience with things like electric vehicle charging or building upgrades or better energy efficiency. I think that's a really ripe opportunity for philanthropy to help."
- Donors can help fund public information campaigns. There is a great deal of funding available to businesses and consumers to support the transition to clean energy. As a result, there is a huge need for outreach and education to help them understand how they can benefit from and take advantage of incentives for electric vehicles, solar installations, home-energy-efficiency retrofits, and more.
- Donors can support the effort to create good green jobs at the national, state, and local levels. It will be vital to ensure that the work undertaken with new federal incentives creates good jobs—employment that is accessible to all and that offers a living wage, safe working conditions, appropriate employee benefits, and equitable treatment. Partnerships between labor, environmental groups, and other organizations and movements will be crucial to this effort.

"Implementation will be key, and money will be required to fight off the bad stuff," says Peggy Shepard, cofounder and executive director of WE ACT for Environmental Justice, which started in West Harlem and now works across New York City and New York State and in Washington, DC. "That's where philanthropy will be able to play a key role—in supporting advocacy, shifting narratives, writing rules, and making sure we protect frontline communities."

Another example of philanthropy's continuing role in implementation is the Kigali Amendment, which requires countries across the world to significantly reduce their use of climate-warming HFCs. Here, implementation support was built into the agreement itself—and philanthropy has continued to play a major role.

# PERSPECTIVES ON PROGRESS

"Across every bucket of the climate space, you have massive underfunding relative to need. The only wrong answer is doing nothing."

NOAH DEICH, DEPUTY ASSISTANT SECRETARY FOR THE OFFICE OF CARBON MANAGEMENT, US DEPARTMENT OF ENERGY



"Lower-income countries weren't sure they could take on the cost of improving the efficiency of air conditioning," explains Jessica Brown, former director of the Clean Cooling Collaborative, which worked toward the Kigali Amendment. The collaborative is a \$60 million global program hosted by the ClimateWorks Foundation to advance efficient, climate-friendly cooling. Philanthropists "were able to pull together over \$50 million in philanthropic resources to support the transition to more efficient air conditioning. They put that on the table: 'If lower-income countries sign on, we have money to support efficiency."

This philanthropic commitment—put together by 17 funders acting collaboratively and quickly—ultimately helped seal the deal. Along with additional funds committed by wealthier countries, it has also helped to ease the transition away from HFCs by making use of climate adaptations as straightforward as reflective roofs and ceiling fans.

Adaptation to rising temperatures is one area that illustrates what it can look like for a donor to support implementation. Extreme heat is among the most costly and deadly consequences of climate change—now causing more deaths than any other weather-related hazard in the United States. It's at least as dangerous around the world, since the future damages of heat will fall disproportionately on the Global South.<sup>12</sup> Acting on heat is a moral imperative, and there are multiple ways funders can scale implementation and catalyze private-sector investment in existing solutions around the world. For example, this could mean funding shade structures to protect outdoor market vendors; supporting more green space in historically marginalized neighborhoods that experience relatively more intense heat; or expanding microinsurance programs for women in climate-exposed occupations (like the extreme-heat insurance recently piloted by the <u>Adrienne Arsht-Rockefeller Foundation Resilience Center at the Atlantic Council</u>).

<sup>12 &</sup>quot;Climate Change and Extreme Heat: What You Can Do to Prepare," US EPA, October 2016; Tamma Carleton, et al., "Valuing the Global Mortality Consequences of Climate Change Accounting for Adaptation Costs and Benefits," The Quarterly Journal of Economics 137, no. 4, (November 2022), pp. 2037–2105; Harry Stevens, "Will Global Warming Make Temperature Less Deadly?," Washington Post, February 16, 2023.

"There is a tremendous amount of innovation already happening in communities across the globe," says Laura García, president and CEO of the Global Greengrants Fund. "People have developed locally adapted approaches to sustainable management of soils and forests, restoration of mangroves, decentralized energy, and greater resilience of homes and infrastructure. There are opportunities for donors to play a big role in helping communities and organizations scale these innovations. A grant for this kind of work can save lives."

### Conclusion

The complexity and size of the climate issue is no reason for philanthropic money to stay on the sidelines. And while there has been a substantial increase in donor support for climate action, hardly any of the experts we interviewed felt there is currently anything like sufficient private funding to meet the urgency of the moment.

The key word here is "urgency." Pushing investment off into the future compounds problems, because emissions would need to fall proportionately more steeply. (Not to mention that adaptation costs would come sooner.) Two years ago, Energy Innovation Policy and Technology, a think tank in San Francisco, contrasted scenarios of US climate policy action to meet UN climate commitments starting in 2021 versus waiting until 2030. It found the net present value of the additional expenditures with the delayed start to be 72 percent higher. By 2040, annual expenditures would need to be \$700 billion higher in the 2030 scenario than in the 2021 scenario. That is a daunting investment gap. The only way to bridge it is to start funding today.

"If there were ever an issue where philanthropy needs to be engaged, it is climate," says Shawn Reifsteck, managing director of the ClimateWorks Foundation (one of the funders of this report). "Solving the climate crisis may be challenging, but investing effectively in climate solutions doesn't have to be. The world is made up of a dynamic and diverse network of climate leaders and organizations poised to meet the climate crisis over the next decade, and philanthropy has never been better equipped to help them do it."

### PERSPECTIVES ON PROGRESS

"Philanthropy can help make policy better, it can make early-stage investments in markets, and it can help mobilize constituencies to press for change."

CHRIS DECARDY, PRESIDENT, HEINZ ENDOWMENTS AND FOUNDING BOARD MEMBER, CLIMATE LEADERSHIP INITIATIVE

### **Tips for Newer Climate Donors**

The <u>Climate Leadership Initiative</u> provides the following tips for funders contributing to climate change efforts. We gratefully acknowledge their permission to share them in this report.

#### Act quickly while continuing to learn

Philanthropists must act expediently. You don't have to be an expert to begin giving. Pick a path that interests you and get started, learning and iterating on your approach along the way. There are strategies at many different phases of evolution. You may choose to invest in nascent areas where there is tremendous need for research, innovation, and discovery. Early contributions can seed important work and leverage additional resources. Alternatively, some philanthropists focus on existing, high-impact strategies or proven solutions that can immediately deploy new funding to scale results—like electric vehicles, which are close to a tipping point toward mass adoption.

### Make a long-term commitment

Donors empower meaningful change when they commit to multiyear, core support that allows organizations to set ambitious goals, hire great people, pursue long-term strategies, and attract additional funding. Highly restricted, short-term investments typically produce highly restricted, short-term ideas and outcomes, especially given how little philanthropy has invested in this work so far.

### To solve complex challenges, look at multifaceted solutions

Comprehensive strategies—reflecting diverse contributions of organizations and individuals who are thinkers, financiers, scientists, practitioners, communicators, and movement builders committed to shared goals—can more effectively solve problems and achieve greater impact than individual organizations working on their own. Consider supporting a range of stakeholders and organizations working together on solutions that incorporate communications, education, and advocacy.

### Join forces to bolster impact

Collaboration is key to making the massive transitions required to protect our future, and the growing community of new and experienced climate philanthropists can be a valuable resource as you chart your path toward climate action. Working with other philanthropists can help solutions scale faster. There are decades of shared experience and success to build upon, and deep knowledge about where to go from here. As a new climate donor, you can bring fresh perspectives and new ideas that will benefit existing funders.

#### Empower those closest to the challenges

The best solutions are informed—and often led—by those closest to the problem. Some organizations prefer to receive funding directly from philanthropists. Another option to get funding to a broad array of groups is giving through re-granting intermediaries ("regrantors"), which serve as hubs in geographic or focus areas and help donors learn together and align with others for greater impact. Regrantors have deep geographic, cultural, and issue-specific knowledge and can help donors strategize on how to support the diverse landscape of climate players. These include many groups working at the intersection of climate and other areas such as health, poverty, equity, and education.

### Center equity and justice in your giving

In the past several years, more than half of all foundation funding for climate went to groups in the United States and Europe, despite significant and rapid scaling needed in the Global South. Within the United States, only 1.3 percent of funding from 12 of the largest environmental funders went to Black, Indigenous, and peopleof-color-led, justice-focused organizations. Understanding these inequities is important for new climate donors, so as not to perpetuate the status quo and continue to exclude people of color, grassroots groups, and communities that are low-income, marginalized, or based in the Global South. There is growing recognition that achieving lasting, transformative change on climate will require deeply investing in the power and capacity of communities that historically have been left behind. This means funding grassroots solutions, movement building, and organizations led by women and people of color.

### **Major Climate Wins: Signs of Progress**

In each of our interviews with climate leaders, funders, and thought leaders, we asked some variation of the following question: "What do you see as the biggest climate wins of the past 20 years?" We did not specify what we meant by "wins" to allow interviewees to interpret it on their own. Secondary research and follow-up interviews then helped determine whether and how philanthropy played a role in these landmark climate achievements.

Below we name the 10 major signs of progress mentioned by four or more interviewees. While this timeline highlights significant moments in time, they represent achievements that in actuality had many important moments and numerous influential voices and contributors.

We recognize that we have not captured every major climate win, given the subjectivity involved in our analysis, the open-ended interpretation of what could or should be considered a win, and our interview sample, which is skewed toward US perspectives. However, we believe this is an extensive account of the major climate wins of the past two decades—and beyond.

Renewable energy standards spread clean energy across US states. In 1983, Iowa became the first state to mandate a clean energy minimum, called a renewable portfolio standard (RPS), for its electric grid. Nearly 40 states have now passed some form of an RPS. Founded in 1991, the Energy Foundation later prominently aided this effort to spread RPS policies across states.<sup>1</sup>

The movement for Indigenous peoples and local communities' land tenure gains ground. With the formation of the Rights and Resources Initiative in 2005, among other signs of progress, the movement for global recognition and monetary commitment to communities' fights for land tenure rights has gained significant momentum in recent years. Secure land tenure is central to both climate change mitigation and adaptation. Institutional philanthropy has played multiple roles primarily through international development mechanisms.

**2008** Deforestation prevention achieves traction. The movement to prevent deforestation has steadily grown to recognize and support the role of land-use change and forests not only as carbon sinks, but also as an adaptation strategy. The UN formally launched its UN-REDD Program in 2008 and established its REDD+ framework in 2013 to intervene in forest clearing and degradation. Philanthropy has played multiple roles in anti-deforestation efforts. For example, at the UN's climate change conference in 2021, known as COP26, philanthropic groups pledged \$1.7 billion to help Indigenous peoples and local communities address deforestation. The LEAF Coalition, a public-private partnership for tropical forest protection, also mobilized \$1 billion in 2021.

<sup>1</sup> Leah Stokes, "How Can Foundations Change Public Policy? The Case for Funding Grassroots NGOs," HistPhil, July 5, 2017.

<sup>2 &</sup>quot;Governments and Private Funders Announce Historic US\$1.7 Billion Pledge at COP26 in Support of Indigenous Peoples and Local Communities," The Ford Foundation, November 1, 2021.

<sup>3 &</sup>quot;<u>LEAF Coalition Commitments Top \$1.5 Billion</u>," LEAF Coalition, November 7, 2022.

The Beyond Coal campaign jumpstarts phasing out coal for power production in the United States. Beyond Coal is a campaign to empower grassroots communities across the United States to phase out existing coal plants harming local communities and to halt the siting, planning, and construction of new plants. Philanthropy has played a significant role in the campaign since its earliest stages. In 2011, the campaign received a \$50 million investment from Bloomberg Philanthropies, allowing it to scale nationally.<sup>4</sup>

**2015** The transition to electric vehicles accelerates. The ratcheting up of fuel-economy standards, policies, and regulations globally is driving the transition to electric vehicles. Philanthropy has played an important role in accelerating the adoption of fuel standards and electric vehicles globally. The Drive Electric campaign throughout China, Europe, the United States, and India can be traced back to philanthropic work beginning in 2015.<sup>5</sup>

The Kigali Amendment addresses hydrofluorocarbons (HFCs) globally. The Kigali Amendment to the Montreal Protocol, passed in 2016, is a global agreement to phase down the production and consumption of HFCs, a class of chemicals predominately used in air conditioning and refrigeration. Philanthropic funding was key to its agreement and implementation. After passage, a collaborative of 17 funders came together to commit \$50 million toward phasing out HFCs.<sup>6</sup>

**2016** World leaders enact the Paris Agreement. Signed under the United Nations Framework Convention on Climate Change, the Paris Agreement is the first legally binding international treaty on climate change to address emissions reductions. Philanthropy played numerous direct and indirect roles in setting the stage for the historic agreement—for example, convening leaders in the developing world, providing research and analysis, and deploying strategic communications.<sup>7</sup>

The climate youth movement and public protests shift public narratives.

Greta Thunberg's first school strike for climate change mitigation in 2018 inspired a global movement. Youth activism has played a fundamental role in shifting narratives and building momentum in the fight for climate action. Meanwhile, philanthropy has played a supporting role, helping to shift narratives on climate change and fund the climate movement.<sup>8</sup>

<sup>4 &</sup>quot;Bloomberg Philanthropies and Sierra Club's Beyond Coal Campaign Reaches Landmark Closure of 318th U.S. Coal Plant, on Track to Retire All Coal Plants by 2030," Bloomberg Philanthropies, September 15, 2020.

<sup>5 &</sup>quot;Drive Electric and The Audacious Project Announce Historic \$500 Million Milestone Live from the TED Countdown Summit," ClimateWorks Foundation, October 12, 2021.

<sup>6</sup> Bridgespan interviews; and see <u>Scaling Up Clean Cooling for All: Kigali Cooling Efficiency Program Impact Report (2017-2021)</u>, Clean Cooling Collaborative, August 24, 2021.

<sup>7</sup> Laurence Tubiana and Christie Ulman, "<u>To Meet the Climate Challenge, Philanthropy Must Challenge Itself,</u>" Stanford Social Innovation Review, April 6, 2022.

<sup>8</sup> Andrew Freedman, "Exclusive: Youth Climate Activists Get Boost from Dutch Tech Billionaire," Axios, December 22, 2021.

**2021** The focus on methane intensifies. Commitments to identifying methane leaks and curbing global methane emissions are building momentum. For example, the Environmental Defense Fund's rigorous research from 2012 to 2018 revealed that methane emissions in the United States are 60 percent higher than previous estimates. In 2021, over 100 countries signed the Global Methane Pledge. Philanthropy played a primary and critical role in raising awareness of the importance of addressing methane as a source of greenhouse-gas emissions. <sup>9,10</sup>

The Inflation Reduction Act (IRA) passes in the United States. The IRA is the most significant climate-related legislation in US history. It secured more than \$350 billion in tax credits, incentives, and grant dollars to curb harmful emissions and promote green technologies. Philanthropy played many important roles in the development and passage of the IRA and will be important for its implementation. For example, philanthropy supported the development and analysis of policies via technical assistance as well as secondments of climate experts to congressional offices and the White House.<sup>11</sup>

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<sup>9 &</sup>quot;20+ Philanthropies Join to Provide \$328M to Dramatically Reduce Methane Emissions," Hewlett Foundation, November 2, 2021.

<sup>10 &</sup>quot;Enabling Faster Action," MethaneSAT, n.d.

<sup>11</sup> Bridgespan interviews.