

CONFRONTING THE CLIMATE CHALLENGE

Incorporating climate change into your funding strategies

Climate change is an all-encompassing problem, affecting every aspect of society, the economy and the environment. There is a growing desire to confront this problem, but it may not be apparent to foundations how to engage given their existing missions. This document shows linkages between climate and many other issues funders are already tackling and suggests grantmaking strategies resulting in positive outcomes for both your mission and the climate.

WE ENCOURAGE FUNDERS TO USE A CLIMATE LENS: A PERSPECTIVE THAT CONSIDERS CLIMATE CHANGE IN ALL STRATEGIC DECISIONS.

UNDERSTANDING THE PROBLEM

The Earth is warming due to human activity: How do your foundation's practices fit in?

The world's leading authorities on climate science have come to a consensus that the Earth's climate is warming and human actions that increase greenhouse gas (GHG) emissions and change land use are the primary driving forces¹. Human induced GHG emissions have greatly increased

since industrialization. Current atmospheric concentrations exceed levels from any time in the past 650,000 years². Consequently, the average annual temperatures continue to break the records kept since the start of modern record keeping³.

With less than 5% of the world's population⁴, the United States contributes about 25%⁵ to the world's GHGs, making it the largest global emitter overall, and one of



the largest per capita emitters. Scientists and NGOs have called on industrialized nations to reduce their CO₂ emissions by 80% below current levels by 2050 to avoid the worst impacts of climate change⁶. Yet the US's GHG emissions have continued to *increase* on average 0.9% annually⁷. The top five GHG polluting countries in the world in absolute terms are (in order) United States, China, Russia, Japan and India.

Every person and organization contributes to climate change directly and indirectly through electricity use, transportation, land development and production and consumption of food and material goods. Understanding these drivers of climate causing pollution and the importance of reducing their impacts can help lead towards solutions that may avoid the worst impacts of climate change.

Climate change will have far reaching negative impacts: Where does your philanthropic contribution fit in?

While some impacts of climate change are unavoidable and specific impacts are hard to predict, it is clear that without immediate widespread action more significant climate shifts will occur, along with shifts to natural systems such as the weather and water cycle, potentially causing devastation and hardship before a new equilibrium is reached or adaptations are put in place.

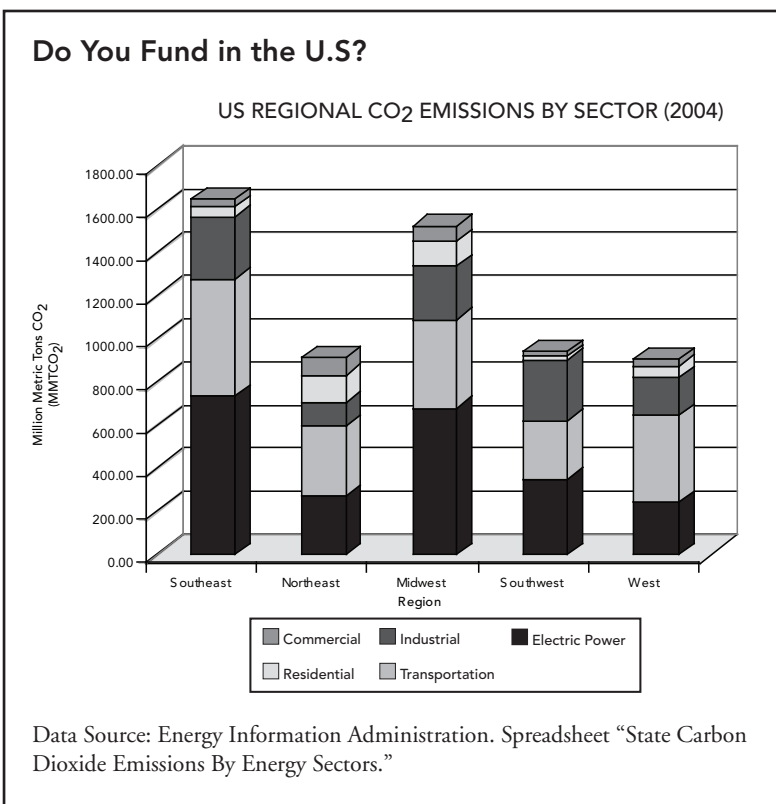
Climate change impacts many different aspects of our world and society and therefore is something that must be addressed from all different sectors. When looking at the range of impacts as a funder, one can see the scope of the problem, think about how this relates to your program area, and begin to identify strategies for you to address the problem. Here are a range of predicted climate change impacts that affect program areas across the philanthropic spectrum:

Community Impacts: Increasing rates of sea level rise and more frequent and intense storms in some regions⁸ will lead to severe flooding and coastal erosion, damaging property, infrastructure and overall community well-being. Simultaneously other areas will suffer water shortages⁹, disrupting food systems and other forms of livelihood.

Economic Impacts: Climate change will have many complex effects on the economy. Trade losses are likely as a result of raw materials shortages and the destruction of industrial, public and private infrastructure. At the same time other sectors of the economy might thrive as new markets and technologies emerge. Private and public dollars will likely be devoted to disaster response, rebuilding affected regions and retrofitting vulnerable areas, potentially being siphoned from other important needs.

Health Impacts: Millions of people will suffer due to climate-related health concerns, including an increase in malnutrition and starvation; disease and injury related to heat waves, floods, storms, fires and droughts; increased frequency of cardio-respiratory diseases; and increasing range of infectious diseases, such as malaria¹⁰.

Social Impacts: Overall, the poorest populations will be most negatively impacted, although they likely have contributed least to the problem. Though US shorelines are dotted with well-to-do beachside towns there are also many economically distressed communities in low-lying areas such as the lower 9th ward in New Orleans. Internationally, poorer nations have



more limited access to funds for adaptation and are more directly dependent on climate-sensitive resources such as local water and food supplies¹¹.

Direct Ecological Impacts: Twenty to thirty percent of plant and animal species are susceptible to extinction¹² due to rapidly changing ecosystems and habitat destruction. Worldwide, fisheries are already heavily stressed and climate change could cause them to completely collapse.

Political solutions have yet to address the scale of the problem: What does this mean to philanthropy?

There are many efforts to reduce GHG emissions through government policies, but none have the teeth or the buy-in needed to avoid the impacts of climate change. The international community is committed to reducing emissions through the Kyoto Protocol, which is the first international binding commitment between developed countries. It is designed to collectively reduce GHG emissions by at least 5% below 1990 levels by 2012. Negotiations are underway to for a post-Kyoto GHG treaty, but there are no long-term international commitments for reducing CO₂ to the degree that scientists call for.

The United States has yet to act decisively and appropriately. The federal government has not committed to mandatory emissions reductions or ratified the Kyoto protocol and is not discussing emissions reductions on the scale scientists are demanding. With the absence of a

federal commitment, many states and regions have taken the lead in setting policies to reduce GHG emissions. Such state and regional actions serve as ‘policy laboratories’ for the much needed national policies, while leading to fewer emissions. However, these regional approaches are in various states of completion and implementation, with a lot of work still to be done and many additional resources required. Furthermore, large portions of the country, such as the Southeast and Texas are huge emitters, yet do not even have agreements in place.

The policy process to date has been too slow to respond to the magnitude and urgency of this issue. It will therefore take leadership from many sectors of society to increase the pace. Philanthropy can play a major role supporting innovative solutions for the environment, the economy and society.

“AS GOVERNMENTS BECOME MORE PARALYZED IN ADDRESSING ISSUES RELATED TO THE ENVIRONMENT AND CLIMATE CHANGE, THERE IS AN EXPECTATION AND RESPONSIBILITY FOR PHILANTHROPY TO STEP INTO A MORE ENGAGED LEADERSHIP ROLE.”

—STEVE GUNDERSON, EXECUTIVE DIRECTOR OF THE COUNCIL ON FOUNDATIONS

FINDING SOLUTIONS WITHIN PHILANTHROPY

Environmental funders can't solve the climate problem alone: How can other funding areas address climate change?

In 2006 \$19.1 billion grant dollars were given from US foundations, however only ~\$1.15 billion went towards the environment in general, with only 0.8% (\$137.5 million)¹⁵ going towards climate. Clearly climate leadership and funding must come from beyond philanthropy's current environmental portfolio. Instead of replacing other funding areas with climate funding we encourage funders to integrate a climate lens (a perspective that considers climate change in all strategic decisions) into their grant-making process.

The magnitude of this challenge, and the broad scope of impacts, necessitates that all sectors of society participate

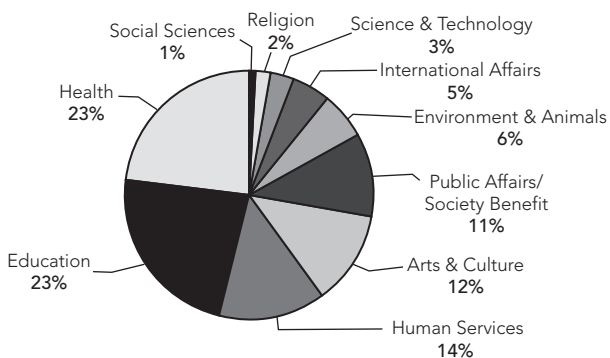
TOP 5 CLIMATE FUNDERS IN 2006¹³ *

- William and Flora Hewlett Foundation
- Energy Foundation
- Pew Charitable Trust
- Rockefeller Brothers Fund
- Nathan Cummings Foundation

*This does not include recent philanthropic activities that have increased the total amount of funding for climate. For example, the Doris Duke Charitable Foundation would jump to 4th on this list with grants made in 2008.

Figure 2. 2006 Grant Dollars by Program Area¹⁴

Percent of Grant Dollars



in shaping a response to climate change. The William J. Clinton Foundation’s Clinton Global Initiatives (CGI) is one example of an effort to find and leverage funding from multi-sector partners. CGI engages foundations, corporations, governments, universities and non-profits to find and invest in solutions that address climate change. As of 2006 CGI received commitments of over \$657 million to address climate change.

You don’t need to be an environmental funder to address climate change: How can you find your grant making niche?

There are two primary categories of climate change funding opportunities: *mitigation*—preventing or slowing future climate change (“avoiding the unmanageable”¹⁶)—and *adaptation*—preparing for climate change impacts (“managing the unavoidable”¹⁷).

There are three basic questions to help frame how climate change fits with your program area.

- **How could predicted climate change impacts erode gains made, or produce additional challenges, in my program area(s)?**
- **What opportunities arise from addressing climate change, which could benefit my existing program area(s)?**
- **Are there leverage points that could provide positive outcomes for my program area(s) and address climate change?**

FINDING YOUR NICHE:

Two examples of cross program synergies



CLIMATE AND HEALTH. There are several intersections between health and climate. Many health promotion programs can also benefit the climate.

Active living and nutrition programs are two examples. Encouraging people to walk, ride bikes, or use public transportation and eat locally grown and less processed foods benefits human health and helps mitigate climate impacts. On the adaptation side, not addressing climate change is projected to increase the spread of vector-borne diseases, cause malnutrition, and result in major disasters, further stressing health care systems around the globe.



CLIMATE AND EDUCATION. There are also overlaps between education and climate. Educating people about the problem and possible solutions is central

to any climate strategy and is a crucial way to bring about behavioral change, which can lead to a reduction in activities that contribute to climate change pollution. These issues can be integrated into school curriculum, can be a focal point of special school-related events and can reach broader society through public education campaigns. Furthermore, many schools have undertaken GHG inventories and are acting as laboratories for testing new policies and technologies to reduce GHGs including: employing energy efficient designs in new buildings and retrofits, using renewable energy and developing green roofs and urban gardens.

Your foundation can take action beyond grant making: What steps has yours taken?

Leveraging Foundation Assets. One very powerful way to confront climate change within any foundation is to use foundation assets to support investments that take account of risks associated with climate change. For example, trustees can shift endowments and retirement plans towards funds that focus on clean technologies, community development, and other sustainable industries and screen out companies that pose climate related risks, by either being vulnerable to climate impacts or if they are identified as major contributors to global warming. Alternately, foundations can use their assets to leverage corporate change within their existing investments through proxy voting and shareholder advocacy.

Going Green. Foundations can also adopt sustainable practices within their every day operations to reduce their own climate pollution and set an example for others to follow. This includes purchasing 'green' office products, conserving office energy usage, purchasing renewable energy, reducing travel when possible and purchasing carbon offsets.

EGA is a valuable resource: How can we help you?

The Environmental Grantmakers Association is a membership organization with 230 foundation members. Our mission is to help organizations become more effective Grantmakers through information sharing, collaboration and networking. Our approach to confronting the climate challenge includes reaching out beyond our membership to environmental and non-environmental funders and catalyze synergistic partnerships across funding silos. Here are a number of ways that we can help you chart a path towards climate funding:

- **EGA can refer you to consultants and other funders to help you establish a grantmaking strategy around climate.**

- **EGA organizes events and publications focused on climate funding strategies and sustainable foundation practices.**
- **EGA can help you to find affinity groups and other foundations that closely match your funding interests.**
- **Join the EGA Green Co-op to purchase sustainable office products and carbon offsets. It's free.**

Information Resources

IPPC (Intergovernmental Panel on Climate Change) is the most authoritative group of climate scientists and has comprehensive information on climate science and mitigation opportunities. www.ipcc.ch/

Energy Information Administration has the most up to date statistics on greenhouse gas emissions, by sector internationally, nationally and by state. www.eia.doe.gov/environment.html

UNFCCC is the international body responsible for the Kyoto protocol and future climate treaties. They provide information about international climate policies and projects for reducing emissions. www.unfccc.int

The Daily Climate is a great source of news related to climate change. Their website and daily email updates will keep you up-to-speed on new developments in policy and advocacy. www.dailyclimate.org

The Climate Institute has information on the basics of climate change science, political cartoons, climate reports and more. www.climate.org

The EGA Website has access to publications that help foundations develop grantmaking strategies and improve the sustainability of their own operations. It also lists upcoming events and can help connect funders with similar interests. www.ega.org

The EGA Green Co-op enables funders to purchase sustainable office products and offsets at affordable prices by negotiating discounts due to the volume that the co-op collectively represents. www.ega.org/co-op

TABLE 1. Potential Climate Change Collaborative Funding Efforts

Category	Approach	Strategy	Action/Intervention	Examples of Funding Partnerships by Program Area ¹⁸
<i>Mitigation</i>	Policy	Create and implement emissions reduction policies and increase public spending on clean technologies	<ul style="list-style-type: none"> • Develop and adopt fed/regional/state limits for GHG emissions reductions and framework for meeting them • Develop and adopt state and federal standards for power generated with renewable technologies (solar, wind, etc.) • Increase public investment in research, development, demonstration and deployment of new energy technologies and infrastructure 	<ul style="list-style-type: none"> • Public Affairs/Society Benefit • Social science • Environment & Animals • International Affairs
	Technology	Transition to clean technologies	<ul style="list-style-type: none"> • Campaign against new coal plants local/state/regional • Private Research and develop non-polluting or low-emission renewable technologies for electricity, transportation, etc. 	<ul style="list-style-type: none"> • Science & technology • Environment & Animals • Public Affairs/Society Benefit • Education
		Improve efficiency	<ul style="list-style-type: none"> • Implement stricter vehicle fuel efficiency standards in U.S. and China • Create more stringent state/federal/international product and appliance efficiency standards • Develop and implement efficiency and performance standards for buildings • Research and develop more energy efficient products 	
	Science	Enhance climate research	<ul style="list-style-type: none"> • Conduct emissions analysis, research interplay between ecological systems and impact predictions • Convey latest scientific findings to key decision makers and/or the general public • Conduct vulnerability needs assessments • Study the increasing range of vector-borne diseases due to global warming 	<ul style="list-style-type: none"> • Environment & Animals • Science & Technology • Health • Education
	Health	Support programs that improve both health and climate	<ul style="list-style-type: none"> • Campaign to reduce local air pollution • Promote health and environmental benefits of reducing meat consumption • Promote healthy and sustainable modes of transportation including walking, cycling and mass transit • Help public health system adopt green practices 	<ul style="list-style-type: none"> • Health • Environment & Animals • Public Affairs / Society Benefit
	Education	Raise awareness and educate	<ul style="list-style-type: none"> • Educate citizens and students on how to reduce their CO2 emissions • Add and improve curriculum about environment and climate • Help educational institutions adopt green practices 	<ul style="list-style-type: none"> • Arts & Culture • Education • Religion • Environment & Animals • Science & Technology • Public Affairs/ Society Benefit

TABLE 1, continued

Category	Approach	Strategy	Action/Intervention	Examples of Funding Partnerships by Program Area ¹⁸
<i>Mitigation</i>	Socio-Cultural	Stimulate awareness and behavioral change	<ul style="list-style-type: none"> • Raise profile of climate change in public consciousness by supporting art and literature that discuss the problem and critique solutions 	<ul style="list-style-type: none"> • Arts & Culture • Health • Education • Social science • Religion
	Conservation	Protect natural carbon sinks (i.e. forests)	<ul style="list-style-type: none"> • Reforest rural, suburban and urban areas • Modify agricultural practices to protect canopy and groundcover • Protect species 	<ul style="list-style-type: none"> • Environment, Animals • Human Services • International Affairs
	Sustainable Development	Create sustainable communities	<ul style="list-style-type: none"> • Support locally-based sustainable agriculture • Promote transit oriented development and mass transit systems • Develop green roof programs in urban areas • Incubate green jobs, invest in community redevelopment 	<ul style="list-style-type: none"> • Public Affairs/Society Benefit • Human Services • International Affairs
	Financial	Leverage assets	<ul style="list-style-type: none"> • Adopt mission-related investing strategies focused on climate • Coordinate proxy voting to change towards more sustainable corporate behavior • Practice shareowner advocacy towards egregious GHG emitters or climate change action opponents 	<ul style="list-style-type: none"> • All program areas
	Internal operations	Adopt green practices	<ul style="list-style-type: none"> • Become carbon neutral • Purchase sustainable office products • Adopt a green transportation incentives 	<ul style="list-style-type: none"> • All program areas
<i>Adaptation</i>	Preparation	Create potential impact plans	<ul style="list-style-type: none"> • Develop relocation / adaptation plans for vulnerable communities • Enhance flood protection 	<ul style="list-style-type: none"> • Human Services • International Affairs • Environment / Animals • Health • Education • Social Science
	Response	Improve capacity to respond	<ul style="list-style-type: none"> • Organize adaptation working groups in vulnerable areas • Campaign for government to invest in adaptation response funds 	
	Relief	Provide direct community support	<ul style="list-style-type: none"> • Provide emergency health and relief aid to communities affected by strong storms or sea level rise 	
	Resiliency	Protect natural buffers	<ul style="list-style-type: none"> • Conserve salt marshes and mangrove forests in vulnerable coastal areas • Support community-based planning and zoning requirements 	

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17. Ibid
18. Based on the Foundation Center Grants Classification System (GCS). Additional partners should include local, state, regional, national and international government/governance bodies the private sector and other non-profit organizations.



Environmental Grantmakers Association

55 Exchange Place, Suite 405 • New York, NY 10005-1965
tel: 646-747-2655 • fax: 646-747-2656