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# Philanthropy's Unique Role in Solving the Climate Crisis

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*Environmental devastation and subsequent human suffering from climate change are happening faster than previously projected. While nations worldwide have made progress on slowing rates of climate pollution, this decade is critical for unprecedented advances from the public and private sectors. Philanthropy has played a unique role in the important, if limited, progress to date on reducing climate pollution. The philanthropic sector can have greater impact if it moves quickly to add resources to what is working, provides new support to places in the world and approaches for change that have been left out in the past, and opens itself to strategies from a broader range of leaders and experts.*

The images and stories are nearly incomprehensible. Massive rains during the most recent monsoon season super-charged by climate change flooded one-third of Pakistan, the world's fifth most populous country. More than thirty million people with homes submerged were displaced overnight; many with no place to go.<sup>1</sup> That is more people made instantly homeless, with livelihoods ruined, than live in all of Taiwan.<sup>2</sup>

Extreme and dangerous weather events, amplified by the buildup of climate pollution in the atmosphere, now regularly impact every continent, devastating the lives of hundreds of millions of people in ways that exceed the most concerning scientific projections of recent years.<sup>3</sup>

Global climate pollution continues its relentless rise despite scientific consensus on the primary role of human activities in causing climate

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change and the increasingly visible devastation resulting from burning fossil fuels and destroying the ecosystems that play a critical role in absorbing carbon from the atmosphere. The average global temperature continues to rise despite the 2015 Paris Agreement, in which nations pledged to reduce emissions at a pace that would avert the worst impacts of climate change – pledges that only one country, Gambia, has been on track to meet.<sup>4</sup> Climate impacts are accelerating, despite the fact that humanity knows what needs to be done to address the climate crisis. Despite the evidence, the commitments, and the available solutions, government leaders are failing their citizens today, as well as future generations.

As stark as this moment is, however, it is important to recognize that earlier this century global climate pollution emissions were on a path that would have been much worse for people and the planet. What was projected then in “business as usual” scenarios to be a four-to-five-degree Celsius increase in global average temperature by the end of this century, scientists now believe looks like a two-to three-degree increase.<sup>5</sup> That is not good enough, but it is real progress in terms of avoided suffering for literally billions of people.

A good place to look for guidance on how to effectively tackle the current daunting task is by reviewing what created the important, if limited, initial progress over the past few decades. With a universal and complex problem like climate change, that progress has been in fits and starts, with countless catalysts large and small that helped change government policy, market dynamics, and individual behavior.

Some of these catalytic people and institutions are easy to recognize. After all, former United States Vice President Al Gore and the Intergovernmental Panel on Climate Change won the 2007 Nobel Peace Prize for their efforts.<sup>6</sup> But other catalysts are not as visible. Some of those have come from the field of philanthropy – the people and institutions that donate resources and expertise to leaders and organizations working to advance social good.

Philanthropy at its best is well suited to tackling the world’s most thorny problems, like climate change. Because philanthropy can commit over the long haul, it can resource what governments and markets can’t or won’t, including: filling gaps in the ecosystem of needed actions that have been ignored; trying high-risk/high-reward approaches; investing in people and ideas with little popular support; sticking with efforts through periods of limited progress; supporting promising leaders with unproven ideas; or moving funding quickly at pivotal moments to expand impact. Philanthropic investment by itself cannot address climate change, but its

resources are often crucial to helping change government policies and market dynamics – the only two avenues with resources at a sufficient level to solve the crisis.

Take the case of burning coal, which is used to provide electricity that lights, cools, and heats our lives, and is one of the largest sources of climate pollution globally. Over the past twenty years, the percentage of electricity produced from burning coal in the United States (the world's third largest coal consumer behind China and India) declined from more than 50 percent to 23 percent,<sup>7</sup> initially replaced, for the most part, by natural gas and then more and more with renewable sources like wind and solar. Many actors have helped bring about this transition, but critical leadership came from the Sierra Club, which launched its Beyond Coal Campaign in 2002.<sup>8</sup>

Utilizing its members and coalition partners, the campaign focused on stopping proposed new coal plants through grassroots organizing, defending the rights of people impacted by air and water pollution in court, and educating policy and business decision makers. The campaign used research that showed how many plants were no longer economically viable, and how workers should be supported in transitioning out of jobs impacted by the shift to new power sources. What started as a state-based effort seeded by a set of small U.S. foundations grew into a national campaign supported by a philanthropic collaborative that invested more than USD 200 million.<sup>9</sup> Philanthropic investment at the right moments and scale allowed campaign leaders to test models in specific places, develop information feedback loops to measure results and adapt tactics, and then significantly scale as market economics around coal, natural gas, and renewables shifted dramatically.

The campaign ultimately played a critical role in preventing more than 200 proposed coal plants from being built and helped retire two-thirds of existing plants operating a decade prior. The avoided emissions from these closures led to reduced disease and prevented premature deaths, saving nearly USD 14 billion in health care costs.<sup>10</sup> The campaign has since expanded with a goal of retiring all U.S. coal plants by 2030.<sup>11</sup>

Looking globally, the commitment of nations to phase out climate polluting refrigerants used in cooling appliances the world over is another success story where philanthropy played an important role. Hydrofluorocarbons (HFCs) have been in use for more than thirty years as replacements for what had been the leading ozone depleting chemicals – hydrochlorofluorocarbons (HCFCs) and chlorofluorocarbons (CFCs) – once used in refrigeration, air conditioning, and foam applications.

While HFCs proved better for the ozone, the manmade chemical compound is a potent greenhouse gas, so nations built on the successful Montreal Protocol—originally used to solve the ozone hole crisis—to find ways to phase out HFCs. During a critical phase of international negotiations to ramp up targets for HFC reductions in 2017, more than a dozen foundations committed USD 52 million, which set a positive tone for negotiation ambition and provided critical funding support for a complimentary issue that was top of mind for developing countries: improving the energy efficiency of cooling appliances in tandem with the HFC phasedown to reduce energy demand and associated costs, as well as fight climate change.<sup>12</sup>

The resulting philanthropic Clean Cooling Collaborative (previously known as the Kigali Cooling Efficiency Program) helped give countries the confidence to advance the negotiations. The subsequent allocation of resources to fifty-four partner organizations in nations around the world supported the implementation of ambitious national energy efficiency policies, helped to mobilize much needed private investment in efficiency, established networks to share best practices and success stories, trained regulators, and ultimately led to changes on the ground that locked in the equivalent of 2.4 gigatons in emissions reductions over the coming decades – the equivalent of annual greenhouse gas pollution from India.<sup>13</sup> Philanthropy's ability to create a timely pooled fund to fill a need that no participating nation in the negotiations could pull off gave momentum to what will eventually contribute nearly one-half degree centigrade in avoided global warming.<sup>14</sup>

In both of these cases, progress was driven by the advocates, analysts, scientists, researchers, and organizers who worked individually and as part of larger organizations and networks to play their part effectively. But philanthropy was a unique and critical component in bringing the resources, connections, and strategic partnerships to ensure those efforts had the highest opportunity for success.

The success in significantly reducing climate pollution from coal in the United States and HFCs globally are just two of the many instances where philanthropy has made an important difference on climate change. The potential for greater impact has helped significantly increase total global philanthropic giving dedicated to addressing climate change over the past year, according to the most recent annual survey of climate giving released by the ClimateWorks Foundation.<sup>15</sup> Unfortunately, total annual philanthropic giving dedicated to addressing climate change is still only 2 percent of all philanthropic giving.<sup>16</sup> This must change.

A critical barrier that often prevents a philanthropic institution from funding efforts to address complex global problems like climate change is

not knowing where or how to find pathways for impact. I have worked either as a grant recipient or grant maker in the field of climate change for three decades. For philanthropic organizations new to climate funding or that are looking to expand their efforts, there are more ways to make a difference, stronger organizations and leaders to invest in, and more philanthropic partners to collaborate with and learn from than ever before.

Philanthropic pathways for greater impact include going deeper in supporting solutions that have already started working; going broader by expanding support to woefully underfunded regions of the world; and funding proposed interventions for change with great promise but little funding. Philanthropy can also support building stronger programs by engaging a wider array of experts and leaders who are closest to the solutions, but who have often been left without access to philanthropic funding in the past. In each of these areas, a strong network of organizations dedicated to supporting philanthropies in making connections to grantees who best match their priorities is available to help identify the best pathways for funding.

#### **PHILANTHROPY SHOULD GO DEEPER—SUPPORTING MORE OF WHAT IS WORKING**

One path for greater philanthropic investment in climate solutions is to take advantage of the momentum for expanded investment generated by past successes, like those with coal and HFCs.

In recent years, initial efforts – often supported by philanthropy – are opening opportunities for addressing climate pollution from other sources, such as replacing the internal combustion engine in vehicles (14 percent of total global climate pollution, according to Project Drawdown); the industrial production of commodities like cement and steel (21 percent); and the emissions associated with farming and food production (24 percent).<sup>17</sup> Of equal importance—nations must protect the ability of forests, soils, and oceans to absorb carbon dioxide out of the atmosphere to prevent further warming.

In areas like producing hydrogen from clean fuel sources or helping massive ocean-plying cargo ships move away from using dirty bunker fuels, more early-stage investment and exploration is needed. But here, too, philanthropy can use previous experience in supporting early stage technical solution development to bring promising, but unproven, solutions to fruition.

In each of these areas, talented people, organizations, and networks are ready for additional funding to expand impact, and philanthropic

collaboratives and partnerships can help direct funding flows. For example, the Climate and Land Use Alliance (CLUA) is a collaborative of foundations that sees forests and sustainable land use as essential components of the global response to climate change. For more than a decade, this collaboration has brought together philanthropic funding and diverse expertise to support viable solutions and mobilize greater funding to conserve and restore forests and use land sustainably. It has tackled some of the most difficult problems, such as deforestation in Brazil and the impact of palm oil trade on peatlands in countries like Indonesia.<sup>18</sup> Established organizations like CLUA have the expertise and infrastructure to go deeper on these and other efforts. Their constraint is increased, sustained philanthropic support.

### **PHILANTHROPY SHOULD GO BROADER—EXPANDING SUPPORT TO IGNORED REGIONS AND APPROACHES**

As important as going deeper in promising areas of current philanthropic investment is, broadening the philanthropic lens into geographies, strategies, and organizations where philanthropy has fallen short in the past and where it continues to under-invest is just as crucial.

One opportunity for philanthropy to broaden its investment in climate solutions is to expand collaboration with efforts focused on complementary, near-term benefits for people's health and livelihoods. These expanded collaborations offer the opportunity for more lasting success. For example, in pushing for a laser focus on reducing the largest sources of climate pollution at the lowest cost possible, philanthropy is playing a role in continuing the devastating, localized social and environmental destruction from extracting energy-related resources in communities around the world. In countries like the Democratic Republic of Congo, devastation from mining elements needed to make batteries for electric vehicles today is mirroring the impacts from oil and coal mining seen in nations around the globe over the past 150 years.<sup>19</sup>

With fossil fuel development, advocates for addressing local, social, and environmental impacts from extraction and production often worked in easy alignment with those focused on global climate impacts. The issue today for environmental advocates is that the broader potential benefit of climate pollution reduction from battery production is in tension with the local, social, and environmental harm from mining.

Ensuring that the negative impacts associated with developing important climate solutions are reduced or eliminated is not only morally right, but, in the long term, the only way to build durable support for

action on climate from citizens worldwide. Critical to success in this type of grantmaking is recognizing the unique potential of nonprofit organizations informed and led by traditionally marginalized, lower-wealth people. This is necessary in order to build local support that larger NGOs with greater access to funding often aren't best positioned to deliver.

A global partner for this type of grantmaking is The CLIMA Fund, a collaborative re-granting organization deeply connected with women, Indigenous, peasant, and youth-led grassroots groups advancing localized solutions to the climate crisis. In the United States, the Hive Fund for Climate and Gender Justice raises funds and makes grants to organizations that have historically lacked access to funding but that are essential to catalyzing progress on intersecting climate, gender, and racial justice issues. The Climate and Clean Energy Equity Fund is another U.S.-based intermediary that invests in the leadership and organizing of diverse communities (Black, Latinx, Asian American Pacific Islander, Indigenous people, and other communities bearing the brunt of climate change), and MOSAIC is an innovative philanthropic and nonprofit initiative that invests in infrastructure to better support people and organizations working to mobilize communities for clean air and water, a safe climate, healthy and just communities, and thriving natural systems. These and other emerging cross-issue philanthropic collaboratives are creating opportunities for climate philanthropy to broaden its scope for greater impact.

From a geographic perspective, most philanthropic investment in addressing climate change has focused on supporting organizations working in Western Europe and the United States. While these are two of the largest climate polluting regions of the world, others are important and have traditionally received far less support.

Fortunately, this is changing. The Energy Foundation has been a successful climate philanthropic intermediary in the United States for thirty years. It has played a crucial role in helping philanthropic donors best deploy their resources to the highest impact opportunities with results that have reduced the use of coal, expanded wind and solar energy, and supported the electric vehicle revolution. The African Climate Foundation, with a similar mission, launched just two years ago, and TARA: Clean Energy Foundation, based in Southeast Asia, also launched this year. In India, the Clean Air Fund is a philanthropic collaborative focused on identifying and scaling solutions that reduce localized air pollution—one of the many effects of burning fossil fuels. These newer entrants can help donors direct their support to organizations in traditionally under-resourced regions of the world.

## PHILANTHROPY SHOULD STRENGTHEN ITS EFFORTS BY DIVERSIFYING EXPERTISE AND LEADERSHIP

Climate philanthropy is traditionally well-connected to academic, policy, and cultural elites and has focused most of its resources on the priorities and strategies driven by those experts. On the flip side, philanthropy has often excluded the voices and expertise of people who are closest to the impacts of climate change, who better understand the social systems in which they belong, and who are equally capable of exerting leadership to effectively fight climate change.

This traditional imbalance in philanthropic support has left the climate field without the full range of well-funded organizations necessary to succeed. One example is in the long history of land and species conservation implemented without engagement and leadership from the most affected communities that rely on those habitats for economic and cultural survival. The result has often been programs that fall apart over time or exacerbate social inequity. The failed effort to protect endangered species in many places across Africa over decades is but one example.<sup>20</sup> To avert the worst impacts from climate pollution, climate philanthropy can more effectively learn from and support these crucial leaders in the social change ecosystem.

One promising example of a new path forward is the Forests for People and Climate Initiative, a philanthropic and nonprofit global collaborative working to address this traditional imbalance in global leadership on climate. Its ambitious goal is to enable the end of deforestation through the promotion of just and sustainable development that enhances the lives of Indigenous people and local communities in places that serve as the “lungs of the world,” like Indonesia, Brazil and the broader Amazon, and the Democratic Republic of Congo. The goal of this collaborative is to safeguard standing forests by engaging in markets and policy in ways that are driven by, and responsive to, the needs of those closest to these critical ecosystems. For example, smallholder farmers who live in or near important protected areas often know best what formal and informal habitat protection plans will most likely work long-term. Assuring that their leadership is built into creating habitat protection programs is crucial because keeping these forests standing avoids releasing the equivalent of 2.6 billion metric tons of carbon dioxide every year.<sup>21</sup>

Another promising trend is that many philanthropists are working to develop more equitable partnerships with their grantees, including adopting principles of trust-based philanthropy, which includes providing long-term, general operations funding, reducing paperwork requirements, and pledging



to solicit and act on feedback from grantees and their constituents.

The field of philanthropy – which stewards resources from the past for public benefit in the future – has uniquely benefitted from prosperity built on the use of fossil fuels. Fully leaning into the global need for action on climate in this decade is a path for philanthropy to respect this legacy by seizing the present-day imperative to act. The announcement at the twenty-seventh United Nations Framework on Climate Change Conference of Parties (COP27) meeting this past November in Egypt by a consortium of philanthropies of a USD 500 million fund to support the clean energy transition in countries most in need of financial and technical support is one example of how philanthropy is starting to do more.<sup>22</sup> But the fact remains that the window for focusing solely on preventing impacts from climate change has closed and now nations must address the even more complex problem of adapting to current impacts while also preventing even worse devastation in the future.

Fifteen years ago, John Holdren, who would go on to become White House Science Advisor for the Obama administration, said: “We basically have three choices: mitigation, adaptation and suffering. We’re going to do some of each. The question is what the mix is going to be. The more mitigation we do, the less adaptation will be required, and the less suffering there will be.”<sup>23</sup>

Despite some bright spots, fifteen years later the most likely scenario for billions of people around the world is still suffering. Philanthropy has a unique role in helping to avoid that fate. It’s proven it knows how. Effective organizations with promising initiatives are ready to partner. The time for philanthropy to do more is now. *f*

## ENDNOTES

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