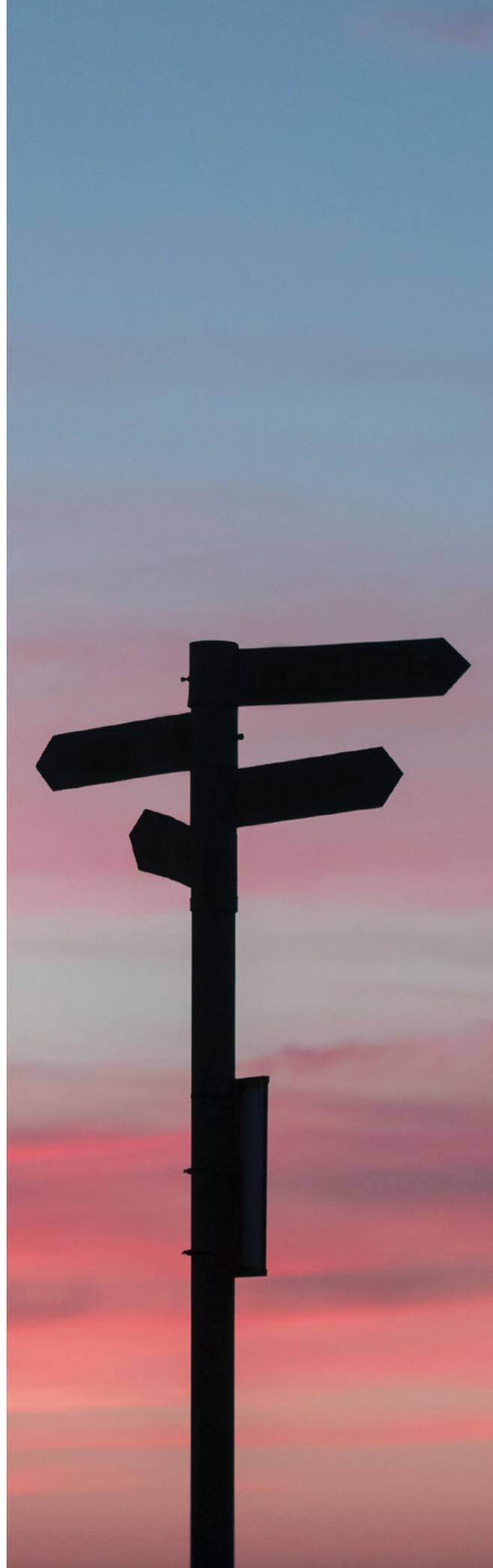


Spotlight on Climate Funding Strategies



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VERTICAL
STIFTUNG

Introduction

Most funders agree that climate change is an urgent problem. But many are new to the topic and do not know where to start. Moreover, few foundation leaders are convinced that their strategies to address climate change are “very effective” (Orensten et al. 2022). This gap between the awareness of the climate crisis and the self-attested ineffectiveness of funding strategies calls for new approaches. Funders need to try out strategies new to them or to the region and specific climate issue that they are working on.

Our “Spotlight on Climate Funding Strategies” provides an overview of ten different ways to engage in climate philanthropy. It serves as a toolbox for foundations and private donors who want to learn more about the “how” of climate philanthropy.

Continue reading if you are looking for an easy entry into climate philanthropy, or if you want to better understand other climate funders. The following pages provide practical insights from 14 European and six US funders. They inspire you to rethink your current funding strategy and to consider new partnerships.

Cross-cutting Lessons from Case Studies

A topic as pervasive as climate change needs action in different sectors and regions, using a wide spectrum of strategies.

The “Spotlight on Climate Funding Strategies” showcases climate funders who work across geographies, climate issues and funding strategies. Notwithstanding their differences, some overarching insights are of general relevance.

- **Collaborate and exchange with others:**
Funding strategies that promote cross-sectoral and transnational exchange between stakeholders avoid duplication and use resources more effectively. Equally, greater collaboration between funders enhances the efficiency of funding strategies.
- **Combine funding strategies to achieve synergies:**
While individual funding strategies provide different starting points for fostering change, they cannot be considered in isolation from each other. Combining different funding strategies as part of a coherent theory of change can accelerate the effectiveness of a philanthropic intervention.
- **Achieving big goals is about taking small steps:**
Do not let concerns about the complexity of climate change stop you from starting your climate journey. Once the first step is taken, the next ones will fall into place more easily.

If you want to learn more about what these general findings mean in concrete practice, read the case studies presented in our Spotlight.



Political Advocacy

Definition: Background analysis, policy design, engagement of decision-makers, developing evidence for policy change

Introduction

Using the breath of funding strategies outlined in this Spotlight, philanthropy is a powerful force in sparking social changes. At the same time, philanthropy relies on governments to ensure that the implementation of these changes is scaled-up, across society.

In this context, **Political Advocacy** is an important funding strategy to stimulate wide-spread and long-lasting change towards climate-resilient societies.

The potential for philanthropy to leverage the power of governments is huge: The annual expenditure of European foundations amounts to just over 1 percent of the total tax revenues of EU member states.¹

Key Insights

- Lobbying, which directly engages policymakers around specific policy proposals, is only one aspect of **Political Advocacy**. Supporting **Political Advocacy** can also mean to fund:
 - › Policy analysis that informs policymakers and shapes the political debate by surfacing new insights,
 - › Translation of academic research into governance proposals such as legislation or administrative rule,
 - › Enforcement to ensure that existing legislation is implemented effectively.
- Engagement in broader alliances leads to a more powerful voice in the political arena. **Political Advocacy** means to work with all stakeholders involved in fostering progress on policy, of which governments are only one. Moreover, funders who become part of a broader movement or join efforts with other funders can alleviate the risk of controversy and partisanship (Bainum Family Foundation 2020).
- **Political Advocacy** benefits from long-term and flexible funding that gives grantees the possibility to respond to electoral cycles and new political events by changing their strategy (Watson 2022).

¹ Based on statistics from the Donors and Foundations Network in Europe (DAFNE) from 2016, the annual charitable expenditure of the 147.000 identified foundations in Europe amounts to 60 billion euros (Gavalda et al. 2021). In the same year, the total tax revenues of the EU member states amounted to just over 5,000 billion euros (Eurostat 2021).



Laudes — — Foundation

The Laudes Foundation emerged from the C&A Foundation in 2020. It has offices across Europe and Asia. Building on six generations of entrepreneurship, responsible business ownership and private philanthropy, the Laudes Foundation aims for a climate-positive and inclusive economy. In 2021, the foundation's active portfolio of grants totalled 220 million EUR.



Leslie Johnston
Chief Executive
Officer Laudes
Foundation

Rationale

Neither climate change nor rising inequality can be fully tackled before our broken economic system is fixed and the rules of the game have changed. For this reason, advocacy for policy change is one of the Laudes Foundation's six approaches. With this funding strategy, the Foundation seeks to create the carrots and sticks to nudge better corporate behaviour.

Often, legislation is drafted in closed rooms without the input of those most impacted (workers, farmers, communities). Therefore, the most effective role that philanthropy can play in supporting **Political Advocacy** is to make sure that all critical voices are heard.

Application in Practice

The Laudes Foundation supports a wide range of partners to work on different facets of **Political Advocacy** for the shared goal of changing the rules of the economic system. These goals include:

- creating new narratives around the desired change;
- building industry roadmaps with clear roles for policymakers at all levels (EU, national, city);
- gathering credible evidence and data to make the case for change;
- building coalitions of civil society changemakers to advocate for the change; and
- crafting incentives and disincentives for change.

Expected Results

Through its grants, the Laudes Foundation seeks to influence policies and regulatory frameworks which enable and compel climate-positive and equitable practices while prohibiting and sanctioning climate-negative and unjust practices.



One successful example is Laudes Foundation's funding of the Economic Change Unit (ECU) to lead a series of advocacy activities, policy development work, and media interventions. In the UK, the Opposition Leader Sir Keir Starmer relied on the figures provided by Laudes and ECU when supporting a freeze on energy price caps.

The Laudes Foundations' [interactive theory of change](#) outlines how the foundation envisions to create change in both the short-term (e.g. influencing policy makers) and the long-term (e.g. business starts to change, counter-lobbying thwarted).

Lessons learned

What has worked well?

- **Be prepared for the long run:** Legislative processes can take years, and for funders (and their partners) to be credible, you need to invest in expert teams who have the time and agency to bring policymakers along.
- **Use political momentum:** Political priorities offer windows for opportunity. For example, the [European Green Deal](#) and the growing imperative around corporate sustainability provide a political impetus to influence other longer-term goals such as mandatory human rights, corporate sustainability reporting and fair decarbonisation.
- **Consider whether you want to go direct or indirect:** Laudes Foundation has chosen to work indirectly through its 50+ partners, each of whom bring deep expertise and gravitas. Other funders work directly and very effectively. Keep in mind that different operating models also require different staffing models.

What are opportunities for new funders?

- **Include all voices:** Philanthropic efforts in **Political Advocacy** tend to neglect the inclusion of marginalised people. Ensure that groups of people such as youth, workers, farmers, vulnerable people etc. are given a seat at the negotiating table, as they are often among those most affected by the consequences of climate policies.



Case Study II



**GIVING
GREEN.earth**

US-based [Giving Green](#) advises philanthropists on how to contribute meaningfully to the fight against climate change. Although Giving Green is not a funder, it can provide valuable insights into the funding strategy **Political Advocacy**. Driving policy change is one of the priority strategies through which it encourages funders to take action.



Daniel Stein
Co-Founder and
Director

Rationale

Historically, positive solutions to climate change have followed decisions made by governments or the innovative application of technology. This includes, for example, the creation of carbon markets or the scaling-up of wind and solar energy technologies. Indeed, **Political Advocacy** and technological development go hand in hand, as policy creates the conditions for a favourable environment in which technological innovations can thrive. A dollar spent on **Political Advocacy** has ten times more impact than a dollar spent on **Direct Support**. Even though the chances of a single policy being passed are slim, they are extremely effective if adopted.

In addition to fostering positive solutions to climate change, strengthening advocacy work is of decisive importance as a counterweight to the strong lobby of the fossil energy industry that seeks to stall climate action.

Projects recommended

Based on extensive research and analysis, Giving Green profiles and recommends organisations working to foster policy change in the US, Australia, and worldwide. This concerns both organisations that use “insider” tactics such as policy drafting and “outsider” tactics like activism or protesting.

One of Giving Green’s 2021 recommendations is [Carbon180](#) which pursues “insider tactics” by closely working with policymakers and scientists to develop policies for carbon dioxide removal.

Another organisation in Giving Green’s selection is the [Evergreen Collaborative](#), which has worked to develop, pass, and implement a comprehensive set of decarbonisation policies. By working directly with congressional offices, the organisation seeks to put pressure on the US government to take bold climate action.



Expected Results

Successful **Political Advocacy** through “insider” and “outsider” tactics has been proven to change laws and regulations and advance climate protection.

As an example of effective insider advocacy, Carbon180 has been successful in advocating for the inclusion of carbon removal in several major bills in the US, such as the Energy Act or the Infrastructure Investment and Jobs Bill.

As for outsider advocacy, the [Sunrise Movement](#), which was recommended by Giving Green in 2020, has successfully advocated for redesigning the structure of US climate governance. With its [call for a White House Office of Climate Mobilisation](#), it provided a blueprint for the [White House Office of Climate Policy](#), which President Biden established in 2021.

Lessons learned

What has worked well?

- **Pick your timing and geographies effectively:** Background analysis and research on policies have the best chances of influencing policy decisions when they seize the political moment. The current political discourse or events such as elections provide a window of opportunity for effective **Political Advocacy**.
- **Connect “insider” advocacy with “outsider” advocacy:** While “outsider” advocacy generates public pressure, “insider” advocacy reaches out to policymakers and enables them to respond to that pressure. The track record shows that **Political Advocacy** is most effective when these two tactics go hand in hand.
- **Build long-term relationships with policymakers:** Relationships of trust with decision-makers help you understand current trends and needs and give you the opportunity to have access to the right people at the right time.

What are opportunities for new funders?

- **Focus on the heavy industry:** So far, there is no clear roadmap for [decarbonising the heavy industry](#). This is a field with a high potential for impactful climate policies.



Case Study III



The International Center for Future Generations (ICFG) is a European think-and-do tank. The ICFG was founded in 2021 to bridge the gap between science and EU policy, with current priorities in artificial intelligence, pandemics and climate change. The ICFG supports the development and mainstreaming of technological innovations that help to limit global warming to 1.5 °C.



Lena Hartog
Climate Movement &
Advocacy Coordinator

Rationale

Technologies are a powerful factor in solving the climate crisis because they have the potential to reduce a large amount of carbon emissions. However, the policies necessary to realise this potential often lack behind. Despite scientific evidence, promising technologies are often underfunded and low on the political agenda because policymakers do not have the expertise or the political mandate to support innovative technologies.

Political Advocacy can close this gap by developing evidence of the impact of innovative climate solutions and by recommending to policymakers how they can support the implementation of such solutions. In this way, **Political Advocacy** creates political awareness and enables policies that make attainable technologies practically viable.

Application in Practice

When pursuing **Political Advocacy**, the ICFG acts both as a think-tank and a do-tank that enables other organisations and people who are closely aligned with its work. This dual role enables the ICFG to set advocacy priorities through its own research rather than following other think tanks' policy recommendations.

This approach is illustrated by a cooperation with the Future Matters Project. Together, the two partners not only evaluate which policies can lead to the most CO₂-reduction, they also assess which stakeholders are best equipped to push for those policies. The result is targeted support by ICFG for movements and groups ready to do advocacy in those areas identified.

Another focus of the ICFG is to empower people who currently have no voice in politics. In this context, the ICFG supports the Climate Vulnerable Forum, a coalition of countries most vulnerable to climate change, to pilot the capacity development of young people to act as delegate in climate negotiations. Taking a long-term perspective on **Political Advocacy**, the ICFG supports Earth Uprising to train young people in understanding and influencing the decision-making process.



Expected Results

Although addressing climate change is enormously complex, it benefits from a very concrete measure for success: CO₂ emissions. The ICFG's science-based approach embraces this measurability and aims to identify solutions that can have the greatest impact on reducing CO₂ emissions. The ICFG advocates for these solutions both in countries that are climate champions and in those with large climate policy gaps. In doing so, it helps to build national momentum as well as policy change on the EU level.

The ICFG complements this top-down approach with bottom-up measures by raising the voices of social movements such as Earth Uprising.

Lessons learned

What has worked well?

- **Walk before you run:** Even though climate solutions are urgently needed, they also require a long-term strategy. Talking to experts will help you better understand where you can make the biggest contribution in the long run.
- **Be innovative and avoid duplication:** Solutions receiving the most attention are not necessarily the most effective. Think independently and focus on the outliers to find innovative ways of making a difference.
- **Be open to exploration:** If a solution feels promising and there is enough data, take the risk. Piloting projects across advocacy tactics can help you test what works and set the stage for later prioritisation.

What are opportunities for new funders?

- **Advocate for geothermal energy:** The current human energy usage is approximately 20 terawatts, while the solid Earth produces little over 47 terawatts. This heat is generated primarily beneath ocean basins and in distant regions. Despite this, the ability to use this heat source is largely underutilised, primarily due to the costs of drilling into geothermal reservoirs and collecting hot fluids for use in electricity generation. Philanthropy can really add value by supporting deep geothermal development efforts.



Strategic Litigation

Definition: Conducting legal analysis, identifying and pursuing law cases that have impact beyond the individual case

Introduction

Strategic Litigation is defined by legal action seeking to bring about social change with an impact beyond the individual case. It is important in the fight against climate change because it enables civil society to hold governments and corporations accountable for their climate (in)action.

A variety of legal claims can be pursued through **Strategic Litigation**, arising from violation of individual rights, a breach of a government's constitutional duty, or insufficient consumer protection (White & Case LLP 2018).

It is not just the specific legal claims that make **Strategic Litigation** interesting to funders, but also the strategic outcomes including the following.

- Shaping law: initiating changes in existing climate law.
- Enforcing law: legally binding climate agreements need to be enforced to make any practical difference.
- Increasing accesses to law: Helping people understand what their rights are and training legal professionals in effectively protecting the climate.

Key Insights

- **Strategic Litigation** is particularly attractive for funders who want to facilitate systemic change but avoid bottom-up funding strategies. It provides an opportunity to support a tangible local case with the potential of changing an entire sector. A seminal case against [Royal Dutch Shell](#), for example, was not only successful in court (ruling that Royal Dutch Shell must reduce its carbon emissions by 45 per cent). It also contributed to a wider change of perception of **Strategic Litigation** as a growing risk for businesses that do not act on climate change (Clifford Chance 2021).
- The success of **Strategic Litigation** is not solely defined by winning (or losing) a court case. Equally important is its role of that case in shaping narratives and creating publicity for underreported issues. This is illustrated by a case against Norway's oil drilling practices that was lost at the national supreme court but sparked a public debate, leading both to [criticism from UN representatives](#) and [societal support](#) for the demanded ban on drilling (Teulings and Pradhan 2021).
- Over the last years, **Strategic Litigation** has received major attention with cases nearly doubling between 2017 and 2020 (UNEP and Sabin Center for Climate Change Law 2020). More cases are great news for **Strategic Litigation**, which can take time to unfold its systemic potential. Funders will have the greatest impact when taking a long-term perspective and look beyond the outcome of individual cases.



Case Study I



The Dutch [Urgenda Foundation](#) focuses on the transition towards renewable energy by employing legal strategies. Although not a grant-maker, the Urgenda Foundation provides enormous insights into the funding strategy of **Strategic Litigation** as it is the initiator of one of the best-known climate litigation cases.



Dennis van Berkel
Legal Counsel

Rationale

Behind Urgenda's support for **Strategic Litigation** lies the conviction that only national governments are able to implement systemic changes at the scale and speed needed to mitigate climate change. Yet, there is a discrepancy between the science-based requirements and the actual policies of governments to reduce emissions. The Urgenda Foundation employs **Strategic Litigation** not just to instigate court rulings that directly force national governments to act but also to raise the bar of ambition in the political and public debate.

Application in Practice

In 2013, the Urgenda Foundation, filed [a lawsuit](#) against the Dutch government. Together with more than 800 plaintiffs, Urgenda argued that the government is endangering the human rights of Dutch citizens because its mitigation efforts failed to do the minimum of what was necessary to stay below the pre-Paris goal of limiting global warming to 2 °C. In 2019, Urgenda won the case in the last instance before the Supreme Court of the Netherlands.

Drawing on this experiences, the Urgenda Foundation established the [Climate Litigation Network](#), a project which helps lawyers and activists around the world to file lawsuits against national governments. It provides the knowledge necessary to run these cases. Although lawsuits differ in detail, the network analyses cross-cutting lessons and defines general strategies to call out the inadequacy of governments' climate action.

Expected Results

The vast majority of climate cases heard by a country's highest court have been decided in favour of climate action, legally forcing governments to adopt more ambitious policies. But even lost court cases have an impact by drawing public attention to the urgency of climate action – especially if they are backed up by communication efforts.



Many of the cases employ legal arguments that are new to court rooms and can set an important, sometimes historic, precedence. The climate case against the Dutch government, for example, is the first lawsuit in the world in which citizens have successfully claimed that their government is legally obliged to prevent dangerous climate change. This victory has attracted a lot of attention and inspired [climate cases across the world](#).

Lessons learned

What has worked well?

- **Strengthen the public debate:** Accompanying **Strategic Litigation** with public campaigns helps to put climate action high on the agenda. In addition, courts around the world can serve as forums to document the gap between governments' aims and their actions.
- **Remember a court's scope:** Decisions by courts must remain within a legal framework. Courts are not in a position to define new standards, but they can scrutinise whether the ambitions of governments or companies are sufficient to meet existing standards.
- **Focus on concrete outcomes:** Lawsuits aiming to change legal structures are expensive and take time. Foundations with a limited budget for **Strategic Litigation** can use lawsuits to scrutinise government action in specific situations. For example, funders can help prevent the construction of an airport runway if the court decides that it is detrimental to the public interest.

What are opportunities for new funders?

- **Support activism:** As civil disobedience in defence of the climate increases, so does the need for legal representation of the people involved. This is an emerging field with a growing need for funding



Public Engagement

Definition: Raising awareness of underreported issues, direct calls to action and behavioural change, petitions, media campaigns

Introduction

Funders supporting **Public Engagement** mobilise people by changing their values, behaviours and political decisions. In the area of climate change, this relates to sustainable consumption patterns and change in the legislative and economic context of these patterns; neither are possible without the participation and acceptance of people. Main areas of funding **Public Engagement** are: campaigns that aim for large-scale public communication and buy-in; public deliberation processes to establish citizen perspectives on policy priorities; and local community-based initiatives that raise awareness and design calls to action (Padmanabhan and Rose 2021).

Key Insights

- The fight against climate change is currently dominated by political inaction. Funders can respond by fostering a public call for action. Online tools such as the [Climate Action Tracker](#) raise awareness about the gap between the globally agreed 1.5 °C target and governments' inaction. Funding **Public Engagement**, in this sense, can help to build a “collective public mandate for climate policy” (Padmanabhan and Rose 2021), which enables politicians to act more decisively.
- Funders can appeal to change consumption choices in areas such as nutrition, energy, or transport. To avoid polarisation, it is key to focus **Public Engagement** on the benefits of alternative behaviours not just for the climate but for peoples' lives. One option is to fund billboards and media campaigns that draw attention to, for example, the health benefits of cycling and improved air quality through the use of public transport.
- There is no such thing as **the public**. Hence, there is no one-size-fits-all solution for effective **Public Engagement**. Especially those groups that do not yet support climate action need to be engaged more. Funders should therefore avoid repeating long-standing engagement methods and, instead, try out new formats of engagement to mobilise new audiences.



Case Study I



CALOUSTE GULBENKIAN
FOUNDATION
UK BRANCH



Louisa Hooper
Director

The Calouste Gulbenkian Foundation is headquartered in Lisbon, Portugal and was established in 1956 with branches in Paris and London.

The Calouste Gulbenkian Foundation (UK Branch) works on Citizen Engagement on Climate Change as one of its three current funding programmes.

Rationale

Climate change can only be successfully addressed if the public participate in and support climate solutions. Public pressure strengthens governments' mandate in acting on the climate crisis. What is more, involving the public drives individual behaviour change.

However, to effectively engage the public on climate change, it is important to take into account the things they care about and demonstrate that they can make a meaningful contribution.

Application in Practice

The Calouste Gulbenkian Foundation (UK Branch) has extensive experience in raising public awareness to accelerate system change, specifically for ocean protection.

When launching its Citizen Engagement on Climate programme in 2020, the Calouste Gulbenkian Foundation (UK Branch) started by commissioning a literature review on impactful ways of Public Engagement for climate action and by collecting international case studies.

Subsequently, the Calouste Gulbenkian Foundation (UK Branch) supported both the Global Citizens Assembly to strengthen the voices of the public in international climate negotiations as well as the Local Climate Engagement initiative to build capacities among local authorities to integrate Public Engagement in local decisionmaking.

Expected Results

Beyond strengthened public participation at the policy-level, the Calouste Gulbenkian Foundation (UK Branch) has been a central agent in providing resources for other stakeholders on effective Public Engagement targeting climate change. Not just the initial research but also results from these projects are publicly available, informing their own strategy and that of other foundations.



Noteworthy is the [collaborative evaluation project](#) for engagement activities at COP26 and the [Climate Engagement Lab](#), mainstreaming best-practices for Public Engagement.

Furthermore, Public Engagement can pave the way for marginalised groups to create new narratives. For example, the film “[Can I Live?](#)” created through the support of the Foundation, was screened at COP26, bringing greater attention to perspectives of black and ethnic minorities on climate change.

Lessons learned

What has worked well?

- **Connect to people’s values:** The benefits of climate action are most visible at the local level. Instead of using abstract language about global climate change, it is more effective to talk about climate action in ways that are meaningful and relatable to them.
- **Build on networks of trusted messengers:** Support those already engaging public audiences and enable them to communicate about climate change with people who trust and relate to them.
- **Recognise the climate intersections of existing Public Engagement:** Evaluate where you are already doing Public Engagement and assess how positive climate solutions could be integrated into this work. Consider how your current work can have climate positive benefits. When it comes to climate action, linking into related agendas such as community-building or tackling pollution can foster climate action without explicitly talking about **climate change**.
- **Draw on evidence:** Resources such as the Calouste Gulbenkian Foundation (UK Branch)’s [Learning Hub](#) compile helpful information and case studies when it comes to effective Public Engagement approaches.

What are opportunities for new funders?

- **Diversify audiences:** Marginalised groups are still underrepresented in mainstream climate engagement initiatives. Elevating these voices – and helping non-profits and the climate community to reach groups not typically engaged by environmental messaging – is an underfunded area and funders are well positioned to support this work.



Case Study II

**Blühendes Österreich**

Blühendes Österreich (“Blooming Austria”) is a company foundation that was established in 2015. It emerged from a collaboration between REWE International AG and BirdLife Austria. The foundation’s work rests on a funding volume of one million EUR per year and aims at protecting local biodiversity, preserving habitats, and providing climate and environmental education.



© Günther Linschalm

Ronald Würflinger
Director

Rationale

Undoubtedly, climate and environmental protection rank highly among the most pressing public issues. Many people are creative and committed when it comes to actively contributing to solutions but there is often a lack of structures and financial resources to channel this commitment.

Philanthropic funding can provide financial resources, infrastructure such as rooms, and professional support to enable motivated people to implement their ideas in a coordinated fashion. This can activate the high potential for **Public Engagement** in climate and environmental protection.

Application in Practice

Climate protection has recently moved from a cross-cutting funding topic for Blühendes Österreich to one that defines the core of the foundation’s work.

One of the foundation’s current projects is the Changemaker #Nature project, which is co-funded by the “Austrian Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation, and Technology”. Through a call for proposals, Blühendes Österreich has encouraged young people to submit their project ideas.

The funded projects enable youth organisations to contribute to restoring or enhancing threatened ecosystems, making young people active agents of change in biodiversity and climate protection in Austria. Experts help participants to put the finishing touches on their project concepts.

Expected Results

Since its founding, Blühendes Österreich has supported 240 project partners and helped protect more than 1,000 hectares of endangered habitats. It was the first private foundation ever to win the EU’s Natura 2000 Award to honour its commitment.



As part of the Changemaker #Nature project, the foundation contributes to making young people active agents of local climate protection.

Through its projects, the foundation also intends to create greater awareness of the importance of healthy ecosystems and biodiversity for climate protection. Against this backdrop, Blühendes Österreich works to dovetail climate protection with biodiversity and nature conservation in the public eye.

Lessons learned

What has worked well?

- **Promoting interdisciplinarity:** Nature conservation and climate protection are directly linked. It is therefore essential to consider and communicate this nexus in the planning stage of any **Public Engagement** strategy in order to avoid these topics being isolated in practice.
- **Avoid duplication by building partnerships:** There is already a host of public funding programs for climate action. Partnerships between foundations and public players can help prevent duplication and embed **Public Engagement** in a broader framework.

What are opportunities for new funders?

- **Initiate the transfer of knowledge:** Volunteering is an important element of nature and climate protection projects that aim at **Public Engagement**. However, since volunteers come and go, knowledge is frequently lost. Funders can help by funding the structured transfer of knowledge and new exchange formats.



Direct Support

Definition: Supporting action directly on the ground (in a given locality) e.g. humanitarian aid, expenses for local ecosystem protection, building schools

Introduction

Funders have a long history of supporting communities in need for direct help. As philanthropy has developed into a professional sector, this support has become embedded in complex theories of change that aim for shifting the systems in which communities are situated.

In the face of climate change, **Direct Support** remains an important funding strategy. When droughts, floods or storms hit, affected people and ecosystems require support for relief and reconstruction. This is particularly relevant for the vulnerable regions of the Global South.

Direct Support is not just reactive but also strategic in building long-term resilience. For example, when it comes to restoring ecosystems and the services they provide, e.g. by storing carbon or excessive rainfall.

Key Insights

- **Direct Support** allows funders to have a visible impact in a specific location. Funders who use this strategy, therefore, find it relatively easy to plan for a specific impact and subsequently evaluate the success of such plan.
- When time is of the essence and where local needs are urgent, funders are well advised to use **Direct Support** as a funding strategy. **Direct Support** is an effective strategy particularly where other funding strategies fail to unfold their potential. For example, **Political Advocacy** takes time to bring about structural changes and its implementation requires basic capacities to be in place. For example, communities that lack basic services such as housing, health and schooling, find it more difficult to advocate for their rights and, indeed, to engage with NGOs receiving funding for running campaigns or pressuring decision-makers.
- **Direct Support** can create a basis for other funding strategies and nurture lasting changes (Goldsmith 2021). Although **Direct Support** is not primarily aimed at structural change, it allows for climate solutions to be piloted on a small scale. These pilots can build the evidence for best practices to be scaled up. What is more, best practices can be disseminated into the public and political sphere through **Communication** and **Political Advocacy**.



Case Study I



Succow Stiftung

The Michael Succow Stiftung was established in 1999 as an operational foundation based in Greifswald, Germany. It is committed to protecting peatlands, battling climate change, and promoting nature conservation and sustainable land use in Germany and elsewhere. As a partner of the Greifswald Moor Centrum, it has close ties to the world of science and education. Although the Succow Stiftung is not a funder, its many years of experience in implementing nature and climate protection projects provide important insights into the funding strategy **Direct Support**.



Jan Peters
Management,
Peatlands & Climates

Rationale

Preserving ecosystems as natural climate mitigation and adaptation options is an essential component of any balanced climate strategy.

Drained peatlands are major sources of greenhouse gases, accounting for about 7 percent of all greenhouse emissions in Germany and about 5 percent globally. While protecting intact peatlands and rewetting peatlands are essential measures to curb the release of large amounts of CO₂, so is their sustainable wet use, especially as effective means to reach the goals of the Paris Agreement.

Application in Practice

The Succow Stiftung is involved in implementing numerous projects geared towards climate protection and sustainable land use. The foundation's work spans from the local to the international level. In Germany, for example, the Succow Stiftung owns some 1,400 hectares of land, about half of it being peatland, where it applies tried and tested methods to restore ecosystems.

In one of its current projects, the toMOORow initiative, the foundation partners with the Umweltstiftung Michael Otto, a foundation dedicated to environmental protection. While the project aims to rewet drained peatlands in Brandenburg as well as in Lithuania, the foundation and its project partners also work to create economic incentives and suitable environmental policies to complement rewetting measures.

The foundation's own peatlands in Germany provide a valuable lab for its commitment in the Baltic region, where it implements restoration measures that have proven effective in Germany.



Expected Results

The decisive criterion for the success of the foundation's climate protection projects is their effectiveness in reducing emissions. The foundation determines this via proxy indicators such as water level measurements or vegetation analyses. For example, by rewetting the Sernitz peatland as part of the toMOORow initiative, the Succow Stiftung expects to save 1,000 t of CO₂ annually and see an increase in biodiversity and water storage capacity.

By showing how to rewet peatlands in practice, the foundation aims to raise awareness among stakeholders such as farmers. It also strives to increase political, economic and social awareness of ecosystems and their potential as nature-based climate solutions. In combining **Direct Support** with **Political Advocacy** and **Communication**, the foundation aspires to raise awareness of the negative impact of agricultural policies, such as giving out subsidies for draining land through ditches. In this way, practical solutions for peatland climate protection are brought into the political arena.

Lessons learned

What has worked well?

- **Integrate other funding strategies:** To ensure long-term impact and to scale projects, make sure to complement **Direct Support** with other funding strategies. Help create synergies by pressuring governments to reduce red tape.
- **Involve experts:** Ecosystem protection and restoration require a high level of technical expertise. Involving technical experts and scientists at an early stage makes it easier to respond to problems in the early phases of the project.
- **Understanding interests:** Ecosystems are unique, not only ecologically, but also in terms of their stakeholders. Context-specific stakeholder management may prove useful to develop an understanding of multi-layered interests and suitable solutions.

What are opportunities for new funders?

- **Create beacon projects:** Every peatland is different, but beacon projects can have an impact beyond regional borders. To date, there is still a lack of best-practice examples that demonstrate how to rewet a peatland by involving land users and businesses in order to create a natural climate protection solution.



Established in 2001, the Veolia Stiftung is a German corporate foundation that focuses on funding innovative and sustainable projects that contribute to protecting water resources and biodiversity, increasing energy efficiency, and strengthening the circular economy. The foundation's 2021 funding volume amounted to some 300,000 EUR.



Sylke Freudenthal
Managing Director

Rationale

The funding strategy of providing **Direct Support** rests on the conviction that projects that have a direct impact on the ground can make a real contribution to climate and environmental protection. Especially for foundations with limited funds, **Direct Support** offers a way to achieve tangible and predictable impacts. The foundation's solution orientation and hands-on mentality are in line with the corporate identity of the environmental service provider Veolia, with which the foundation is associated.

Application in Practice

The funding program of the Veolia Stiftung ranges from supporting nature-based climate solutions to implementing technological solutions.

One of the funded projects aims to make a farm climate-friendly by combining sustainable pasture management with the planting of specific tree species in order to boost carbon storage capacities, increase resilience to erosion, and contribute to a better distribution of rainwater.

Another project funded by the foundation works to reduce the climate footprint of an organisation for people with physical or mental limitations. This is done by providing funding for restoring a building to meet energy-efficiency requirements and to install an electric charging station fed by a photovoltaic system.

In its projects, the Veolia Stiftung draws on the technical know-how of Veolia to achieve its philanthropic goals. To this end, the foundation has created a sponsorship model that encourages employees to personally support the foundation's funding projects.

Expected Results

Two of the key requirements for projects to receive funding from the Veolia Stiftung are their repeatability and novelty. As a consequence, the foundation makes sure that its funding goes into building success models and beacon projects.



While the foundation's funds are not only intended to help develop selective solutions and methods, the foundation rather aims to make solutions visible and scalable and to communicate them to stakeholders in business, politics and administration, which means that press and PR work are part and parcel of each project.

Lessons learned

What has worked well?

- **Building bridges:** A multitude of projects and organisations follow innovative approaches but while they often have the expertise required, they lack resources to scale their work. Use your channels to reach outside the “philanthropic bubble” to ensure that projects do not remain isolated initiatives.
- **Align funding with actual needs:** Applicants are often closer to the issues at hand than funders. Keep calls for proposals broad and link them to overarching themes (circular economy, energy efficiency, etc.). This will allow you to develop a better feel for current trends and needs.
- **Keep administration small:** Implementation partners often face a lot of red tape when applying for funding. Keeping grant applications simple and flexible helps to relieve partners with limited resources and employees in particular from administrative burdens.

What are opportunities for new funders?

- **Strengthening future sectors:** Granting **Direct Support** to the circular economy sector is an emerging yet underfunded area with an innovation potential that new funders can explore.



Capacity Building

Definition: Education, vocational training, transferable skills, peer exchange

Introduction

Increasing ambitions to reduce greenhouse gas emissions and to adapt to climate change poses new challenges to the world. This results in the need for new competencies. Across society, people must “obtain, improve or retain the[ir] skills, knowledge, tools, equipment or other resources” to respond effectively to the challenges we face (Climate-ADAPT 2019).

This **Capacity Building** is not just a necessity. It is also an important funding strategy that promises to empower individuals, organisations and communities to fight climate change – and thus generate lasting impacts beyond the funder’s engagement.

Key Insights

- Much **Capacity Building** focuses on developing the knowledge and skills of professionals in different sectors, hence, improving the “technical acumen” of individuals (Cox et al. 2021). For example, funders can help to reduce the fossil fuel use in aviation by training airport staff to improve launch scheduling. Other funders, who are interested in education, can contribute to building the capacity of teachers to teach climate science to pupils (“teaching the teacher”). One example is the development of freely available teaching materials that are easily integrated into classes.
- In the fight against climate change, improving soft skills is an equally important outcome of **Capacity Building**. By promoting skills like leadership, negotiation or problem solving, funders can facilitate cross-sectoral innovation and help to raise the voices of people marginalised in designing climate solutions.
- **Capacity Building** has great potential to accelerate other funding strategies. Ultimately, the success of other funding strategies depends on the capacities of different people to implement them. **Capacity Building** can, for example, pave the way for **Political Advocacy**. By supporting programmes that enhance the understanding of young people about policy-making processes, funders can strengthen their ability to effectively advocate in the political space for more climate action.
- **Capacity Building** offers an opportunity to funders to be directly involved by becoming facilitators. Organising workshops, convening communities of practice and peer-exchange are formats that funders can themselves organise and thus become active beyond handing out grants.

**Case Study I****Heather McGray**
Director

The Climate Justice Resilience Fund (CJRF) was established in 2016 as a pooled fund. It supports women, young and indigenous peoples in geographies where the impacts of climate change are already severe. The fund aims to build the capacity of people to create and advocate for their own solutions to the climate crisis.

Rationale

Climate change is already threatening livelihoods around the world. The challenges are greatest for people who are directly exposed to the impacts of climate change because public institutions and societal structures fail to support and protect them. Therefore, empowering these people to develop new skills and knowledge is a crucial aspect of strengthening their resilience against climate change. However, the funding strategy **Capacity Building** only becomes effective in combination with other approaches that advocate for structural changes.

Application in Practice

Most of the **Capacity Building** efforts of the CJRF are embedded in larger projects with multiple activities. In particular, CJRF likes to make sure that **Capacity Building** and other technical activities are linked to advocacy and scaling. For example, mentorship on business skills by its partner BOMA is just one element of a women's empowerment programme that also includes formation of savings groups and engagement in local land management committees. In addition, it is important to consider which groups of people to involve in order to achieve the desired impact. It is essential to consider these constellations when deciding for the appropriate form of **Capacity Building**.

In this work, the CJRF prioritises exchange of people with similar life experiences. Through four grants to the Huairou Commission, CJRF has enabled exchanges between women leaders from Kenya and India. By sharing farming practices or strategies to communicate with the government, this has helped women to build leadership skills and climate resilience.

Expected Results

CJRF supports its partners to provide **Capacity Building** along the needs of local stakeholders, so the outcomes vary depending on the local context. Results reach from leadership skills and awareness of people's legal rights to expertise in new farming practices.



Moreover, the capacity that people develop goes beyond technical skills. The CJRF recognises solidarity as an important criterion for success: Being aware that there are peers in other places of the planet is an important factor in creating momentum, getting people to stand up for their rights and implement their own solutions to climate resilience.

Lessons learned

What has worked well?

- **Support peer-to-peer learning:** The transfer of knowledge and skills faces fewer barriers when it takes place in peer-to-peer exchanges compared to one-way delivery of information.
- **Work with grantees to define the aims of Capacity Building:** Openness towards stakeholders' needs leads to better **Capacity Building**. Grantees know best what challenges they face and in which areas they need to develop their skills.
- **Combine Capacity Building with other funding strategies:** **Capacity Building** is more than just trainings. Skills, knowledge, and confidence often grow only through experience. Organisational capacity requires strategy, systems and culture. Moreover, **Capacity Building** as a funding strategy can facilitate lasting change only when embedded in a wider theory of change. Assess how different funding strategies can work together by looking at **Capacity Building** as services to other activities.

What are opportunities for new funders?

- **Create room for manoeuvre:** Sometimes **Capacity Building** means rest, or flexibility to work outside of projectized funding cycles. Grants for sabbaticals, or simply to cover the time of senior staff, can create breathing room to build creativity, boldness, and other key leadership skills.



Networks

Definition: Exchanging knowledge and best practices, building coalitions, creating consensus, strengthening infrastructure for closer collaboration

Introduction

Social change necessitates collaboration between different stakeholders. Indeed, throughout history, social breakthroughs such as ending apartheid in South Africa would not have been possible without active coordination among key actors from different sectors (Ditkoff and Grindle 2017). What is more, philanthropists have played an active part in supporting this coordination.

The case for climate funders to support **Networks** is clear: Climate change is a global challenge that affects all sectors and people in one way or the other. Without broad, cross-sector and cross-border coalitions, effective climate action is not feasible.

Funders supporting **Networks** can be a key force in breaking down silos and creating new coalitions of actors. Philanthropy is one step removed from political and market events and can thus act as a credible “bridge builder” (Lorentz and Meier 2012) between those holding particular stakes in these events.

What is more, funders can avoid duplication or increase the visibility of a funding area by engaging in **Networks** with other funders like funder collaboratives or giving circles (see the case study of the [Climate and Land Use Alliance](#)).

Key Insights

- Funders can bring together **unlike** allies who have similar goals but approach them from different sectoral perspectives. For example, the ECF-funded [Knowledge Network in Climate Assemblies \(KNOCA\)](#) explores challenges and best practices for climate assemblies by convening policymakers, researchers, and civil society actors. Similarly, funders can bring together **alike** allies who have similar approaches but have not yet engaged in mutual exchange.
- Funders are well placed to go beyond the geographical borders of political or administrative entities. A transnational exchange can identify common goals, develop transnational solutions, and strategies for scaling them up. One example is [C40 Cities](#), a global network of mayors with the mission to halve the emissions of its member cities by 2030.
- Supporting **Networks** is not simply an end in itself. By initiating or strengthening networks, funders contribute to the amplification of voices (and resources) that can then be heard louder outside the network itself. As a result, funding **Networks** can pave the way for effective **Political Advocacy** or help grassroots movements to thrive.



Case Study I



Climate and Land Use Alliance

To achieve greatest impact on climate change, the California-based David and Lucile Packard Foundation has teamed up with other grant-makers.

A prominent example is the Climate and Land Use Alliance (CLUA), formed in 2010 by the Packard Foundation, the Ford Foundation, the Gordon and Betty Moore Foundation as well as Climate-Works to align their somewhat differing goals in protecting and restoring forests.

CLUA illustrates that **Networks** are a funding strategy not just as they relate to collaborations between grantees but also in regard to **Networks** among funders.



Walt Reid

Director,
Conservation and
Science (David
and Lucile Packard
Foundation)

Rationale

Working in **Networks** of funders means that resources are pooled, or grants are coordinated around a shared strategy to achieve a common funding aim more efficiently. First, for foundations working in coalition, the final impact is more significant than when they operate in isolation. Second, combining funders' staff and organisational capacities enhances the overall expertise that goes into designing and implementing a funding programme. Third, different goals, perspectives, and values are brought into a coalition of funders as a protection against institutional bias and create a rich learning environment.

Application in Practice

Initially, the CLUA funders established a core secretariat, which has since grown to include initiative leads for priority regions and themes. These initiative leads work with member foundations to develop coordinated strategies for each region and theme. Regular meetings between programme officers from the individual foundations maintain the exchange of proposals and grant reports. The Alliance is governed by a Board composed of both funders and external experts.

Building upon the network of grantees, the Alliance is also bringing together stakeholders from the public and private sector to encourage an international community of advocates for the conservation and sustainable use of forests and land and the protection of the rights of forest-dependent communities.



Expected Results

On the ground, the CLUA has e.g. contributed to a 90 percent reduction of deforestation in Indonesia associated with palm oil over the past eight years. Different CLUA members and the CLUA secretariat have been supporting a range of funding strategies contributing to this: supply chain campaigns, protection of indigenous rights, policy advocacy, support to local governments and others.

But member foundations themselves have also benefited from the Alliance. Working in a **Network** has aligned funding strategies and improved technical and policy skills of the staff involved. In this sense, CLUA is a great starting point for member foundations to increase their individual support for this topic. What is more, CLUA has facilitated the entry of other funders into this funding topic.

Lessons learned

What has worked well?

- **Align with funders that may not be focused on climate:** In the case of CLUA, half of the original members were not focused on climate, but there was strong overlap in the type of work they were pursuing. Look for these overlaps and harness their potential to deliver climate benefits.
- **Go beyond the ‘affinity group’ stage:** Affinity groups are helpful to stay informed about the work of other funders, but their impact comes nowhere close to that of a tight alliance with coordinated strategies, extensive information sharing, robust strategic dialogue, and secretariat staffing.

What are opportunities for new funders?

- **Fighting tropical deforestation:** The CLUA donors are involved in launching an initiative (Forests for People and Climate) to help mobilise far more funding for this work by providing a mechanism for new funding to flow to high priority strategic needs.



Case Study II



Since its establishment in 2010, the [Fondation Daniel et Nina Carasso](#) has been working on climate and environmental issues, particularly through its “Sustainable Food Programme”. The foundation is headquartered in France with another operational basis in Spain.



**Marie-Stéphane
Maradeix**
Executive Director

Rationale

The world we live in is too complex for anybody alone to provide the solution to climate change. Cross-sectoral and cross-border collaboration is needed if foundations are to achieve their aims amidst a changing climate. With sustainable food systems at the heart of its purpose, the Fondation Daniel et Nina Carasso has placed **Networks** as one of its core principles of action.

Application in Practice

One of the very first networks funded by the foundation came out of a joint call for proposals with the Fondation de France. Together, they aimed for projects convening researchers and practitioners around the topic of sustainable agriculture and food consumption.

The support of the Fondation Daniel et Nina Carasso for **Networks** has been crucial for building climate philanthropy in Europe. As one of the initiators and core funders of the [#PhilanthropyForClimate Initiative](#), the foundation has made philanthropic involvement visible and created a community of practice to help foundations in their climate journey. This engagement did not just encompass funding but also contributing staff time to building the initiative. As part of #PhilanthropyForClimate, the Fondation Daniel et Nina Carasso coordinated with French, Spanish, British and European stakeholders to build the governance structure and communicate funder commitments on climate change.

Another **Network** that the foundation was involved in initiating is the [European Foundations for Sustainable Agriculture and Food \(EFSAF\)](#). EFSAF is currently chaired by the Fondation Daniel et Nina Carasso and consists of a group of European foundations that have set themselves the goal of promoting a more sustainable food policy in Europe.

Expected Results

As a consequence of #PhilanthropyForClimate, more than 570 foundations have signed funder commitments on climate change across the world. This includes funder commitments by national associations in France, Spain, UK, Italy, or Canada, as well as a strong [international commitment](#). These collaborations have resulted in an established community, exchanging experience and providing an entry point for new funders.



Similarly, EFSAF has been successful in attracting new climate funders to the field, resulting in an increased awareness of the issue. As the network is designed to allow members to contribute individually according to their mandate, it has been possible to approach the issue of sustainable food systems from different perspectives.

Lessons learned

What has worked well?

- **Learn from sharing:** Do not hesitate to share questions with like-minded people and learn from their successes and failures. It is a long road, and you can avoid mistakes that pioneers have already made. Also involve your grantees and learn from them, as many of them have already integrated a climate perspective into their work.
- **Keep differences in mind:** Collaborations are essential, but it takes time to align different goals and values. All of us must surrender some control to create greater, joint impact. While it is easy to join a network for exchange of practices, creating consensus and joint objectives requires active engagement. But it is worth it.
- **Integrate climate action into your existing goals:** Engagement in philanthropic climate networks does not require funders to change their focus of interest. Rather, bringing together actors with different perspectives is a unique feature of **Networks**.

What are opportunities for new funders?

- **Be courageous:** Plenty of opportunities will emerge if you are willing to take risks now. Your impact will benefit as well because any delay in climate action risks run-away climate change.



Case Study III



Barr Foundation

The [Barr Foundation](#) is a private foundation based in Boston, Massachusetts, that focuses on climate as one of three programme areas. In this work, the Barr Foundation prioritises communities that have suffered the most from the fossil fuel economy and climate organisations whose work is centred in equity. In 2021, the Barr Foundation awarded grants of around 34 million USD in the area of climate.



Kalila Barnett
Senior Programme
Officer, Climate
Resilience

Rationale

The impacts of climate change cross the administrative and social boundaries of communities. That is why the Barr Foundation recognises **Networks** between municipalities as crucial in building climate resilience. This is especially the case in areas like Greater Boston, where the capacity of municipalities to deal with climate change varies greatly. Beyond the public sector, strengthening **Networks** of marginalised communities helps to raise their voices. This inclusion of diverse perspectives can build a stronger environmental movement and makes responses to climate change more effective.

Application in Practice

In a major grant to the local watershed association, the Barr Foundation has funded the [Resilient Mystic Collaborative](#), a partnership among neighbouring communities along Boston's Mystic River. The Collaborative enables municipal staff as well as actors from civil society and private enterprises to come together and work across political boundaries to protect the people and infrastructure from climate risks. This includes, for example, analysing and sharing data to create maps of vulnerable areas such as flood-prone territories.

Moreover, the Barr Foundation has supported the [Innovation Network for Communities](#), which coordinates a network of mostly private and large non-profits, like universities and hospitals. The aim of the network is to support cities on their path to carbon neutrality and long-term climate resilience by sharing best practices.

Expected Results

For many municipalities involved in the Mystic River Collaborative, the maps were an important first step in identifying climate-related needs of their communities and prospective actions to meet them. Based on this work, some municipalities have successfully applied for public funds on climate resilience. The Mystic Resilient Collaborative now represents a vast majority of the communities in the watershed and has attracted more than 2.5 million USD in additional regional climate funding.



Moreover, by convening multiple stakeholders, the Collaborative has sparked new forms of cooperation. One new project that has developed from discussions within the Collaborative is the social resilience working group.

Lessons learned

What has worked well?

- **Involve different stakeholders in your networks:** Building on academic analysis is crucial but it is equally important to listen to the voices of practitioners to find responses to the climate crisis that work.
- **Keep capacities in mind:** Even when there is a willingness to act, stakeholders may work with limited capacity and on long timescales, especially in the public sector.
- **Start by building relationships:** Networks take time. For example, jointly managed infrastructure projects can take several years to have an impact. However, fostering better relationships and building previously eroded trust will set the stage for developing project ideas.
- **Incubate collaborations:** Often stakeholders require help with the first steps of building a Network. Mapping out stakeholders with similar challenges or with information to tackle them can be the first bit of legwork in enabling collaboration.

What are opportunities for new funders?

- **Use networks to co-produce your funding strategy:** Convening cross-sectoral stakeholders helps to understand existing barriers to and opportunities for collaboration. This is particularly important if you seek to scale solutions from the intermediate to the systemic level.



Grassroots Support

Definition: Empowering marginalised groups, movement building, civil disobedience, bottom-up initiatives

Introduction

Climate change is a global phenomenon, but it will bear its costs locally in communities. Putting those communities at the centre is thus an effective climate funding strategy. At the heart of **Grassroots Support** is the idea that local, self-organised communities can be effective stewards of climate solutions. Funders who recognise the people behind grassroots movements as leaders can unleash transformative power.

Yet, **Grassroots Support** accounts for only 0.7-1.2 percent of funding from European climate funders (Roeyer et al. 2021). Especially bigger funders face a barrier: their funding infrastructure matches the organisational set-up of large, established grantees better than those of grassroots movements, which are often small and informally organised (Ng 2021; Baykara 2016).

Key Insights

- **Grassroots Support** can require funders to go the extra mile. Grassroot movements are often driven by volunteers who are more loosely organised than the staff of professional NGOs. Funders are thus advised to use different methods of identifying and engaging with grassroots movements. Funders who share calls for funding proposals via social media, will be able to better reach small groups. Equally, small but long-term grants can meet the needs of grassroots movements while not burdening them with the administration of large grants.
- Grassroots organisations are often deeply embedded in a local context. Hence, they are close to the impacts of climate change and to climate solutions (Elliott et al. 2019). Because of this proximity to local events, there is a lot to be gained from **Grassroots Support**. Most importantly, grassroots organisations can reach people that larger NGOs might not: “monolingual non-English speakers, undocumented workers, tenants living in slum conditions, formerly incarcerated individuals, unhoused neighbours, and many others” (Goldsmith 2021).
- With some solutions to climate change, working with grassroots communities is indispensable. One of them is stopping deforestation, to which indigenous communities are key (Food and Agriculture Organization of the United Nations and FILAC 2021). Although indigenous lands account for almost 80 percent of the Earth’s biodiversity, indigenous people have limited sovereignty over that land (Sobrevila 2008; Trewin et al. 2021). **Grassroots Support** of indigenous people can help to change this. What is more, evidence abounds that **Grassroots Support** is not only essential but also cost-effective. For example, an analysis shows that Extinction Rebellion UK performs 12 times better at carbon avoidance than the Clean Air Task Force, one of the top-rated climate organisations in the world (Ozden 2022).



Case Study I



**GUERRILLA
FOUNDATION**
ACT. AFFECT. CHANGE

The [Guerrilla Foundation](#) was established in 2016 and is headquartered in Berlin, Germany. In its funding, the Guerrilla Foundation focuses on grassroots activism and social movements to bring about systemic change across Europe. In 2021, the foundation's funding volume amounted to more than 500,000 EUR, with climate and environmental justice among the core issues.



© Aiana Range

Romy Krämer
Managing Director

Rationale

Supporting grassroots movements is the best way to represent the perspectives and needs of groups most affected by social and environmental issues. Their focus on mobilisation, empowerment and self-organisation allows grassroots movements to connect struggles in ways that more organised civil society structures cannot. This makes them indispensable actors in proposing a genuine climate justice agenda that calls for the end of extractive capitalism, patriarchy and colonialism. However, many funders believe that grassroots movements lack professionalism and unduly challenge their own institutions; this limits philanthropic funding for grassroots activities.

Application in Practice

Rather than funding individual projects, the Guerrilla Foundation focuses on resourcing small grassroots groups and associations with an annual budget under 150,000 EUR. These groups often have no paid staff or offices and operate as collectives in a non-hierarchical way. By providing core funding, the Guerrilla Foundation enables these groups to use the funds where they are most needed and gives them the flexibility to respond to political opportunities.

The Guerrilla Foundation's grantees implement strategies that range from protest and direct action to campaigning and community organising. Guerrilla rarely funds research or advocacy because these 'professional' fields stand for a 'top-down' approach and are usually well funded.

One of the Guerrilla Foundation's recent grantees, for example, is [Fossil Free Culture NL](#), a collective using artistic forms of protest as a vehicle to end sponsorship of cultural institutions in the Netherlands by the fossil fuel industry.



Expected Results

Grassroots movements employ varying tactics to mobilise people and affect change in different ways. This needs to be taken into account when trying to gauge ‘effectiveness’ and ‘impact’. Through collective action, movements seek to alter existing power structures, however they also try to prefigure alternative visions of society in how they operate. Grassroots movements thus not only are sites of resistance, but also of direct empowerment and imagination that create new forms of social relations, of organisation, and of political authority.

Lessons learned

What has worked well?

- **Openness to emergence:** Support experiments and activities with unsure outcomes. Facilitate exchange and strategizing among diverse groups and be open to support what emerges.
- **Fund groups:** Instead of funding projects or ‘solutions’, provide core funding to grassroots groups so they can plan with a longer-term orientation.
- **Be humble:** Ask what you can do to enable movements to drive change and what your role in the ecosystem should be.
- **Don’t expect grassroots groups to turn into NGOs:** Let go of the assumption that centralised and bigger is always better. Allow for a diversity of approaches, failure and experimentation and ask how you can support movement learning.

What are opportunities for new funders?

- **Be courageous:** Funding grassroots movements means questioning your own privilege and understanding that philanthropy itself is a symptom of the harmful status quo in which people and resources are exploited for the benefit of the few. Building the next system is exciting and an opportunity to bridge divides of wealth and class and reconnect with different conceptions of what it means to be human.



Case Study II

SOLBERGA

FOUNDATION

The [Solberga Foundation](#) is an independent family foundation established in 2019 in the UK. The foundation supports transformative social movements and organisations working for social justice. The intersections between climate, gender equality and animal rights are at the heart of the foundation's mission.



Kristina Johansson
Founder

Rationale

To tackle the climate crisis, power needs to be built from below. Grassroots movements led by or comprised of communities of colour, low-income and indigenous people are the most affected by the climate crisis. The Solberga Foundation believes they can describe the present problems in clearest terms and, what is more, point towards feasible and just solutions.

In addition to being an important strategy in tackling climate change, funding **Grassroots Support** enhances the participation of local voices in decision-making, thus increasing community resilience on all fronts.

Application in Practice

Long-term partnerships at eye level are essential to building stable movements and resourcing them to lead on climate justice.

For this reason, the Solberga Foundation supports [Thousand Currents](#), a regranter committed to resourcing grassroots movements mainly in the Global South. Apart from grant-making, Thousand Currents acts as an intermediary, working to increase funders engagement, understanding and solidarity with grassroots movements. This includes educational programmes in social justice and trustbased philanthropy practices.

Furthermore, the Solberga Foundation awards direct grants to grassroots groups and individuals involved in climate activism. Regular and informal discussions with grantees help the Solberga Foundation to provide the support grantees need without the restrictions of fixed donor-driven goals.

Expected Results

Grassroots movements provoke systemic change. But this does not happen overnight. Hence, short term impact measures are of limited use when assessing the success of movements. However, [historical evidence](#) shows that grassroots movements significantly contributed to reshaping public and political discourse and influencing political decisions.



The [Stop Cambo campaign](#) supported by the Solberga Foundation, for example, has led to public mobilisation against offshore oil and gas development in the UK, resulting in investor sentiment about the North Sea basin turning from “[excitement to despair](#)”.

Lessons learned

What has worked well?

- **Use workarounds for administrative challenges:** Many grassroots groups are not constituted as a legal entity and thus face administrative challenges such as receiving funds. Using fiscal hosts such as [Climate 2025](#) or other NGOs who can be fiscal sponsors or pass throughs make for tested alternatives.
- **Foster storytelling:** Funding trainings that equip grassroots leaders with communication and narrative skills helps grassroots movements have their voices heard. Organisations such as [NEON](#) offer a wide range of media training programmes to skill up grassroots movements to communicate their messages more strategically.
- **Provide basic support:** Covering the costs of rental spaces at climate conferences, accessibility needs, providing speakers’ fees or funding legal training are low-risk ways for **Grassroots Support**. While these measures are not costly, they have a crucial impact on the inclusion of marginalised voices.

What are opportunities for new funders?

- **Close the funding gap:** Despite the importance of **Grassroots Support**, philanthropic funding lacks far behind. In Europe, less than 1 percent of climate funding follows this strategy. Incorporating the role of grassroots movements into your current strategy helps to close this gap and can have an outsized impact.



Communication

Definition: Sharing information and making it accessible, building narratives, shaping social norms and values

Introduction

Many funders are already experts in communication. They use websites, newsletters or blogs to share information and stories about their grants. This communication is an important field of funders' operation because it can leverage the impact of a foundation by reaching key actors, changing perceptions or shaping partnerships with grantees (Wildlife Conservation Society 2021; Council on Foundations 2008; Putnam-Walkerly 2010). It is this potential of **Communication** to leverage impact that makes it an important climate funding strategy, too.

Key Insights

- Information about climate change can only unfold its power if it is packaged to appeal to people. **Communication** is central to widen access to information about climate change to new audiences. Funders can become active, for example, by helping to translate scientific facts or technical solutions for heterogeneous audiences. The audience will determine whether journalism, music or another medium of **Communication** is the right strategy. One option is to make climate change visible through the power of visual images. For example, Climate Outreach, which the Calouste Gulbenkian Foundation supports, uses photography to drive evidence-based communication about climate change.
- **Communication** needs to appeal to emotions to motivate climate action. An effective way to do this is through stories that resonate with respective audiences (Morris et al. 2019). By telling stories, e.g. about delicious vegetarian food or the fun of riding electric bicycles in cities, funders can help to shape social norms that lead to climate-friendly behaviour. Telling stories also means to choose the right storyteller as different people trust different messengers. Whether they enable journalists, priests, or medical professionals to talk more about climate change, funders have a variety of messengers to work with for whom communication is part of their daily routines.
- Another dimension of **Communication** is the fight against misinformation. The rapid rise of social networks and virtual media spaces has fundamentally changed the way we absorb information. A drawback of this development is the increasing spread of misinformation, also in relation to climate change (Treen et al. 2020) – which undermines collective action. Funders can help to stop this. Two ways to act stand out. Firstly, they can put pressure on social media platforms to better filter and control misinformation. Secondly, they can proactively use the virtual space to counter misinformation by strengthening digital hubs and helping to establish communities in the virtual space that share evidence-based content on climate change.



Case Study I



The William and Flora Hewlett Foundation was established in 1966 in California to promote a better world. Its Environment Program awards grants in the field of climate and energy as well as nature conservation. In 2021, the programme awarded 293 million USD – constituting one of the foundations major funding areas and making the foundation one of the largest grant-makers in the environmental sector.

Rationale

Climate solutions will only work if people have a clear sense how they can enhance their well-being, about the obstacles that are in the way of those solutions, and their role in helping make progress on climate. **Communication**, in this way, has a key role to play in gaining broad public support for climate action. It helps inspire people to come together to achieve that vision and can elevate citizen voices in shaping climate solutions for their communities.

An important aspect of **Communication** is combatting climate disinformation. For example, historically, climate denialism has been a major factor in stalling support for climate action from the public and decision-makers. This did not happen in a vacuum – in fact, the fossil industry has employed sophisticated communication strategies to shape public perceptions. In the same way, philanthropies must employ strategies to communicate the truth about climate change and feasible solutions.

Application in Practice

In 2020, the Hewlett Foundation launched a funding commitment that allocated 20 million USD to support climate communication based on an assessment that identified gaps and opportunities in the climate communications field.

Hewlett first prioritised funding digital and social media communications to mainstream best practices, combat misinformation, and provide capacity to local organizations. In this vein, the Foundation supports the Digital Climate Coalition, a communications hub that connects grassroots groups with each other and improves their digital expertise.

Second, the Hewlett Foundation funded groups that could serve as a hub for evidence-based climate communications. An example of this is the Global Strategic Communications Council, a network promoting science-based stories about the zero-carbon transition and its benefits for people and nature.



Acknowledging the importance of people-centred storytelling, Hewlett has also supported the [Climate and Clean Energy Equity Fund](#), a regranter which works to enhance grassroots groups' skills in strategic communications.

Finally, recognising the prevailing lack of funding for **Communication**, the Hewlett Foundation has worked with other funders to help advocate for and drive investments to high-impact communications opportunities.

Expected Results

Through its funding, the Hewlett Foundation has helped grantees to change the public discourse about climate change. While, just a few years ago, public opinion was divided on whether anthropogenic climate change existed or not, today there is a general agreement on this, and the public debate is focused on climate solutions that improve well-being of communities. While the work continues, public support for the adoption of climate solutions has made it such that decision-makers are raising their climate ambition.

Lessons learned

What has worked well?

- **Tell local stories:** Connecting climate to the local level helps to turn climate change from a politicised issue to a personal one. [Climate Central](#), for example, draws on TV meteorologists as trusted messengers to help audiences understand how climate change is impacting their daily lives.
- **Use the virtual space:** Virtual spaces have the potential to incubate communities of action. **Communication** needs to engage people digitally around shared values. Drawing on influencers in social media, for example, has an opportunity to scale up with more funding.

What are opportunities for new funders?

- **Combat false narratives:** Fighting digital disinformation continues to be underfunded. One opportunity for new funders is to put pressure on digital platforms to raise their ambition in regulating false information.



Case Study II

KR
FOUNDATION

The Copenhagen based [KR Foundation](#) was founded in 2014 with the mandate to tackle the root causes of climate change, including, e.g., the financial system and people's perceptions of climate change. To achieve this aim, the foundation has defined **Communication** as an integral part of its grant-making strategy. In 2021, the foundation has granted approximately 1.2 million EUR in this area.



Jakob Bo Nielsen
Communications
Director

Rationale

KR Foundation funds **Communication** as a key instrument for building public support for political action.

Communication is essential to get the public on board in the fight against climate change and to induce behavioural changes. Before people can act, though, they need to understand **why** they should act and **how** they can be part of a transition towards a climate-resilient future.

What is more, once people understand what action is needed, they can call out political inaction and use their rights as democratic citizens to change political majorities.

Application in Practice

KR Foundation's mandate to move beyond existing systems means that it can fund innovative climate communications projects in areas with little or no track record of philanthropic funding. It incubates new organisations rather than providing successive core funding.

Following a strategic direction set by the Board of Directors, KR Foundation centres its efforts on influencing media narratives. This led, for example, to funding the [Climate Action Against Disinformation](#). The coalition aims to tackle online mis- and disinformation about climate change. Together, the more than 50 coalition members work to curb climate denial, and other discourses aiming to delay climate action, on social media platforms.

On the other side of the spectrum, the KR Foundation's grantees utilise social media to put the solutions to the climate crisis high on the agenda. Through [Inside the Movement](#), KR Foundation enables access to science-based information and encouraging narratives about climate change. [Inside the Movement](#) is a digital hub that brings together resources such as the latest science, campaigns and thinking on climate change.



Expected Results

Results are often generated when many different grantees work together to achieve the same goal. E.g., changing a specific policy, getting financial institutions to divest from fossil fuel projects and companies, or getting big tech platforms to change policies and practices about climate change misinformation.

Through its grant-making, KR Foundation has supported projects with very tangible campaign outcomes but has also supported long term capacity building in areas such as digital climate communication where data insights and digital expertise can enable more effective campaigns across the climate movement.

Lessons learned

What has worked well?

- **Collaborate and exchange:** Start by pragmatically assessing the field. There is a whole community of funders that are working in climate communication. Talk to people who are already funding **Communication**, learn about their journeys and ask them about current funding gaps and opportunities.
- **Focus and prioritise:** Break down your aims into concrete issues. Once you focus on a specific sector, you have a clearer view of the ecosystem and a better understanding of its needs.
- **Widen your audience:** Invest in campaigns and support the professionalisation of the organisation behind them. Think about which specific audiences are needed to reach the outcomes that you aim for – and then find the organisations that know how to effectively reach them. Or help establish new ones that can.

What are opportunities for new funders?

- **Counteract false narratives:** An emerging field is the focus on the role that advertising agencies play in fuelling the climate crisis by working for high emission clients. This work can easily be scaled.



Research & Development

Definition: Scientific research, technological development, assessment of problems and development of innovative solutions

Introduction

The fight against climate change depends both on new knowledge and technological innovation. Without scientific research, we would know nothing about the reasons for climate change, not to talk about its future trajectory. Research has resulted in technologies that help to mitigate climate change such as wind- and solar power, more efficient lighting, or modern battery technologies (Nature 2022).

Big and small funders alike have a role to play in **Research & Development**. Smaller funders can directly support outstanding researchers e.g. through fellowships, or specific projects e.g. by piloting technological innovations. By providing long-term financial security, large funders have an exceptional capacity to shape entire research infrastructures and fields. The Bezos Earth Fund, for example, has awarded 30 million USD to the Salk Institute for research enhancing plants to capture and store more carbon to offset climate change. Often these large funding commitments build on pioneering research initially supported by smaller grants.

Key Insights

- Funding **Research & Development** goes beyond traditional grants for research projects and institutes towards shaping the context in which those take place. Collaboration between different disciplines is one example. It is crucial for understanding complex topics such as climate change. Equally, opening up access to research results removes an important barrier for translating research into practice.
- Philanthropy and science are great partners when it comes to developing innovative solutions as both have the freedom to pursue untreaded paths. Funding in **Research & Development** cannot guarantee results such as specific insights or technological innovations. But its potential impact is significant, e.g., in case of a successful emergence of a ground-breaking technology. Compared to public or private funders of **Research & Development**, philanthropy is well positioned to take that risk because it is not restricted to public opinion or pursuit of financial profit.
- Scientific evidence importantly informs political and economic decisions as well as legal ones. In this sense, scientific findings, for example on the causal links between climate change and health problems, provide an increasingly important basis for argumentation in court (Schiermeier 2021). Funding for **Research & Development** can have important knock-on effects. Promoting these effects go beyond support for research and technological development and includes facilitating the transfer of scientific knowledge, e.g. to courts.



Case Study I



The [Fondazione Cariplo](#) is an Italian banking foundation established in 1991 in Milan. Among the main grant-making areas are Environment and Scientific Research, in which the foundation supports projects in Lombardy that serve the common good and the construction of a sustainable and just society.



Federico Beffa
Programme Officer,
Environment



Valentina Cairo
AGER Food and
Research Project

Rationale

Scientific knowledge from various disciplines has not just enhanced the understanding of the dynamics of climate change. It is also vital in finding solutions across different sectors.

One of the foundation's priorities in funding **Research & Development** is to contribute to sustainable food production and find strategies that alleviate the negative effects of climate change on agriculture. In addition, the Fondazione Cariplo is committed to enhancing the climate resilience of cities in Lombardy. In this context, the foundation promotes the dissemination of research results to public institutions and citizens. This translation of scientific insights is crucial in the development of municipal climate strategies and in the societal transformation.

Application in Practice

One of the Fondazione Cariplo's major funding programmes is [AGER](#) (Agri-Food & Research). Since 2008, 32 projects have been funded with the aim of promoting the emergence of sustainable technologies in the agri-food sector. As an example, the programme supports research on the effects of climate change on glaciers, which provide valuable water for irrigation, and pastoral farming in Lombardy. It is the largest agri-food research programme in Europe, carried out by 18 Italian foundations.

As part of its [F2C](#) programme (Fondazione Cariplo for Climate), the foundation promotes initiatives to improve knowledge and awareness of climate change among institutions and the public. One of these initiatives is [ClimaMi](#), which brings together climatologists with architects, engineers and technicians to develop science-based climate data for Milan and promote its integration into spatial planning and policymaking.



Expected Results

The research projects funded under the AGER programme seek to improve the understanding of the impact of climate change on agriculture. Furthermore, the foundation's support facilitates the transfer of research outcomes innovate agricultural practices and technologies. For example, the Fondazione Cariplo ensures that methods which can increase the resilience in food production (e.g. against droughts) are shared with farmers and other agricultural stakeholders.

By supporting the ClimaMi project, the foundation facilitates the integration of scientific results into the decision-making processes of spatial planning in Lombardy, leading to evidence-based adaptation strategies to local climate change.

Lessons learned

What has worked well?

- **Integrate local stakeholders:** Talk to local stakeholders before designing call for research proposals. This helps to understand the context and identify the needs.
- **Utilise your local ties:** Climate change is not only a global problem, but also a local one, with different challenges for each locality. Foundations with ties to a specific geographical region should use their local connections. Proximity to a region is not an impediment to finding solutions to a global problem but, rather, an advantage as it enables deep cooperation with local stakeholders.
- **Take one step at a time:** When embarking on a new direction, it can be helpful to start with a smaller project to understand current developments and identify research gaps.

What are opportunities for new funders?

- **Facilitate the translation of science into practice:** Often useful research results already exist, but do not find their way into practice. Promoting scientific communication and scientific literacy among practitioners can close this gap.



Case Study II



The Röchling Stiftung is a German family foundation established in 1990. Its work focuses on plastics and the environment. Promoting innovation and research is one of the foundation's four fields of action where it hopes to find solutions to create a circular economy for plastics.



Uwe Amrhein
Foundation Manager

Rationale

To successfully tackle climate change, the business models of companies as well as individual consumer behaviour must change. By funding **Research & Development**, the foundation aims to contribute to developing the necessary products and processes and to evaluating their economic viability.

The foundation aspires to improve conditions for a circular economy, in particular by building stronger ties between the science and business community in order to contribute to mitigating climate change.

Application in Practice

One example of the foundation's research funding is the project Biological Solution for Global Challenges: Plastic degradation by biological systems at the Spanish research institute Centro de Investigaciones Biológicas in Madrid.

The three-year grant from the Röchling Stiftung has enabled Dr Federica Bertocchini to focus on her research in a specialist area, investigating the ability of the wax moth larva to decompose certain polymers.

The Röchling Stiftung also funded a research project at the University of Chemnitz aiming to develop an eco-label for plastic components for commercial use. The label will span the entire life cycle of plastic components and contribute to greater consideration of ecological criteria in the purchasing decisions of industrial customers.

Expected Results

The foundation's funding projects are designed to promote the cross-sector transfer of knowledge and build interdisciplinary networks and research capacities to make research outcomes more easily scalable. For example, the expansion of eco-labels for plastics can help companies in various industries identify sustainable procurement options.

Improved infrastructure for **Research & Development** and the strengthening of cooperative approaches can also help to translate basic research into application-oriented research and improve the communication of scientific results.



Lessons learned

What has worked well?

- **Open up opportunities for dialogue:** If funders want to supervise research projects independently, they require additional resources and high levels of expertise. In contrast, opening up opportunities for dialogue and building networks and structures for scaling innovations often requires fewer funds, making Research and Development an option even for smaller funders.
- **Focus and integrate:** Focusing on one research area helps to better understand emerging funding needs. In addition, you can create synergies when a particular field of research can be linked to other funding areas.

What are opportunities for new funders?

- **Be a networker:** Since foundations operate independently of economic and political interests, they are ideal intermediaries. Although they have played this role in many areas, they are still underrepresented as networkers in the research sector. It is precisely here that foundations can create added value by helping to overcome silos and transfer scientific insights into politics and business.



Capital

Definition: Providing risk capital, mission-related investments, engaging in shareholder activism

Introduction

European foundations hold assets and endowments of 511 billion EUR (Philea 2021). Whereas most of this money is invested in global financial markets, a smaller share of 60 billion EUR is spent on grants that foster the foundations' missions.

Funders predominantly invest their endowment in financial markets to generate revenue for grants and operations. In doing, so they also invest in “small pieces of global capitalism”.² They influence financial markets and, often, support businesses with objectives that run contrary to the objectives of their grantees.

Instead, being more strategic about the use of **Capital** means to use a greater share of a foundation's assets to pursue its mission. **Capital** is not a way to financially support grantees, but it is a strategy to achieve a foundation's mission **through** the major share of its assets.

Key Insights

- Funders who align their investment portfolio with the envisioned impact of their grants achieve two goals at once: generate revenue and foster their mission. For climate funders this means to shift investments away from CO2 polluters to companies that develop solutions to the climate crisis. Resources such as the [Climate Action 100+ database](#) help to identify the companies with the largest greenhouse gas emissions worldwide. Funders can use their **Capital** in particular to bridge the “innovation gap” (Braemer 2015), investing in technologies and business models that are crucial to tackle climate change but cannot yet compete in profit-oriented financial markets. Platforms like the [Prime Coalition](#) can help in identifying opportunities.
- Funders can use their **Capital** to acquire large shares of companies. As a result, they can influence corporate decisions towards more climate-friendly practices. One way is to vote in shareholder meetings, another one is to start shareholder resolutions. These can push companies to account for their impact on climate change (Braverman 2018). Even where these strategies do not result in immediate changes to business practices, they help to hold companies to account and can build public pressure (ShareAction 2022).
- Sustainable investing without curtailing revenue is possible. Many case studies show that the inclusion of environmental, social and governance aspects (ESG) in a portfolio does not necessarily reduce returns (Müller et al. 2018). Moreover, the recent court case **Butler-Sloss v Charity Commission** in the UK illustrates that a responsible investment approach – defined as the inclusion of ESG factors in investment decisions – is compatible with the fiduciary duty of funders. Thus, foundations are being given the authority to weigh financial return considerations against possible conflicts with their charitable purposes (Impact Investing Institute 2022).

² This is how Lily Tomson from ShareAction expresses this mechanism in Active Philanthropy's online course “Climate + Philanthropy: A Compact Learning Journey”.

Case Study I



The Esmée Fairbairn Foundation was founded in England in 1961. Its current strategy aims to improve the natural world, secure a fairer future and strengthen bonds in communities across the UK. As one of the largest independent funders in the UK, Esmée Fairbairn's funding to tackle climate change was 18.8 million GBP in 2021. It ranges from restoring nature to the transition of investments to a low-carbon model.



**Dame Caroline
Mason**
Chief Executive

Rationale

The biggest lever of a foundation to achieve long-term change is its investment portfolio. For example, if Esmée Fairbairn were to make grants of 10 million GBP a year in regenerative agriculture but, at the same time, invested 100 million GBP of its portfolio in polluting industries, the net-impact would be zero.

In this sense, using the foundation's capital for the greater good is a matter of pure logic, rather than just maintaining a moral high ground. **Capital** is an incredible lever that can be used poorly for things that do not improve people's livelihoods, or it can be used creatively to tackle existing social and environmental problems.

Application in Practice

Esmée Fairbairn follows three strategies to secure positive social and environmental impact of its financial investments.

Firstly, the foundation manages its own social investment fund of 45 million GBP. Esmée Fairbairn uses this capital to make direct investments in organisations in the UK, putting social and environmental impact first and financial return second. One example is the provision of upfront capital to The Rivers Trust, an umbrella organisation that works to conserve rivers and watersheds in the UK and Ireland.

Secondly, Esmée Fairbairn has invested 25 million GBP with the primary aim of maintaining the real value of its endowment over the long-term. While Esmée Fairbairn is working with its financial advisors to ensure that these investments comply with ESG standards, these investments prioritise financial return.

In between these two strategies sits a 10 million GBP investment into impact investment funds. These externally managed funds are required to equally target social, financial, and environmental performance.

In the longer term, Esmée Fairbairn is transitioning all its investments into responsible investment strategies.

Expected Results

Esmée Fairbairn has managed to reduce the carbon intensity of its portfolio by around 90 percent compared to 2017. But investing a foundation's capital responsibly cannot just reduce the harm it is causing but also proactively encourage the development of climate solutions.

Esmée Fairbairn has used its capital both to support businesses that are crucial for building a sustainable future but currently lack investment capital, and to accelerate the transformation of industries that have already started to change their ways of working. An example of the former is the support provided to The River Trust's member organisations for wetland restoration.

Lessons learned

What has worked well?

- **Put the matter of responsible investment onto the agenda:** Raising the issue and providing updates on market developments at internal meetings helps to engage decision-makers and to raise awareness within your foundation.
- **Seek external advice of financial experts:** Funders are usually experts in impact and grant-making, but not necessarily in investment strategies. External advice can be helpful to define your foundations' values and to enhance your expertise for responsible investments.
- **Define your expectations:** Setting and monitoring social and environmental outcomes for your investments is a precondition for determining whether your investments achieve the desired impact.

What are opportunities for new funders?

- **Partner with others to share investment risks:** Platforms such as the [Environmental Finance and Learning Fund](#) help to connect with like-minded organisations and provide a starting point to get involved in responsible investment approaches.

Case Study II

THE NATHAN CUMMINGS FOUNDATION

The Nathan Cummings Foundation is a multigenerational family foundation based in the United States. It advances racial, economic and environmental justice. With an endowment of nearly 500 million USD, the foundation is one of the largest to commit to aligning 100 percent of its investments with its funding goals.

Rationale

The climate crisis is both accelerated by and threatens the current structure of capital markets. To address problems like climate change, the Nathan Cummings Foundation decided that grant-making alone was not enough, and instead, it needed to activate the totality of its resources, including its endowment, for transformative change,

The foundation recognises mission-aligned investing of its **Capital** as a strategy that not only enables it to use the full potential of its endowment to achieve impact, but also to secure its financial goals in the long-term.

Application in Practice

The foundation began to use its **Capital** as a lever for change by engaging in shareholder activism, and it continues to do so to this day. Over the course of the last two decades, the foundation filed over 250 shareholder resolutions on issues ranging from climate change to executive compensation.

Moreover, in 2018, the foundation's board committed to renew its portfolio of aligned investments across all asset classes. The foundation defined four categories:

- Investments that cause social or environmental harm, so-called “no-go investments”.
- Investments in companies that work to avoid harm to stakeholders.
- Investments in companies that seek to benefit stakeholders.
- Investments that actively contribute to solving systemic challenges.

As a first step, the foundation removed almost all its “no-go investments”. Then it broadened the approach to reallocate ever larger parts of its assets to investments that fit into the other categories.



Expected Results

Four and a half years into the implementation of its new investment strategy, the Nathan Cummings Foundation has invested more than 95 percent of its endowment assets in companies that prevent harm, companies that benefit stakeholders, and companies that contribute to solutions. According to the foundation's most recent [impact investing report](#), this investment approach has not led to financial setbacks.

The foundation has also achieved a lot by way of shareholder activism. For example, it managed to push Occidental Petroleum to assess its long-term impact on climate change when the foundation's resolution was passed by the majority of shareholders.

Lessons learned

What has worked well?

- **Start simple:** Ensuring values alignment is a work in progress. Look at every aspect of your investment and start by removing investments that are directly detrimental to your objectives.
- **Don't let concern about financial returns stop you:** Aligning your financial investments to your values does not necessarily lead to sacrifices in financial returns.
- **Collaborate with other shareholders:** In terms of shareholder activism, having positive influence does not require all shareholders to approve your resolutions. Building up pressure among other shareholders can be sufficient to get corporations to negotiate and make concessions.

What are opportunities for new funders?

- **Build on the experience of others:** All economic sectors need to transition to net-zero swiftly. You can look to existing experiences and shared learnings, like that of the Nathan Cummings Foundation, to help leverage your own investment portfolio for impact.

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Active Philanthropy was founded in 2006. It is a social enterprise that supports philanthropists, social investors and business families who want to make a lasting difference in protecting the planet for future generations.

For donors who wish to ensure a maximum impact of their philanthropic commitments, the organisation offers strategy design and analysis, grant management services, access to a portfolio of pre-screened climate projects and NGOs, as well as other bespoke support. It also advises philanthropists on how to realign their existing portfolios in light of the climate crisis.

Since 2007, Active Philanthropy has been organising expeditions to Greenland for philanthropists to explore the causes and witness the impacts of climate change. Jointly with scientists and climate experts, participants learn about concrete options for climate philanthropy and how to start their journey towards impactful engagement.

In 2019, Active began working in close collaboration with the Children's Investment Fund Foundation (CIFF), Europe's largest climate funder, to increase the awareness and motivation to act on climate change among foundations and philanthropists.