



# Achieving a just and sustainable economic recovery

Philanthropic opportunities at the intersection of racial and social justice and climate action

**ClimateWorks Foundation:** Surabi Menon, Siddarthan Balasubramania, Lina Fedirko, Kanchi Gupta, and Anthony Yazaki

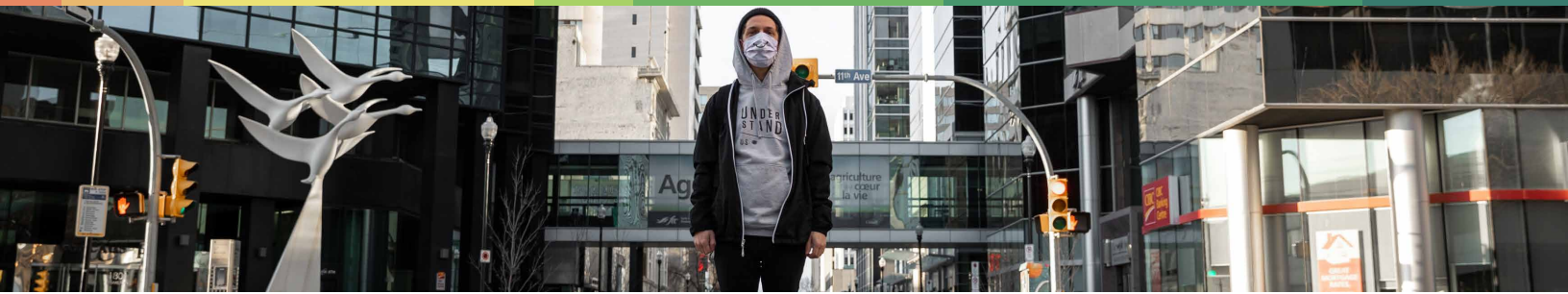
**The African Climate Foundation:** Saliem Fakir

**Climate and Land Use Alliance and Ford Foundation:** Daniella Lerda

**Natural Resources Defense Council:** Khalil Shahyd



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## Introduction

The Covid-19 pandemic, its related economic impacts, and demonstrations for social and racial justice were key inflection points around the globe in 2020. At the same time, we continued to see growing impacts from climate change throughout the year — from fires, heat waves, droughts, and poor air quality, to impacts on fresh-water resources, food, migration, and national security. While racial and social justice and climate change may have once seemed like disparate issues, the pandemic clearly demonstrated that many of the global issues we face are interconnected, and how a shock to one vulnerable piece of our global system can have far-reaching impacts in other areas of our lives. Now, as the world begins to recover from Covid-19, we face a crucial moment to step up climate action, in order to facilitate a smooth economic recovery today, and to avoid incurring crippling costs later on from a rapidly warming climate.

In this brief, we begin by describing the systemic interconnections that drive our modern world and impact the global climate, and explain why a holistic, integrated perspective is required to solve the most pressing societal issues we face today. We then provide a brief overview of government and philanthropic spending aimed at Covid-19 recovery. Finally, we examine in greater detail eight examples of initiatives that philanthropy has or could begin to support, in order to facilitate the large-scale transitions needed to keep people and the planet thriving and resilient to climate change. The case studies presented are based in Brazil, India, South Africa, and the U.S., as well as on the global level, focusing on where equity issues intertwine with social and racial justice, climate, and/or economic recovery goals. By providing concrete examples of such initiatives, these case studies can help funders understand opportunities and effectively allocate their resources as the world emerges from an unprecedented global disruption driven by the Covid-19 pandemic.

This brief builds on a previous report in which we outlined opportunities to enact deep reductions in emissions across sectors and geographies by the end of this decade,<sup>1</sup> and our analysis on where philanthropic capital for climate change mitigation (mostly foundation giving) is being deployed across the various sectors, geographies, and levers of change.<sup>2</sup>



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<sup>1</sup> Monteith, S. and Menon, S. "Achieving global climate goals by 2050: Actionable opportunities for this decade." ClimateWorks Foundation, August 2020 <https://www.climateworks.org/report/achieving-global-climate-goals-by-2050-actionable-opportunities-for-this-decade/>

<sup>2</sup> Roeyer et al., 2020, Funding trends in climate change mitigation philanthropy. ClimateWorks Foundation, September 2020. <https://www.climateworks.org/report/funding-trends-climate-change-mitigation-philanthropy/>

# The fragility of our interconnected world

Earth's natural climate system is robust and has sustained life for billions of years, but shocks and stressors over centuries of human activity have created fragility and are pushing us toward climate tipping points from which it will be hard to stabilize. As a global community, the challenges we face across various systems — ecological, political, social, economic, financial, and others — are interconnected and the fragility of one system affects the others. As we examine ways to achieve a safer and more stable climate, we have to look at transitions that connect across these systems, address economy-wide challenges, and at the same time are focused on ensuring a socially inclusive, safe, and just transition to a net-zero emissions global economy.

Understanding the intersections between social inclusion and racial justice with climate action is not as straightforward as the intersections between fundamental social issues such as race, gender, and equality with prosperity, education, and health. To avoid disastrous impacts from climate change, which generally have the greatest impact on vulnerable populations and nations, we have to examine both scalable policy-driven solutions as well as those that come from the local impacted communities that can champion for implementable change.

The philanthropic community needs to explore holistic approaches that break silos and integrate the many issues that threaten our various systems, and be open to forming new long-term partnerships.

## Government and philanthropic spending on Covid-19 recovery

In light of diminished government spending in many vulnerable economies due to the pandemic-related recession, any investments to create jobs, protect human health, and lift people out of poverty will need to be transformative and long-term, such that it can help leverage or catalyze other spending. These investments must also help support the climate resilience of local communities, including long-term infrastructure and assets. Of the over \$13 trillion dollars being deployed in Covid-19 recovery packages around the world, only about 30% is environmentally relevant, with a small fraction that is positive for the environment.<sup>3</sup> For G-20 countries, the amount pledged for unconditional fossil-fuel use is \$180 billion, while only \$50 billion is directed to clean energy.<sup>4</sup> This level of disparity in energy investments at this time could only exacerbate climate concerns and does nothing to improve the health and lives of vulnerable communities.

In addition to government budgets, total philanthropic spending on all causes adds up to roughly \$730 billion per year. This is not an inconsequential sum, but the fraction spent on climate change mitigation efforts, less than 2% of the total, is far too small.<sup>5</sup> Of that small fraction coming from foundations focused on climate mitigation that we track (totalling \$1.6 billion in 2019), only around \$60 million went to causes supporting climate justice, just transition to a low-emissions economy, grassroots mobilization, and equity — including strategies focused explicitly on communities that



The challenges we face across various systems — ecological, political, social, economic, financial, and others — are interconnected and the fragility of one system affects the others.

<sup>3</sup> <https://www.vivideconomics.com/wp-content/uploads/2020/06/200605-Green-Stimulus-Index-1.pdf>

<sup>4</sup> <https://www.energypolicytracker.org/region/g20/>

<sup>5</sup> Roeyer et al., 2020, Funding trends in climate change mitigation philanthropy. ClimateWorks Foundation, September 2020. <https://www.climateworks.org/report/funding-trends-climate-change-mitigation-philanthropy/>

are directly impacted by climate change or are otherwise vulnerable, and those with a direct equity component, such as energy access. The recent grants from the Bezos Earth Fund (totalling roughly \$150 million over a two- to three-year period) on these topics are a step in the right direction and will hopefully catalyze more such contributions to grassroots organizations and those working at the forefront of equity and climate justice. Many other foundations have similarly stepped up with their contributions, such as the recently announced \$40 million Climate Action Initiative by the Open Society Foundation, focused on the intersections between justice and climate impact.<sup>6</sup> Still, this is a far cry from what is required to drive large-scale systemic change to reduce vulnerability and tangibly improve lives.

Now, based on this understanding of system interconnection and vulnerability, as well as the imperative to spend Covid-19 recovery finance in a just and sustainable way, we highlight eight case studies that exemplify how philanthropy can support the transitions needed to keep people and the planet thriving and resilient to climate change, if scaled.

### Case study intersections with social and racial justice, greenhouse gas emissions, and job creation

Case study and sector	Region	Theme	Social/racial justice	Environment and emissions	Jobs
<b>CASE STUDIES 1 &amp; 2</b> <b>Transport</b>	U.S., Global	Air quality protection and equitable urban mobility	X	X	
<b>CASE STUDY 3</b> <b>Power and agriculture</b>	South Africa	Just energy transition and regenerative agriculture	X	X	X
<b>CASE STUDY 4</b> <b>Forests</b>	Brazil	Forest and Indigenous people protection	X	X	X
<b>CASE STUDIES 5 &amp; 6</b> <b>Built environment</b>	Brazil, U.S.	Affordable and efficient housing	X	X	
<b>CASE STUDY 7</b> <b>Rural development</b>	India	Clean rural infrastructure and development	X	X	X
<b>CASE STUDY 8</b> <b>Manufacturing</b>	India	Sustainable manufacturing and jobs	X	X	X



A sustainable economic recovery from the Covid-19 pandemic requires efforts to address issues around equity and justice as well as climate change mitigation.

<sup>6</sup> <https://www.insidephilanthropy.com/home/2020/11/12/osf-turns-its-attention-to-climate-change-with-a-new-justice-focused-initiative>

# Case Studies

## CASE STUDY 1: U.S.

### The role of frontline communities in transportation electrification

Frontline communities and communities of color have long borne an unequal burden due to pollution from the fossil fuel-based transportation system.<sup>7</sup> These communities are more likely to live in close proximity to major roads and highways, shipping ports, airports, and oil refineries, and as a result, are more likely to suffer from respiratory illnesses and disease related to air pollution. These communities are also a pivotal voice in the push for clean transportation because they exemplify the very real health impacts they face. Further, by empowering and amplifying their voices in diverse and powerful coalitions demanding change, they are better able to take control of their own future by playing an integral role in crafting and advancing solutions that provide direct benefits to them, and for society as whole. Philanthropy has a crucial role to play in supporting such efforts.

In a recent win for climate and equity, a diverse coalition, including frontline and environmental justice communities backed by philanthropy, came together in California to advocate for the need to strengthen and adopt the world's first zero-emission truck sales requirement, the Advanced Clean Trucks (ACT) Rule.<sup>8</sup> The initial draft of the rule, released in 2019, was relatively weak, excluding certain categories of trucks and requiring only a modest increase in the number of zero-emission trucks on the road by 2035. With the onset of the Covid-19 pandemic, special interests representing oil, natural gas, and certain combustion vehicle suppliers argued wrongly that the California Air Resources Board (CARB) should delay the rule, and that if implemented, it would lead to significant job losses.

#### TESTIMONIAL: A VIEW FROM THE FRONTLINES

“I live in the community of San Bernardino, California, and I’m a mother and a grandmother. I am here to let you know that our community is being attacked by high levels of pollution. This past year we had more than a hundred days with air that was polluted. Sickesses have increased — asthma, cancer, respiratory issues, and more. I’m here to be heard, but also as a representative of my community. I am here because of the respiratory issues that my grandson faces. I’m here to tell you how our community is suffering. We are not asking, we are demanding, as the right that everyone must have for clean air. We want zero-emission trucks and we want them now.”

**Veronica Roman**, Center for Community Action and Environmental Justice, at a December 2019 California Air Resources Board Hearing on the Advanced Clean Truck rule

<sup>7</sup> <https://www.lung.org/clean-air/outdoors/who-is-at-risk/disparities>

<sup>8</sup> <https://www.electricktrucksnow.com/> and <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks>

Meanwhile, the philanthropy-backed coalition pushing for a stronger policy grew in size and strength, adding powerful voices from groups representing multiple frontline communities as well as representatives from environmental justice organizations, health, equity, labor, utilities, and businesses. Specific local groups focused on environmental justice included the Center for Community Action and Environmental Justice, East Yard Communities for Environmental Justice, Communities for a Better Environment, Moving Forward Network, CAUSE, and Comite De Civico Do Valle. In particular, the perspectives of those most affected by truck pollution were clearly heard in meetings with the board and agency staff.

Powerful voices coupled with direct outreach to key decision-makers, including from affected communities from relevant districts, showed that a stronger rule was necessary, cost-effective, and would contribute to significant positive health and economic benefits — both to the communities most affected and to the state as a whole. Highlighting the health impacts from poor air quality, especially on vulnerable communities, was a key driver for action among all parties. Community groups were also able to speak personally about the impacts of truck corridors on children and schools. In the end, CARB directed its staff to develop a much stronger rule, which the Board later unanimously passed, that will require roughly half of truck sales to be zero-emission by 2035, effectively doubling the benefits from the original proposal.

The rule, the first of its kind across the world, is now a model for other states and countries. Already, California has signed a memorandum of understanding with 14 other states and the District of Columbia to work together toward 100% zero-emission trucks by or before 2050, and the state is also working in collaboration with other countries to do the same. This example demonstrates the power of elevating the voices of those most impacted by pollution to demand a better future for their communities — a model for others to follow.

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## CASE STUDY 2: INDIA

### Equity in urban mobility

Covid-19 caused unprecedented disruption to transportation globally, and its effects will ripple through the mobility system for years to come. Stay-at-home orders and concerns about shared mobility drove a steep drop in transit ridership, which drained agency budgets, but resulted in sharp uptake in micromobility (such as electric bicycles, shared bicycles, electric skateboards, electric scooters, bicycles, and such that are small, lightweight and operated by users), particularly biking. This prompted cities to quickly reimagine public spaces by re-allocating vehicle travel lanes and parking to provide temporary bike lanes, expand walking spaces, and create space for restaurants and other commercial uses.

Simultaneously, large cities, because of their dense population of people with varying incomes, have transformed into hotbeds for Covid-19 that amplified racial inequality issues. In the wake of mass job losses, housing evictions, and business closures, cities are the frontiers in the fight for racial justice, serving as the focal points for global demonstrations. Underserved populations, especially communities of color, essential workers, and daily wage workers, have suffered the hardest physical and mental health impacts from the pandemic and the decline in reliable mobility further crippled those communities.

In essence, the reduction of safe public transportation options during the pandemic has highlighted urban mobility as a key lifeline for millions of essential and daily wage workers, and a significant lever for the advancement of equity and emissions reduction goals. In response, the ClimateWorks Transportation Program investigated ongoing and new areas of work where philanthropic funding could be leveraged to advance equity in urban mobility:

- **Funder collaboration for rapid, local support:** ClimateWorks, Summit Foundation, McKnight Foundation, and SRAM Foundation raised \$350,000 for the Urban Mobility Fund 9 to provide rapid support for sustainable and equitable transportation amid the mounting crises of systemic inequities and the coronavirus pandemic. The fund was matched by local funders and grants were awarded to eight transportation advocacy groups across the U.S.

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9 <https://www.fundersnetwork.org/mobility-fund-catalyzes-more-than-700000-in-grants-to-support-transit-biking-and-walking-advocates/>

- **Micromobility for equitable recovery:** Several grants initially focused on elevating shared micromobility to replace single-occupancy gasoline car trips, were expanded in scope to focus more deeply on ways these workstreams could advance equity. In the **U.S.**, the New Urban Mobility Alliance (NUMO) is assessing the role micromobility can play in addressing mobility equity in transit-underserved communities, predominantly communities of color. In **South America**, NUMO is developing an assessment framework that low-income cities can use to implement concrete actions in the transport sector during recovery phases (e.g., from total lockdown/quarantine toward business as usual ). In **India and Indonesia**, the Institute for Transportation and Development policy (ITDP) is working with the cities of Pune and Jakarta to harmonize micromobility, walking, and biking with existing transit to support equitable access to mobility
- **Systems change for equitable street design and mobility:** The third iteration of the National Association of City Transportation Officials’ Urban Bikeway Design Guide will reflect on planning practices in street design that center on racial and social justice as well as traditionally underserved communities.
- **Urban mobility for equity in India:** Exploratory work led by the World Resources Institute and ICLEI is underway, focusing on supporting electrification and proliferation of three-wheelers, with the aim of improving the livelihoods of daily wage workers providing informal taxi services, as well as low-cost, clean, and open mobility for communities lacking access to transit.

Successful coalitions can be launched to deepen the urban mobility efforts outlined above to scale the work across hundreds of cities that will be facing similar challenges in the coming years.

### CASE STUDY 3: SOUTH AFRICA

## Clean energy transition

South Africa is the only country in Africa that depends on coal for 90% of its electricity. Coal dependence goes back almost a hundred years, interwoven with South Africa’s racial history and industrial development. Land dispossession in 1913, through the Land Act, ensured that the mines and white-owned farms had abundant supply of cheap “surplus” labor. A significant proportion of exploited labor was put to work in gold and coal mines. A coerced cheap Black labor force was key to South Africa’s evolution of what scholars called the “minerals-energy complex.”

In the post-WWII period, dependence on cheap coal and power facilitated the development of heavy industrial capability in South Africa — especially in the gold mining areas such as Gauteng. The most favorable coal mines were located in the northeast of the country in Mpumalanga, also the heartland of agriculture, wildlife farming, and conservation. With time, this became the focal point that supplied the bulk of energy to mining and industrial development based in the economic heartland of Gauteng.

South Africa’s dependence on coal in the post-Apartheid period since 1994 has intensified despite global shifts toward a broader energy mix, especially renewables. South Africa’s shift toward renewables is happening, but at insufficient pace and scale. Utility-scale implementation of renewable energy had a good start in 2010 through the government-led independent renewable power producers program, but does not have sufficient momentum. A swift transition to renewable energy cannot happen without taking into account South Africa’s racial history as well as the exclusivity of the energy economy in terms of ownership and employment creation.



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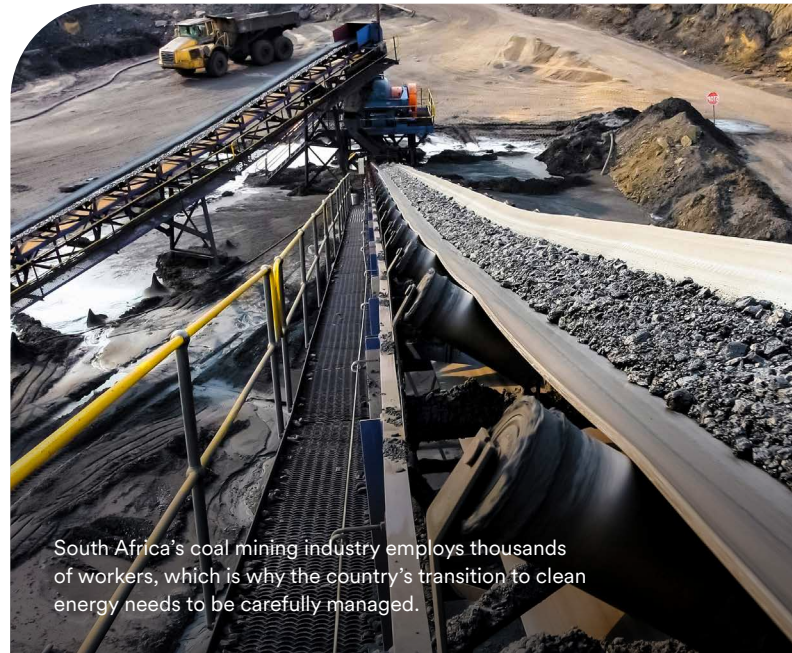
Currently, the coal-mining sector in the Mpumalanga province employs about 80,000 people, is a significant source of export earnings, and accounts for 19% of the GDP.<sup>10</sup> Besides the 80,000 people working in this sector, the state-owned utility, Eskom, itself employs about 40,000 people whose jobs would be under threat if a large-scale roll-out of renewable energy takes place under the umbrella of independent power producers program. This is why the energy transition has to be managed carefully and justly.

This backdrop is crucial to understanding why the transition to cleaner energy in South Africa is layered with other racial and social complexities that cannot be ignored if renewables policies are to gain legitimacy and buy-in among key stakeholders like government, labor unions, business (especially Black business elites), and communities.

Two interventions are proposed to triangulate energy security, economic revival, and job creation in South Africa through public-private partnerships to repurpose old coal plants and shift to regenerative agriculture.

## Repurposing coal plants

Old coal plants still have significant usable assets such as turbines, switchyards, boilers, warehouses, and most importantly, land. At least three coal plants in the Mpumalanga region are scheduled to be decommissioned in the next year or two. The coal plants are based in impoverished areas with high unemployment rates. Decommissioning costs are estimated to be between \$5 billion and \$7 billion. Eskom, the state utility, is keen to repurpose these plants for low-carbon industries with the objective of maximizing its assets and shifting toward cleaner energy sources and creating new jobs. Repurposing also allows Eskom to enter into public-private partnerships through the creation of ring-fenced special purpose vehicles to serve as the investment entity for the repurposed plants. This creates the separation, both legal and financial, of the parent company from the entity created to support the repurposing.



South Africa's coal mining industry employs thousands of workers, which is why the country's transition to clean energy needs to be carefully managed.

The costs of decommissioning old coal plants, as well as job losses in the region with the coal plant closures, are generally the main considerations when retiring old coal plants. Utilities do not always account for the costs of repurposing such assets. The value of the buildings, as well as proximity to water and electricity distribution infrastructure, could be useful factors to consider when repurposing old coal plants to either other forms of clean energy distribution,<sup>11</sup> or as in the case considered by Eskom, as possible sites for low-carbon industries. Examples from other countries such as the U.K. include repurposing old plants for mixed use (residential, leisure, and business), converting sites to solar farms with storage facilities as in Australia,<sup>12</sup> and converting to warehouses, farms, or data centers. Repurposing old coal plants in many locations across the world will not just happen automatically, and philanthropic support that enables local leadership, supportive policies, governance, and financial instruments to help make the repurposing beneficial to the local economy and climate will be instrumental to such efforts.

## Regenerative agriculture as an option

Mpumalanga is also ideal for the development of large-scale programs aimed at sustainable land use and regenerative agriculture (solutions that address food system productivity and climate change) in the prime minerals-energy complex region. Regenerative agriculture also has higher job intensity ratios than renewable energy. South Africa is one of the

<sup>10</sup> <https://theconversation.com/the-case-for-turning-south-africas-coal-fields-into-a-renewable-energy-hub-138315>

<sup>11</sup> <https://www.esi-africa.com/regional-news/southern-africa/op-ed-breathing-fresh-air-into-old-coal-power-stations/>

<sup>12</sup> <https://ieefa.org/ieefa-update-out-to-pasture-coal-plants-are-being-repurposed-into-new-economic-endeavors/>



largest producers of agricultural commodities and product exports on the continent, especially to Europe and Asia. It has a well-developed agricultural sector with significant expertise in agro-economy, agro-tech, agro-finance, and exports. The shifts to regenerative agriculture are slow because traditional forms of agriculture continue to be the dominant practice. Regenerative agriculture opens new doors of opportunity as the world becomes more food and nutrition conscious. The Africa Climate Foundation has convened a regenerative agriculture coalition and consortium to test a regenerative initiative on mining land that is fit for agricultural use. South Africa, and Africa in general, have ample opportunity to more prominently promote smart land use as a way to avoid emissions, and several new opportunities can be explored to strategically link climate, food, and energy.

#### AN OPPORTUNITY TO COMBAT DROUGHT AND DESERTIFICATION ACROSS AFRICA

Similar to opportunities in the regenerative agriculture space, restoration of degraded lands offers huge potential benefits for Africa. A “Great Green Wall” was planned about a decade ago in Africa to restore 7000 km of degraded land, from Senegal in West Africa to Djibouti in East Africa, to combat drought and desertification.<sup>13</sup> This plan has struggled to attract financing, and less than one-fifth of the area has been restored. Ethiopia is a front-runner country in this effort. To meet 2030 climate targets, restoration should double every year at an annual cost of \$3 billion to \$4 billion.<sup>14</sup> A single trust fund, with public and private donors, could help solve many of the challenges this plan faces — from financing to accounting of progress that could be simplified with harmonized reporting. Meeting biodiversity goals, and ensuring the world’s poorest, who live in the majority of these countries, are able to sustain their livelihoods from agriculture and livestock production, would be hugely beneficial for achieving the U.N. Sustainable Development Goals as well. With many corporations signed up to net-zero emissions targets and interested in investing in natural solutions (restoration, land management, conservation), such as Amazon’s Right Now Climate Fund,<sup>15</sup> unified efforts to support existing initiatives that need to be scaled, like the Green Wall, could accelerate efforts on social development and climate action.

<sup>13</sup> <https://www.nature.com/articles/d41586-020-03080-z>

<sup>14</sup> <https://www.theguardian.com/environment/2020/sep/07/africa-great-green-wall-just-4-complete-over-halfway-through-schedule>

<sup>15</sup> <https://sustainability.aboutamazon.com/about/right-now-climate-fund>

## CASE STUDY 4: BRAZIL

### Indigenous and traditional peoples' funds for territorial rights and forest protection

Research shows that collective, legally recognized Indigenous lands store more carbon, have lower emissions, and have significantly lower deforestation rates than lands owned by other actors, and cost less to establish and maintain than conventional protected areas. The reverse is also true — insecure, contested, and inequitable land and forest tenure undermine efforts to protect, sustainably manage, and restore ecosystems essential to the realization of climate, conservation, and sustainable development goals. In Brazil, Indigenous and Afro-descendant communities effectively protect their forests from threats of logging, land-clearing, and mining, thereby reducing greenhouse gas emissions from deforestation and forest degradation, conserving biodiversity, and preventing water pollution, while upholding their territorial rights and safeguarding their own health and cultural well-being. <sup>16</sup>

Brazil has a comprehensive legal framework for recognizing Indigenous, Afro-descendant, and local communities' lands and territories, but these communities and their lands are increasingly under threat from illegal invasions. Direct investment is needed to enable them to manage their lands and enforce the protection of their territories.

One of the ways to support Indigenous peoples and local communities is to channel funding directly to their organizations, rather than through civil society organizations or other intermediaries. Indigenous peoples have responded by creating their own funding mechanism,<sup>16</sup> the Podaali Fund. Quilombola (Afro-descendant) communities have also set up a funding mechanism, the Babaçu Fund, which supports the sustainable management of babassu (palm) forests throughout the Amazon and Cerrado regions, with more than 14,000 quilombola women involved in the activity across four states in the Amazon.

#### The Podaali Fund

Developed with support from the Brazilian Indigenous organization COIAB, which represents some 160 different Indigenous peoples groups, the Podaali Fund facilitates access to resources for Indigenous people, their communities, and organizations based in the Amazon. The purpose of the fund is to enable these groups to protect their territories, maintain sustainable models of production of natural resources, preserve their traditional knowledge, and strengthen Indigenous communities' self-determination and political impact.

Research shows that less than 1% of philanthropic giving from the top-10 U.S. foundations reaches Indigenous communities. By channeling donor support to the Podaali Fund, Indigenous peoples, who are driving local solutions to build resiliency from the ground up, can access resources to manage and protect forests and natural resources. This transformative model of direct funding for community-led land management forges a new, equitable path to long-term protection of Indigenous forests and lands as well as the climate services they provide.

#### The Babaçu Fund

The Interstate Movement of Babassu Palm Nut Breakers (MIQCB) is a social movement, led by quilombola women who advocate for their rights as landless palm nut collectors. Women earn a large part of their livelihoods from harvesting and processing the nuts of the babassu palm tree. The nuts have a high oil content; the shell is used for charcoal, the flesh for flour, and the pulp for drinks.

In 1997, MIQCB successfully gained recognition of the 'Babassu Free Law,' which recognizes nut collectors as having traditional rights to access babassu forests and responsibility for their management. In 2017, the babassu nut breakers set up the Babaçu Fund to support quilombola communities to access finance and protect babassu forests. The fund aims to reach nut collectors in remote regions where large, intensive farms are causing significant deforestation and disruption of ecosystems. The Babaçu Fund is set up to disburse resources to many small local associations, along with providing technical assistance and general support.

<sup>16</sup> Learn more here: <https://www.youtube.com/watch?v=ISE5q3aPL6c>; <https://www.fundopodaali.org.br/>; <https://www.miqcb.org/fundo-babacu>

## CASE STUDY 5: BRAZIL

### Upgrading urban slums

Much of the world's environmental community have, for good reason, focused their attention in Brazil on the Amazon and the Indigenous communities that live there. As the world's sixth-largest economy, there is much more at stake in the path taken by Brazil overall than just in the Amazon. Further, the nation's inability to chart a course of sustainable development that does not include clear-cutting and despoiling the Amazon is rooted in the high levels of inequality that are most prevalent in its cities, where Afro-Brazilians make up the majority of the more than 38 million residents in favelas (slums) that line the urban peripheries.

In city-regions such as Rio de Janeiro, favela residents live on the economic, social, and spatial periphery, marginalized and excluded from most discussions of environmental policy. These communities are the most vulnerable to the effects of climate change, with homes often built informally on hillsides prone to mudslides during heavy rains. These communities often have irregular access to the grid and many homes remain without access to modern power, water, or sanitation. Brazilian society often views favelas as a social problem, but organizations like Central Unica das Favelas (CUFA) and Catalytic Communities show how favelas represent a sustainable development opportunity and a necessary component of sustainable urbanism.<sup>17</sup>

These settlements are diverse, varying in location, size, density, building quality, illegality, and level of consolidation and integration. However, some characteristics that they all share are informal land titling or property, the precariousness of dwelling conditions, the lack of urban infrastructure, and segregation from the formal town's infrastructure and services.

According to the Map of Inequality 2020, published by Casa Fluminense, 1,279 disaster-related deaths were recorded in the city of Rio de Janeiro alone. This included victims of landslides, cataclysmic storms, and floods among people living in communities made vulnerable by poor planning, marginalization, and the rising threat of extreme weather.

In response to these conditions, a coalition of civil society groups has banded together to create the nation's first ever Urban Climate Agenda. The agenda mapped and proposed 10 priority actions, starting from the axes of health, employment, and mobility, to develop a comprehensive set of actions that would guide public discussions in the nation's current municipal election cycle. Housing and slum upgrades are included as potential elements, but not explicitly designated as one of the 10 priority actions, which means there's still a great deal of room for movement in this area.



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<sup>17</sup> <https://bit.ly/2SQ2ins>.

Activities that philanthropy could support include:

- **Outreach to local partners** to conduct an analysis that would:
  - > Deepen understanding of the state of climate action, advocacy, and policy in Brazil;
  - > Map out the levels and venues of engagement of Brazil’s Movimento Negro (Black Movement) and favela communities, respectively, in the nation’s climate activism;
  - > Assess the plans, strategies, and barriers for upgrading urban slums in target states and cities in Brazil;
  - > Build on and support the coalitions advocating for implementation of the Urban Climate Agenda;
  - > Create a sustainable banking network (in partnership with the Inter-American Development Bank) among Brazil’s state development banks and open dialogue on the banks’ roles in financing slum upgrades; and
  - > Co-author public communications and other resources to build dialogue and policy recommendations on justice-oriented climate policy in Brazil, centered on the nation’s Black and favela residents.
- **Work with partners to develop best practices and strategies** to support advocacy on human and housing rights for favela residents as a key component of the nation’s climate strategy.
- **Support enhanced capacity and engagement** for Movimento Negro and favela advocates in the nation’s climate policy dialogues.
- **Develop pilot initiatives** on slum upgrades with state development banks.

The confluence of race, poverty, and environmental injustice exist in Brazil in similar dynamics as in the U.S. Like the U.S., much of the “mainstream” environmental movement in Brazil continues to ignore the realities of racism and their influence on environmental policy. Civil society, both philanthropy and organizations working on development and climate, have an opportunity to highlight the struggles for livelihood and access to basic services in urban regions. Lending our voice and reputation to environmental justice struggles of Afro-Brazilians will be a watershed moment for the country’s environmental discourse. Official development plans, whether by municipalities or the Brazilian National Development Bank itself, have not considered regularizing favelas. This contributes to environmental racism and state violence as millions continue to live without basic modern services. Civil society can help to scale up and learn from these solutions, building on what is being done and helping to create formal policies for just sustainability, enhancing the qualities of favelas and their residents.



Slum communities in Brazil are the most vulnerable to the effects of climate change, with homes often built informally on hillsides prone to mudslides during heavy rains.

## CASE STUDY 6: U.S.

### Affordable and efficient low-income housing

Federal advocacy for clean energy and affordable housing is often siloed such that major energy retrofit programs don't work with or compliment major affordable housing reinvestments. Legislative options for housing and energy for housing exist as largely separate pieces of legislation targeting federal agencies (the U.S. Department of Energy and the Department of Housing and Urban Development, most commonly) that have little inter-agency working relationships. This limits the budgets and effectiveness of federal programs, leaving many units of affordable housing underserved and lagging behind in modern energy upgrades. Also, without robust federal support to retrofitting affordable and low-income housing, we increase the risk that these homes and apartments could be sold, retrofitted, and flipped, thereby increasing housing costs and deepening an already severe affordable housing crisis.

Similarly, the advocacy and policy options for home energy and home affordability remain siloed at the state and local level. Over the past seven years, the Energy Efficiency for All (EEFA) project has raised more than \$700 million in new investments for retrofitting affordable multi-family housing. While those resources can help to maintain affordability, there isn't a formal target or method of accountability to ensure that affordability is indeed maintained, much less expanded. Part of the problem is that in the example of the EEFA project, our strategic planning still revolves around securing resources for energy retrofits for housing. There are no equal or complementary aspects of the planning strategy that look at making sure that affordability levels are factored in retrofitted housing stocks. Philanthropic support across suggested areas below can be useful to change the current practices:

- **Close low-income housing gaps:** How can we advance clean energy and affordable housing outcomes in a more integrated manner? How can we create greater policy coherence between targets to reduce energy use and emissions from the housing sector, while maintaining and expanding affordable housing options for residents?
- **Ensure standards for clean energy include complimentary standards for affordability:** Generally, energy retrofits increase costs, which hurts affordability. Without concerted financing options, retrofits of new housing will not be both energy-efficient and affordable. Similarly, local regulations with financing options with taxes and incentives can be introduced so that local authorities can decouple urban economic growth from the perpetual increase in the value of property.
- **Support sub-national advocacy movements:** Advocates for affordability have less power and are less connected at the local level. In fact, maintaining and expanding affordability are contrary to the goals of cities and municipalities for growth and increasing investment.
- **Rethink the mix of land use:** Make sure it is not just the private sector that is responsible for providing and developing new housing; expand the amount of public, municipal, non-profit, community, and cooperative housing units as a ratio of our aggregate housing stock that also include tenant advocacy, rights, and protection.

These kinds of interventions at the state and local level could help alleviate the lack of affordable and energy efficient housing options in many cities across the world, especially as urbanization trends go up in the coming decades.



Federal advocacy for clean energy and affordable housing is often siloed, leaving many units of affordable housing underserved and lagging behind in modern energy upgrades.

## Green rural infrastructure: Integrating sustainability into key development sectors

In light of the Covid-19 crisis and its aftermath, strengthening rural communities and their access to resources such as jobs, food, housing, and infrastructure has become a critical priority. When considered alongside the larger effort of mitigating climate change, this becomes an opportunity to rethink the basic processes and interventions in rural development and poverty alleviation. There is now immense potential to plan for a decentralized, sustainable, and clean recovery across key development sectors, including education, healthcare, housing, and livelihoods.

Recognizing the role that government actors play in shaping key development sectors — determining priorities, allocating resources, facilitating implementation, ensuring monitoring and evaluation, etc. — it is important to engage with district-level bodies to plan for, and subsequently implement, sustainable and cleaner solutions.

A new project in India, being funded by philanthropy, will look to leverage existing networks and ongoing efforts of local organizations to understand the needs of communities, identify priorities, and determine interventions across the value chain for key sectors in three states. Broadly, the project would:

- **Create district-specific plans that integrate sustainable interventions in priority sectors**, including clean energy systems with efficient appliances and improved built environment solutions.
- **Provide a framework to integrate sustainable district-level planning**, including capacity building modules for key stakeholders.

Solutions for rural infrastructure will be aimed at the key priority sectors of chosen regions. For example, where agriculture is a priority, interventions would be planned across the value chain:

- **Farm-level:** Irrigation pumps with efficient water management techniques.
- **Post-harvest:** Hullers, graders, processing.
- **Storage and distribution:** Cold storage units.
- **Food processing:** Roti-rolling machines, puffed rice machines, etc.

The interventions would also propose greater use of data science and remote monitoring to ensure more efficient functioning and maintenance of systems. In addition to proposing holistic solutions, this approach also aims to strengthen the local ecosystem in the chosen districts — through skill development, access to affordable finance, local entrepreneurship, innovations, and conducive policies and regulations — for interventions to function effectively and sustainably in the long run.

Taking note of the differences in vulnerability across communities or groups within districts, this project will identify target communities and account for their needs within the final set of priority sectors. From a gender lens, this would include women's priorities not only as end-users but also as entrepreneurs, financiers, and policymakers involved in planning and enabling interventions. Adequate recognition of how different communities are affected by climate change and the Covid-19 crisis should be at the heart of any local-level planning, thereby ensuring that the benefits of greening rural infrastructure are equitably distributed. This project seeks to take a first step in creating a framework and outlining concrete solutions and examples of how this can be achieved.

A number of Indian states have similarities to some Sub-Saharan countries in terms of infrastructure access, terrain, population density, and the financial and skills ecosystems. Adapting the approach and replicating processes across regions with similar ecosystems or demographics could help accelerate the pace of establishing cleaner local infrastructure.

## Matching sustainable manufacturing with livelihoods

The disruption of manufacturing and supply chains due to the Covid-19 pandemic has created new opportunities for a realignment of manufacturing, driven by cost, business continuity need, and nationalist concerns. India was one of the hardest-hit countries by Covid-19 (economic growth is only expected to recover in FY 2023),<sup>18</sup> and with the second-largest labor pool in the world (roughly 600 million Indians are of working age), the economy could be revitalized with a rapid, resilient, and sustainable recovery in the country's manufacturing sector.

The Institute for Sustainable Communities (ISC), supported by ClimateWorks, is expanding its expertise to support clean energy adoption via advanced capacity-building measures, technical assistance, and policy planning. Through a "Sustainable Manufacturing Livelihoods Program" (SMLP), the ISC will further strengthen linkages between clean recovery and self-reliant recovery across a spectrum of interventions:

- **Addressing the skills gap** that is constraining micro, small, and medium enterprises (MSMEs), as they seek to implement cleaner and sustainable manufacturing practices,
- **Advancing research and market development** for accelerated clean technology adoption,
- **Providing policy and strategy recommendations** to accelerate the creation of livelihood opportunities, driven by sustainable manufacturing.

These steps could enable factories, especially MSMEs, to adopt sustainable manufacturing practices (as a new form of business-as-usual) and increase their competitiveness in regional and global supply chains, taking advantage of an expanded talent pool (and inherent capacities) as well as translating into sustainable secure livelihood opportunities.

Over the coming 12 months, ISC proposes to:

- **Create a localized sub-national opportunities map** that overlays the clean energy market size and scale, with a skill-gap and industry demand assessment for climate-friendly jobs. This would be created taking into account a sustainable livelihoods perspective in one to two industry-specific clusters.
- **Produce and roll out an employment-oriented training curriculum for sustainable manufacturing**, working closely with the Skill Council of Green Jobs, leveraging the Skill India Mission.
- **Establish a Clean-tech Adoption Pilots (CTAP) program**, a three-month, intensive, incubator-styled accelerator rolled out in collaboration with industry partners, providing learning-by-doing opportunities and leading to improved energy performance and sustainable manufacturing practices.
- **Pilot restructured courses** (with industry experts and academic partners) in the Tirupur Cluster, with further replication at Industrial training institutions and engineering institutions
- **Drive policy engagement and propagate shared learnings** for national scale-up with the Ministry of Micro, Small, and Medium Enterprises.

Some of these outputs such as the e-learning modules, approach, and methodologies for strengthening sustainable livelihood opportunities can be replicated and or adapted in other regions as well, with minimal incremental efforts.

# Conclusion

The eight case studies outlined here provide concrete examples of how philanthropy can support climate change mitigation, racial-social justice, and environmental and economic equity across key sectors and regions. These are areas where philanthropic action can help jumpstart an equitable and sustainable economic recovery from the Covid-19 pandemic. A list of suggested steps for philanthropic action include:

- **Support diverse and powerful coalitions in frontline communities** to come together to advocate for solutions that empower their future when it comes to air pollution and heavy-duty transport rules, and make sure their voices are amplified in key decision venues.
- **Be flexible and nimble** so that rapid collaborations and common funds can be pooled to take advantage of disruptions. For example, disruptions to public transit from Covid-19 hurt low-income, essential service workers and solutions centered on equity for mobility can be quickly adopted if placed at the forefront. Similarly, to support economic recovery in manufacturing that has been disrupted by Covid-19's impact on supply chains, labor forces, etc., a clean and self-reliant recovery can be created by linking sustainable manufacturing solutions with training and education options to build the required skill sets.
- **Explore the creation of public-private trust funds with common funding and reporting** to achieve transformative targets to restore degraded lands and ensure they stay forested, across countries that span temperate or tropical forests.
- **Create new investment models and support local leadership to advocate for policies** that advance the repurposing of old coal plants, taking into account economic impacts on the local community and the environment in impoverished areas.
- **Channel funds directly to Indigenous peoples and local communities** working to ensure their lands are sustainably managed and can drive local solutions that build resilience from the ground up.
- **Lend a voice, create financing options, and support land tenure for marginalized people living in urban slums** so that the high levels of inequality in access to affordable, energy-efficient, and resilient housing can be addressed. This same applies for low-income housing in cities and states where national resources are often not spent.
- **Leverage local governments and organizations** to map out effective and sustainable interventions for skill development, access to affordable finance, local entrepreneurship, innovations, and conducive policies and regulations to support strong rural infrastructure.

None of the examples discussed above on its own will reach sufficient scale without the support of many actors — philanthropy, civil society, governments, state and local officials, and the general public. And this list is not exhaustive but is indicative of what philanthropy should consider and where it should seek co-beneficial opportunities. Philanthropy can support the creation of new coalitions of actors across different development sectors to come together to implement many such measures that will ultimately create the conditions for a robust, just, and sustainable recovery.

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**Global Headquarters**

235 Montgomery St

Suite 1300

San Francisco, CA 94104

**Phone:** (415) 433-0500

**Email:** [info@climateworks.org](mailto:info@climateworks.org)

**Web:** [climateworks.org](http://climateworks.org)

**Twitter:** @ClimateWorks