

2018 ANNUAL REPORT

Ten Years of Action Toward a Prosperous Tomorrow



10



From Our President & CEO

In 2018, the urgency of tackling climate change became even more unmistakable. Record-breaking natural disasters drove millions of evacuations and thousands of deaths—from flooding in Kerala and Japan; wildfires in California, Sweden, and Greece; and massive cyclone strikes in China and the U.S. to record heat waves around the world. The UN Intergovernmental Panel on Climate Change released a landmark report projecting added damage if global average temperature rise reaches 2°C versus 1.5°C, including tens of millions more people exposed to extreme drought and flooding and complete loss of the world's coral reefs. Against this painful backdrop, the 2018 UN Gap Report found that only six of the world's 20 largest economies are on track to meet their Paris climate commitments—commitments that are so far insufficient to meet even a 2°C goal.

At the same time, we see new reasons for optimism. Inspired by teenage activist Greta Thunberg, young people around the world are taking to the streets to protest climate inaction and fight for a better future. Cities, states, provinces, and companies are showing leadership on climate like never before. Governments, investors, businesses, and markets are scaling climate solutions like solar and wind power, electric vehicles, low-carbon building materials, and alternative proteins. This is real progress. And in the world of climate philanthropy—our area of focus—we estimate that foundation giving for climate mitigation grew to about \$1 billion in 2018, up from about \$400 million in 2013, with more growth projected for future years.

At the ClimateWorks Foundation we are motivated by the profound threats that climate change presents to people, communities, economies, and ecosystems. We are also inspired by the gains of the past decade, the crucial work of partners around the world, and the many opportunities we see ahead for philanthropy to advance and scale climate solutions. The knowledge that climate solutions often yield other benefits—better public health, more livable cities, greater food security, and more—makes our work even more rewarding.

In 2018 we celebrated our tenth anniversary. As you'll see in our Annual Report, we are proud of our ten-year track record and the work we do every day to help philanthropy be as effective as possible in the fight to control climate change. As we reflect on the last ten years and look ahead to the next ten, we are buoyed by the collective power of thousands of organizations and individuals around the world working to achieve climate success. We are grateful to you—our allies in this work—for your ongoing partnership and support.



Charlotte Pera
President & CEO, ClimateWorks Foundation

Mobilizing philanthropy to solve the climate crisis and ensure a prosperous future.

The ClimateWorks mission is straightforward: we're mobilizing philanthropy to solve the climate crisis and ensure a prosperous future.

We understand the magnitude of the climate challenge and we work with partners to tackle the problem at the scale and pace required. We're **results-driven**, which is why we value sophisticated strategies, science, measurement, and rigor.

We strive to be responsive, nimble, and adaptive. The issues we work on are constantly evolving. We must be **agile** in the face of changing conditions.

We embrace **collaboration**. Farther together is better than faster alone. Different perspectives make us stronger, and collaboration creates space for new and better solutions to emerge.

We value **bold** thinking and action because they are needed to address climate change. We are leaders and innovators. We speak clearly. We celebrate success and learn from failure.

OVERVIEW & HIGHLIGHTS

Accelerating Collective Climate Action

Powering Philanthropy to Learn, Collaborate, and Invest.

With a keen focus on advancing climate solutions in the next ten years, ClimateWorks Foundation is working harder than ever to scale up our activities; deepen partnerships at the local, national, and international levels; create new high-impact initiatives; and expand philanthropic investments globally to solve the climate crisis. We subscribe to the international goal of holding the increase in global average temperatures in this century to well below 2°C above pre-industrial levels while pursuing efforts to limit the temperature increase to 1.5°C. Toward that end, we design and deliver services to philanthropy that make climate philanthropy more effective and translate directly to faster, bigger cuts in greenhouse gas (GHG) emissions.

Learn: Global View Intelligence

ClimateWorks offers climate philanthropists a global view of the field. We provide data-rich intelligence, insights, and advisory services designed to spark ideas and help climate funders deploy resources for maximum impact. Our global perspective helps philanthropists identify how they can best contribute to the broader effort to address climate change.

Our Global View intelligence includes the climate philanthropy landscape, funding flows, topical analyses and strategy briefs, GHG mitigation opportunities, and progress tracking. This unique collection of information and insights is developed by our in-house experts, in collaboration with regional foundations, research organizations, and other partners across the world.

Collaborate: Funder Forums

We facilitate funder coordination and collaboration with the aim of maximizing philanthropy's collective impact on the climate challenge. We build and nurture high-trust relationships and provide analytical and strategic inputs to funder conversations. We achieve this by organizing and convening funders at in-person meetings that inspire dialogue and collaboration; building and engaging affinity groups around specific strategic topics and opportunities; designing and supporting collaborative grantmaking partnerships; and developing strategy briefs, tailored analytics, and recommendations to support key philanthropic strategies.

Invest: Global Grantmaking

ClimateWorks builds innovative, collaborative grantmaking platforms and makes grants globally to drive big climate solutions. We utilize our Global View intelligence, global networks, and funder partnerships to inform strategy development and grantmaking priorities.

Nimbleness and risk-taking are hallmarks of our approach. We move quickly to create and respond to opportunities. We support leading edge ideas, funding great people to develop concepts, strategies, and capacities that open new climate investment opportunities for other funders. We also actively advise and collaborate with other grantmakers to better align resources around priority strategies.

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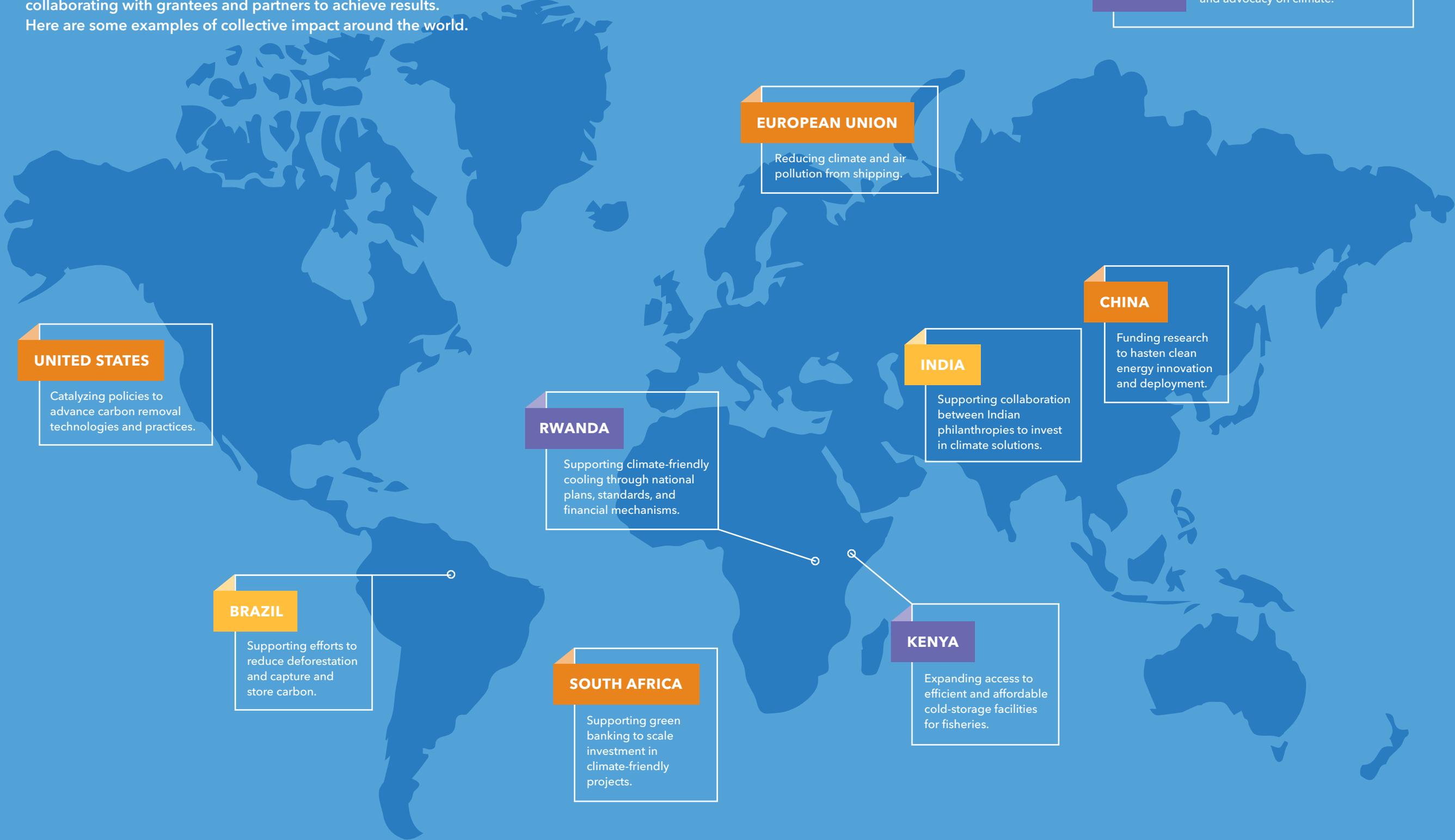
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Where We Work

Through our global strategy development and grantmaking, ClimateWorks supports climate action in over 40 countries—collaborating with grantees and partners to achieve results. Here are some examples of collective impact around the world.



Paris, France

OVERVIEW & HIGHLIGHTS



Ten Years On—Full Speed Ahead

ClimateWorks Foundation's First Decade

ClimateWorks was founded in 2008, with the ambitious charter of becoming a global hub for bringing together philanthropists willing to fund the researchers, NGOs, and people doing the essential work to combat climate change.

During our first ten years, **ClimateWorks helped build a global network of effective, regional organizations focused on climate**, made over 1,500 grants worldwide, helped build capacity in key regions, and collaborated with a network of partners to support research, policy advocacy, outreach, and public engagement, all with the aim of reducing the emissions that cause climate change.

Ten years later, we look back on a decade of important accomplishments and global progress, and look forward to a wealth of opportunities to accelerate climate action. In the past decade, outcomes inspired and supported by funders, grantees, and other allies worldwide have **cut projected temperature rise this century from 4-5°C to approximately 3°C**. While there's still much more to be done to **hold warming well below 2°C**, this is a crucial achievement. It signals that success—a stable climate in which ecosystems, economies, and societies can thrive—is within reach.

A landmark moment during ClimateWorks' first decade was when the international community came together to address climate change in the **Paris Climate Agreement, signed by 197 nations on 12 December 2015**. Spurred by the Paris Agreement

and other drivers, a growing number of countries, subnational governments, businesses, and investors have been making climate commitments. This fast-spreading **movement toward climate action across many levels of government** and in the private sector is tremendously important—it can drive gigatonne-scale emissions reductions and inspire greater ambition at the national level.

We are proud of ClimateWorks' contributions to these gains. More important, the successes of the past decade, many of which were supported by philanthropic organizations, have confirmed that strategic philanthropic investments can help reduce carbon emissions at scale by helping to shape public policy, private sector engagement, and public support.

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Meeting Urgency with Momentum

2018 Year in Review



As we closed out 2018, we saw that ClimateWorks' global scope and focus on key regions were real strengths, as was our technical rigor and focus on public policy. We worked to expedite proven clean energy and decarbonization strategies, spur innovation, and support organizations working to protect the air we breathe and the communities we call home. Together with policymakers, advocates, businesses, foundations, and other climate leaders, ClimateWorks helped achieve a number of significant advances on climate policy, deepened philanthropic investments, and developed new strategies to further accelerate climate mitigation efforts on a global scale. These included:

Policies & Commitments

- Secured agreements from more than 60+ CEOs, state and regional leaders, and mayors to commit to a 100% zero-emission transport future by 2030 (Transportation portfolio).
- Supported efforts in Brazil, Rwanda, and Kenya to pass Minimum Efficiency Performance Standards for air-conditioning (Cooling/K-CEP portfolio).
- Helped California require pension funds to assess climate risk (Sustainable Finance portfolio).
- Advocated for the International Maritime Organization to adopt the first global climate framework for shipping, calling for an emissions cut of at least 50% by 2050 (Transportation portfolio).
- Worked for adoption by the International Civil Aviation Organization of monitoring standards and rules for the Carbon Offsetting and Reduction Scheme for International Aviation (Transportation portfolio).
- Helped Canada and Mexico to adopt final rules to reduce methane leakage from oil and gas production (Non-CO2 portfolio).

Climate Funding

- Launched the Carbon Dioxide Removal Fund, raising \$2M in 2018 with \$3.5M+ potential funding in 2019.
- ClimateWorks helped launch the India Electric Mobility Initiative, a collaboration of seven funders with approximately \$8M committed to date.

- Expanded Health and Climate Fast-Start Fund: \$2.1M raised from six donors and aligned grants with other funders to increase impact of our grantmaking.
- Joined a coalition of nine foundations committed to spending \$459 million over the next four years to support forests, indigenous rights, and sustainable land use as priorities for combating climate change.
- Helped orchestrate \$4B in philanthropic commitments for climate-related investments over the next five years from 29 funders, announced at Global Climate Action Summit.
- Incubated the Climate Leadership Initiative (CLI), a collaborative effort among leading climate funders designed to dramatically increase philanthropic investments focused on climate solutions.

Initiatives & Events

- Launched the Independent Global Stocktake (iGST) to bring together a global community of climate researchers, modelers, and advocates to coordinate and align in advance of the first Global Stocktake mandated by Article 14 of the Paris Agreement in 2023.
- Convened groups to continue our collaborative efforts to identify the potential of, measure, and spur non-Party action at the COP 24 conference in Katowice, Poland.
- Developed the 2050 Framework for policy scenarios and recommendations and hosted the 2050 Today Summit held in San Francisco.

Note: ClimateWorks Foundation is a U.S.-based 501(c)(3) public charity and has taken the Section 501(h) election.

A Movement Gathering

The Global Climate Action Summit

In what was certainly 2018's most consequential climate advocacy event, the Global Climate Action Summit (GCAS) was held in San Francisco over three exhilarating days in September, the 12th to the 14th. GCAS brought together scientists, elected leaders, representatives from business and labor, and citizen advocates from around the world to "Take Ambition to the Next Level." ClimateWorks Foundation was proud to sponsor the summit, host and support several events, and witness the growing momentum to solve the climate crisis.

100%
Renewable Energy

The Summit got off to an historic start when GCAS co-chair California Governor Jerry Brown signed a bill into law which sets a goal for 100 percent renewable energy by 2045 and executed an executive order that commits California, the world's fifth largest economy, to complete carbon neutrality by 2045.

Philanthropy also stepped up, with 29 foundations pledging \$4 billion over the next five years to combat climate change. As part of our work with the Climate Leadership Initiative, we played a central role in this effort, the largest-ever philanthropic pledge focused on climate change mitigation.

\$4B
Pledged

500
New Commitments

In total, over 500 new commitments were made at GCAS—representing a broad global commitment to speed the implementation of proven climate and clean-energy strategies, spur innovation, and support organizations around the world working to protect the air we breathe and the communities we call home.



The main GCAS proceedings were headquartered at San Francisco's Moscone Center, plus there were hundreds of affiliate events prior to, during, and after the conference proper all across the City by the Bay and the wider SF Bay Area.



ClimateWorks convened over 20 events at GCAS

Buildings & Industry

With the Buy Clean Alliance, ClimateWorks hosted a panel event that discussed the 2017 Buy Clean California Act, and explored how government and the business sector can use procurement to close the carbon loophole.

Clean Energy, Clean Air

With support from Bloomberg Philanthropies, the Powering Past Coal Alliance (PPCA) held an affiliate event to showcase momentum to move beyond coal. ClimateWorks managed the production of a short film screened during the GCAS plenary session.

Global View

ClimateWorks held the only official quantification of non-party climate action event for GCAS. The event included a high-level panel with representatives from

philanthropy, UN Environment, New Climate Economy, and expert presentations on climate action from cities, states, investors, and businesses.

Non-CO2

Super Pollutant Day: Fast Action on Short-Lived Climate Pollutants was held at SF MoMA, hosted by the Pisces Foundation, and featured the Climate and Clean Air Awards.

Sustainable Finance

The Investor Agenda Roundtable highlighted the need for increased attention around financial investment, disclosure, engagement, and advocacy to meet the Paris Climate Agreement goals.

Transportation

ClimateWorks convened eight transportation events, including the ZEV Challenge, the Toward Zero-Emission Mobility Workshop, and sessions with the Transport Decarbonization Alliance (TDA), the Sierra Club, Plug-In America, and many others.



All of us at ClimateWorks greatly appreciate and recognize the significance of the Summit, made possible thanks to the efforts of many organizations and partners, as well as local, regional, national, and international leaders.

Intelligence to Drive Bold Climate Action

ClimateWorks Global View Intelligence and Advisory Service

Sophisticated philanthropic strategies are grounded in information, analysis, and insights. ClimateWorks' [Global View](#) offers funders timely, relevant intelligence, and a unique lens into climate change, the activities on the ground where we are making advancements, uncovering opportunities to scale, and identifying where deeper investments are needed.

Global View, designed primarily for philanthropy, provides funders with the knowledge, confidence, and collaborative opportunities for deploying investments in climate solutions. Intelligence offerings include GHG mitigation opportunities, funding flows, strategic initiatives and insights, the grantee and evaluation landscape, and progress tracking toward a 1.5°C goal.

ClimateWorks Global View provides funders with a suite of intelligence and advisory services to inform and accelerate smart philanthropic climate investments.



THE GLOBAL VIEW ANSWERS:

KEY QUESTIONS INCLUDE	GLOBAL VIEW INTELLIGENCE EXAMPLES
What and where are the opportunities for GHG reduction, including social and economic benefits?	<ul style="list-style-type: none"> Abatement landscape Carbon Transparency Initiative regional model
What is philanthropy doing on climate?	<ul style="list-style-type: none"> Funding landscape
What is the capacity of the field to accomplish what needs to be done?	<ul style="list-style-type: none"> Grantee landscape Funder strategy briefs Portfolio intelligence briefings
What progress is happening?	<ul style="list-style-type: none"> Tracking dashboard from the Carbon Transparency Initiative Customized global progress analyses

Global View is delivered through a variety of channels and formats, including online tools, individual briefings, group webinars, tailored reports and materials, and group discussions.

The Research Behind the Intelligence

Network Approach Advances Global Knowledge

Global View is designed primarily for funders and includes robust multi-stream collaborations with regional foundation partners, grantees, and the expert community (think-tanks, research, and inter-governmental organizations).

Working with this extensive network of partners, ClimateWorks serves both as a funder to support the development of new research and as a thought partner co-authoring analyses, providing high-value information and intelligence briefs, and advising on tools. The important outputs from these efforts are both synthesized into Global View to serve the philanthropic community and can be used by our grantees and partners for their audiences.

Over the past several years we have also supported programs and organizations to broaden the climate knowledge base, including the Climate Action Tracker for country and global progress toward well-below 2°C, Climate Transparency for G20 country assessments of climate action, UN Environment's Gap report, work streams through the Integrated Assessment Modeling Consortium, and data/analysis from the International Energy Agency.

In addition to external partnerships, Global View also supports ClimateWorks' overall grantmaking initiatives by providing up-to-date, state-of-the-art intelligence services to our team of program leaders. As strategies mature, program leaders advance their approaches based on analysis of current information from the field in order to help sharpen our grantmaking strategies.



2018 Special Intelligence Offerings

In addition to the intelligence offerings we regularly produce, we also deliver specialized offerings on relevant, emerging topic areas. In 2018, we delivered a number of these in collaboration with 42 organizations, globally, including:

- Circular Economy briefing on emission reduction potential in industrial sectors
- Blockchain Implications on Environment and Climate expert discussion
- Pathways to 1.5°C panel discussion with IPCC authors

2050 Today: A Gathering of Philanthropy and Climate Experts

In 2017, ClimateWorks began an internal analysis of 2050 carbon reduction goals needed to achieve a well-below 2°C pathway. Building on this work, in June 2018 we organized a special two-day event in San Francisco which included more than 100 experts from research, philanthropy, academia, industry, and public office to help test our initial conclusions and approaches to analysis we began on ways to reach carbon reduction goals that enable a well-below 2°C pathway. With these experts from the U.S., China, India, Europe, and Latin America, we explored cross-sector topics to generate a shared understanding of how, together, we can accelerate progress toward achieving net-zero emissions by mid-century.

The results of these efforts were published in a report-[2050 Today: Research and Strategies for Mid-Century Decarbonization](#), where we set out a multi-track approach to meeting those goals:



Accelerate clean electricity and end-use electrification



Scale carbon dioxide removal



Focus on food and agriculture



Embrace people-centered strategies



Pursue global tipping points



The 2050 Today initiative is playing a key role in helping philanthropy assess near- and mid-term strategies needed to meet the mid-century goal of reaching net-zero emissions, and evaluate opportunities for deeper investment and engagement.

Aligning Strategies, Maximizing Impact

Funder Collaboration

ClimateWorks and our partners believe it will take a vast array of strategies and approaches to solve the climate crisis, and that this diversity of approaches can be best served by creating strong collaborative relationships and connective tissue between the growing field of climate funders.

Toward this end, we work to create and support numerous high-impact collaborations across a variety of topical areas and geographies. These collaborations speed decision-making and lower barriers to climate investments by building high-trust relationships, strategic alignment, and coordinated actions amongst funders.



“ClimateWorks has—through the Funders Table—helped us collaborate with other funders to produce results beyond our capacity. It’s created a space where we can come together with other climate funders to share our ideas and challenge each other to support initiatives that we’re not experts in. ClimateWorks helps create that collaborative environment.”

Kristian Parker, Vice-Chair of the Board of Trustees of Oak Foundation and Board Member of ClimateWorks

The Funders Table

The Funders Table is an informal collaboration of not-for-profit foundations dedicated to climate change mitigation. Facilitated by ClimateWorks, the Funders Table is a way for these organizations to learn from and work more closely with one another. The group examines climate trends, discusses climate mitigation opportunities, shares lessons learned, and thinks through how funders can best support the grantee community. The Funders Table is not a decision-making body; rather, its purpose is to improve the impact of participating foundations through dialogue and collaboration, as they seek to prevent dangerous climate change and help create a more prosperous future for all.



Bringing an Overlooked Polluter Into the Climate Community

THE SHIPPING WORKING GROUP

If the shipping industry was a country, its GHG emissions would nearly equal those of Germany. Ships also emit particulates that cause serious health impacts. With global trade continuing to grow, action must take place now to mitigate against increased shipping emissions.

ClimateWorks collaborates with policymakers and advocacy and industry groups to develop stronger policies and actions on shipping emissions. The Shipping Working Group, convened by ClimateWorks in collaboration with the Heising-Simons and Pisces foundations, works to reinforce strategies and priorities and helps coordinate among the grantee network. Thanks in part to the efforts of this group and a number of other key partners, progress is emerging. In April 2018, the International Maritime Organization reached an agreement on a greenhouse gas strategy that calls for an “at least 50%” cut in GHG emissions by 2050.

The shifts needed in the shipping sector are large and resources to date have been modest. With a new global strategy being finalized jointly among current funders and grantees, the field is prepared to ramp up its efforts.

Topical and Geographic Collaboratives

The funder collaboratives that ClimateWorks fosters help shape strategies and explore new climate solution areas targeting specific geographies and topical sectors, including these opportunities in 2018:

Teaming with Health Funders on New, Promising Opportunities

THE HEALTH AND CLIMATE FAST START FUND

The Health and Climate Fast-Start Fund (FSF) was designed to offer climate and health funders opportunities to collaborate, learn from one another, and identify promising, scalable funding opportunities for impact. The fund is a collaboration of six foundations plus four funders providing aligned funding intended to seed transformative projects and scale up existing activities to reduce the health risks posed by climate change.

Throughout 2018, the Fast-Start Fund made close to \$2 million in grants around the globe, supporting organizations on an array of projects, such as:

- Developing a plan to decarbonize the health sector (Grantee: Health Care Without Harm),
- Supporting the Unmask My City project to reduce air pollution in cities globally (Grantee: Global Climate and Health Alliance),
- Supporting a global consortium on climate and health education (Grantee: Columbia University).

Nurturing an Environment for Action in a Fast-Moving Economy

THE INDIA CLIMATE COLLABORATIVE

ClimateWorks has helped shape collaborative opportunities within specific regions, including our support for the emerging India Climate Collaborative (ICC). This collaboration is focused on helping Indian foundations that are funding climate-adjacent strategies to engage more in the climate space. In 2018, the ICC grew to over 15 philanthropies. ClimateWorks serves in an advisory role to the ICC, working closely with Tata Trusts, Nilekani Philanthropies, Mahindra Rise, and other Indian foundations.

“ClimateWorks is adept at funder relationships and understanding the needs of different stakeholders, what everyone brings to the table, and how that can be best leveraged to create the kind of outcomes that are going to amplify and have impact.”

Shloka Nath, Head, Sustainability and Special Projects, Tata Trusts



“Our collaboration with ClimateWorks has impacted us tremendously. We learned a lot, from both the technical side and also the international network and the pool of people that ClimateWorks can bring to the table.”

Ana Toni, Executive Director, Instituto Climate Sociedade

Collaborating Globally

Regional Climate Foundation Partners

ClimateWorks collaborates with a global network of regional partners who play a central role in developing portfolios of philanthropic investments designed to achieve large-scale greenhouse gas emissions reductions in the countries where they operate. These partners design and lead regionally-based strategies, building on their on-the-ground expertise in their regions.

REGIONAL CLIMATE FOUNDATIONS

Climate and Land Use Alliance (Global, Brazil, Indonesia, Mexico, and Central America)

Energy Foundation China

Energy Foundation (United States)

European Climate Foundation

Iniciativa Climatica de Mexico

Instituto Clima e Sociedade (Brazil)

TRANSFORMING TRANSPORTATION WITH ENERGY FOUNDATION CHINA

Energy Foundation China (EF China) is a grant-making organization with a mission of achieving decarbonization, world-class air quality, and green growth. EF China supports field capacity building, public education, and policy research to achieve this mission. ClimateWorks collaborates with EF China and supports their work on new-energy-vehicles (NEVs).

In 2015 EF China was exploring ways to help China in its goal to ramp up leadership on clean transportation. ClimateWorks, with our global network, was well-positioned to support the collaborative sharing of policy lessons and strategies to spur accelerated uptake of China’s already-robust electric vehicle production capabilities.

While ClimateWorks strives to raise the ambition of organizations globally toward supporting a zero-emissions transportation future, we work collaboratively

with regional and local partners who have on-the-ground intelligence, networks, and implementation capacity. ClimateWorks was an advisor to EF China’s “Road to Zero” EV strategy and supported policy analysis and policy workshops between China and California. Informed by this work, in 2017 China established a new NEV policy, modeled after California’s, which establishes targets for electric vehicles, a policy Bloomberg New Energy Finance called, “the single most important piece of EV legislation in the world.”

China has shown global leadership in manufacturing and deploying electric vehicles, creating what’s now the world’s largest and most diverse market for these technologies. These collaborative efforts continue with ongoing work on the next round of NEV policy, infrastructure deployment, vehicle grid-integration, and zero-emission freight. As China has become a world leader in EV deployment, EF China and ClimateWorks continue to support cross-regional learning around the world.

Working Together to Mobilize Philanthropy

2018 Funding Partners

ClimateWorks serves as an advisor and strategist to a wide range of foundations, helping them evaluate the global landscape of opportunities, develop philanthropic strategies to advance climate solutions, and coordinate and evaluate their investments for greater impact. We are grateful to the following foundations and other partners for their generous support.

- Barr Foundation
- Bloomberg Philanthropies
- Margaret A. Cargill Foundation
- Children’s Investment Fund Foundation
- Doris Duke Charitable Foundation
- Ford Foundation
- Bill Gates
- Good Energies Foundation
- Grantham Foundation for the Protection of the Environment
- Heising-Simons Foundation
- The William and Flora Hewlett Foundation
- Lyda Hill Philanthropies
- Robert Wood Johnson Foundation
- KR Foundation
- The John D. and Catherine T. MacArthur Foundation
- Gordon and Betty Moore Foundation
- Oak Foundation
- Open Philanthropy Project
- Overlook International Foundation
- The David and Lucile Packard Foundation
- Pisces Foundation
- The Rockefeller Foundation
- The Wyss Foundation
- Funders who wish to remain anonymous

“We found it incredibly useful to connect with others in climate change philanthropy to help us make better decisions and also to aggregate funding for high value causes.”

Dee Lawrence, Overlook International Foundation



Targeting Opportunities with the Biggest Potential

ClimateWorks Investment Portfolios: High-Impact Grantmaking

Global climate change cannot be solved in isolation. It is a systemic challenge that crosses regional, sector, and temporal boundaries, requiring collective action and expertise, strategic alignment of efforts, wide geographic reach, and coordinated resources. ClimateWorks' portfolios offer funders, grantees, and partners a range of opportunities to take action on climate change, and supports them with expertise, insights, and capacity to make our collective efforts more strategic and effective. Our specialized portfolios work both individually and collectively to target opportunities in areas that demonstrate the biggest potential for mitigating climate change.

2018 Program-Related Grants & Contracts



Includes all program-related grants and contracts, including Portfolio grantmaking shown below

BUILDINGS AND INDUSTRY

Advancing solutions to decarbonize buildings and industry through the promotion of clean and efficient energy, circular economy principles, electrification of end uses, and carbon capture, utilization, and storage.

GRANTMAKING IN 2018:

13 grants
10 grantees
\$2.3M awarded

INTERNATIONAL ENGAGEMENT

Supporting international and multilateral agreements that drive climate action at the national and sub-national level. Grantees and partners inform international processes and make clear that collective action on climate is urgent and supported by constituencies around the world.

GRANTMAKING IN 2018:

13 grants
11 grantees
\$1.5M awarded

GRANTMAKING IN 2018:

5 grants
5 grantees
\$873K awarded

CARBON DIOXIDE REMOVAL (CDR)

Managing a diversified CDR portfolio—making grants and collaborating with other foundations that focus on catalyzing and scaling CO2 removal through research; communications, advocacy, and policy; and finance.

EFFORTS IN 2018:

Structuring and negotiating the cKers PRI transaction under the India Catalytic Solar Finance program

MISSION INVESTING

Working across ClimateWorks' programs, our mission investing practice enables foundations to invest in advancing their missions and programmatic goals while also generating financial returns that can then be reinvested.

GRANTMAKING IN 2018:

27 grants
25 grantees
\$6.9M awarded

CLEAN POWER

Focusing on transforming the power sector in the US, Europe, Asia, and Oceania to reduce global CO2 emissions, improve air quality, increase energy security, and strengthen economies.

GRANTMAKING IN 2018:

11 grants
10 grantees
\$1.7M awarded

GRANTMAKING IN 2018:

21 grants
18 grantees
\$15.2M awarded

COOLING

Focusing on the energy efficiency of cooling in order to double the climate benefits and significantly increase the development benefits of the Kigali Amendment to phase down HFCs through the Kigali Cooling Efficiency Program (K-CEP).

GRANTMAKING IN 2018:

37 grants
33 grantees
\$4.5M awarded

SUSTAINABLE FINANCE

Catalyzing financial and market changes that accelerate climate action, the Sustainable Finance portfolio operates multi-grant, transnational strategies targeting specific outcomes related to climate risk analysis, disclosure, and supervision; public investment; and Chinese overseas finance.

GRANTMAKING IN 2018:

54 grants
48 grantees
\$8.4M awarded

FOREST AND LAND USE

Supporting policies, practices, and partnerships through the Climate and Land Use Alliance (CLUA) to halt and reverse forest loss, advance sustainable land use and development, and secure the rights and livelihoods of indigenous and forest communities.

TRANSPORTATION

Investing in increasing ambition and action on clean transportation including smarter cities, zero-emission vehicles, low-carbon fuels, and increased fuel-efficiency for cars, trucks, and planes.

GRANTMAKING IN 2018:

35 grants
20 grantees
\$5.4M awarded

The Kigali Cooling Efficiency Program (K-CEP)

Galvanizing a Movement for Efficient, Clean Cooling for All

Current cooling technologies, such as air-conditioning and refrigeration, rely on human-made F-gases that are nearly 10,000 times more potent than carbon dioxide in causing global warming.

Left unchecked, F-gases could account for nearly 20 percent of climate pollution by 2050. As the planet heats up and incomes rise, demand for air conditioning and refrigeration are also rising, adding to the greenhouse emissions that further warm the world. The increased demand for cooling thus exacerbates the very problem it seeks to address.

ClimateWorks houses the secretariat of [K-CEP](#), a philanthropic collaboration of 17 funders who collectively pledged \$51M to support the Kigali Amendment of the Montreal Protocol by helping developing countries transition to energy-efficient, climate-friendly, and affordable cooling solutions. Now completing its second year of operation, K-CEP continues to build momentum.

The past year has brought new attention to the dangerous cycle that comes with cooling a warming planet. Major media, including *The Economist*, *TIME*, and *BBC World News*, reported on this dilemma, while the IPCC special report in October 2018 reinforced the urgent need to slash greenhouse gas emissions,

including those from short-lived climate pollutants and energy used to keep people, places, and products cool.

The growing awareness has elevated K-CEP's efforts to significantly improve the energy efficiency of cooling appliances while phasing out super-polluting F-gases. In 2018, our mission seems increasingly achievable.

- Partners are at work on five continents and we can already report some early wins. Brazil, Rwanda, and Kenya introduced significant new national cooling efficiency policies, while Rwanda and Trinidad and Tobago announced National Cooling Plans.
- Our \$10 million finance program, projected to mobilize significant public and private capital for investment in efficient, clean cooling projects, is underway.
- Simultaneously, our access-to-cooling program has catapulted the issue of cooling onto the international development agenda and catalyzed new initiatives involving solar-reflective cool roofs, sustainable cooling for vaccines and food storage, and other vital services.

Looking to 2020 and beyond, maintaining and broadening the K-CEP effort will continue to be a key focus at ClimateWorks.



K-CEP Year 2 Highlights:



Three countries implemented new national policies—Rwanda, Kenya, and Brazil



160 national energy policymakers and 261 national ozone officers trained



Two national cooling plans adopted, published, and being implemented—in Rwanda and Trinidad and Tobago



14 industry partnerships established to improve cooling efficiency



24 nations developing national cooling plans



Seven grants approved to unlock significant capital for clean cooling investment



44 countries where K-CEP is working



40 partner organizations



Transportation: Vehicles

Working toward zero emissions vehicle adoption worldwide

Transportation is responsible for nearly 23% of energy-related GHG emissions. The ClimateWorks [Transportation portfolio](#) advances a sustainable, affordable, and low-carbon mobility system to deliver cleaner and more efficient vehicle and fuel technologies, increased availability of efficient transportation choices such as active and shared mobility, and broadened support for a transition to cleaner fuels.

In 2018, we saw a significant increase in clean transportation ambition and action, informed and influenced by philanthropic investment, including the following notable developments:

Global platforms for corporate and government leadership launched and expanded including 1) The International ZEV Alliance expanded to 17 sub-national and national members committing to 100% ZEV sales by or before 2050; 2) C40's Green and Healthy Streets initiative grew to 27 city signatories each committed to procuring only zero-emission buses from 2025 and ensuring a major area of their city is zero emission by 2030; 3) The Climate Group's EV100 initiative, now has 31 businesses who have committed to converting their fleet to EVs by 2030 and helping their customers and employees do so as well.

At the Global Climate Action Summit (GCAS), more than 60 additional CEOs, state and regional leaders, and mayors, representing over 230 million people and \$470 billion, committed to delivering a 100% zero-emission transport future by 2030.

The European Union struck a deal on vehicle CO2 standards, which, according to automakers, would lead to sales of 40% EVs by 2030. The deal targets a 37.5% reduction in average CO2 emissions from new cars during the nine years from 2021-2030.

Transportation: Aviation

Enabling a cleaner aviation sector to take flight

The aviation sector alone contributes around 5% of global greenhouse gases (both CO2 and non-CO2) and with demand for air travel expected to triple by 2050 this sector poses an even more urgent threat. ClimateWorks and our partners support strategies focused on driving deep decarbonization of the sector including advancing policy support for truly sustainable alternative fuels and other low-carbon aviation technologies while also working to build public awareness of aviation's climate impacts.

This will require the support of credible research and analysis to inform policymakers and consumers; supporting key interventions, including targeted policies (both fiscal and regulatory) that sufficiently price the climate impacts of aviation and encourage R&D and investment in new technologies; and building new coalitions that broaden the base of support for aviation climate action and stronger policies. In particular, we expect to see progress toward advancing the following objectives:



Long-term decarbonization goals for aviation.



Pricing that accounts for aviation's climate footprint.



A roadmap for sustainable alternative aviation fuels.

2018 was the year it became clear that philanthropy has the opportunity over the next five years to ramp up the research, advocacy, coordination, and mobilization necessary to shift the trajectory of the aviation sector's climate impacts. Civil society is positioned to take ownership of the narrative away from industry and to redefine the aviation decarbonization vision and roadmap in a manner consistent with Paris Agreement targets.

Sustainable Finance

Spurring the systemic capital market changes essential to decarbonization

The rapid decarbonization necessary to keep global temperature rise below catastrophic levels will require systemic changes within our financial and economic systems. The cost of capital and risks associated with high-carbon investments must increase, while capital costs and perceived risks of decarbonization decrease.

The [Sustainable Finance portfolio](#) develops strategies and makes targeted grants to drive these financial changes, thereby accelerating the low-carbon transition. Success will be reflected in trillion-dollar shifts of capital expenditure in high-carbon sectors, and trillion-dollar growth in new markets reflecting a low-carbon economy. Neither philanthropy nor our modest portfolio can achieve these objectives alone, but we are helping create the conditions under which they are more likely to occur through strategic grantmaking and collaboration.

In 2018, we provided direct financial support, coordinated funding, fostered collaboration across networks, and sponsored research that helped the industry achieve a number of breakthroughs, including:

Investors extracted material reforms from carbon-intensive companies to align with climate objectives—shifting lobbying practices, executive compensation, and emissions targets. Investors representing \$33 trillion under the Climate Action 100+ initiative—a close ClimateWorks partner—have step-changed investor-company engagement.

China launched an aid agency: the China International Development Cooperation Agency (CIDCA). The new agency will help align outbound investment under China's Belt and Road Initiative (BRI) with sustainable development objectives.

New Zealand, South Africa, and U.S. state and local authorities launched green investment banks. These institutions join an existing cadre of green investment banks catalyzing the low-carbon economy in their home jurisdictions, together providing a model for efforts to create similar institutions rapidly advancing in the U.S., Europe, and emerging markets.

California advanced financial oversight of climate risk, with path-breaking legislation and supervisory actions. California passed SB964, obligating the state's pension funds to assess climate risk in their investment portfolios. The bill follows California Department of Insurance action to assess climate risks to state insurers' portfolios, representing 80% of the U.S. market and the fifth largest insurance market globally, reflecting ClimateWorks' long-standing engagement on insurance supervision.

Carbon Dioxide Removal

Scaling key approaches to support decarbonization objectives for 2050

Virtually all scenarios for achieving a 1.5°C or 2°C future rely heavily on carbon dioxide removal (CDR). The Intergovernmental Panel on Climate Change (IPCC) finds that at least 10 gigatonnes per year of CDR will be needed by 2050 to meet 1.5°C recommendations and the Paris commitments.

Fortunately, many CDR approaches exist or are under development—ranging from planting more forests to innovative technologies that capture carbon dioxide directly from the air. All of these approaches face barriers when taking into account the massive scale of removal needed to meet international climate goals. 10 gigatonnes of removal equals about 1500 Hoover Dams.

Recognizing the critical role philanthropy can play in addressing these barriers and scaling a portfolio of CDR approaches, ClimateWorks launched the [CDR Fund](#) in 2018 and is targeting \$30-50M in philanthropic support

in order to meet the level of ambition required to fulfill the CDR strategy. The fund aims to help guide, grow, and support work to put the field on a trajectory to reach 10 gigatonnes per year of carbon removal (Gt CO₂) by 2050 through a diverse portfolio of natural, technological, and combined approaches such as using wood as a substitute for more carbon-intensive building materials such as cement and steel.

In its first year, the portfolio funded science and policy research projects that were consistent with making carbon removal a priority in former-Governor Jerry Brown's executive order B-55-18 to achieve carbon neutrality.

The CDR Fund is administered and managed by experts at ClimateWorks, including the Climate and Land Use Alliance (CLUA), in collaboration with the donors and a strong team of technical and policy advisors.



Forest and Land Use

Focusing on Forests as Climate Change Solutions: the Climate and Land Use Alliance

Today, land use—from deforestation to fertilizer application and cattle production—is responsible for about 25% of human-related greenhouse gas emissions. Protecting, restoring, and expanding forests, and more sustainably using land, could significantly limit global climate change while increasing our resilience to its worst impacts. The [Climate and Land Use Alliance](#) is working to realize this potential.

Key program areas include land use policy and finance, community rights and management, deforestation, standards, and transparency for infrastructure and extractive industries, and awareness of forests as climate change solutions. The Alliance is also developing programs in two new thematic areas of natural carbon capture and healthy diets.

In 2018, the Alliance implemented the first year of its 2018-2022 Strategy, including ramping up new workstreams, continuing the work of established initiatives, and finalizing the first organizational plan to help operationally deliver on strategic objectives.

At the Global Climate Action Summit in September, nine foundations, including the four Climate and Land Use Alliance member foundations, pledged \$459M to support forests, rights, and lands, emphasizing those priorities for combating climate change. Additionally, the Alliance members joined with 14 foundations in signing a shared statement affirming their commitment to supporting the critical role forests and sustainable land use, and indigenous guardianship of these places, play in the fight against climate change.

In 2019, the Alliance will continue to make high-impact grants globally and across forested regions of Brazil, Indonesia, Mexico, and Central America. Informed by the experiences of our grantee partners, the Alliance will also continue to advise and convene a growing network of public and private sector allies to galvanize the international community to action to conserve and more sustainably use forests and lands.

Solutions that Start with People

Organizing communities and understanding how behavior change can drive climate action

ClimateWorks Foundation has been fortunate to have partnered with hundreds of organizations doing innovative work to combat climate change over the past decade. The two profiles included here show some of the ways our grantees are making a difference in preserving a livable planet: the Cool Food Pledge from the World Resources Institute and the Just Transition Centre.

Cutting Emissions by Adopting Plant-based Food Choices

The Cool Food Pledge

Every day millions of people purchase food from cafeterias and dining centers at universities, hospitals, companies, and other public facilities. What if more dishes were appealing and healthy, while also helping fight climate change?

The [Cool Food Pledge](#) is a new platform to help facilities offer diners more of what they want while aiming to slash food-related greenhouse gas emissions by 25% by 2030 (vs. a 2015 baseline). Dining facilities are a perfect place to start. Food production accounts for nearly a quarter of all greenhouse gas emissions, and helping people increase the share of plant-based foods in their diet is a critical step in reducing agriculture's pressure on the climate.

ClimateWorks was first introduced to the Cool Food Pledge at our 2050 Today event in June 2018, where it was one of two winners of a prize for the most innovative use of behavioral science in climate change mitigation strategies. An initiative of a coalition of organizations, with the secretariat at World Resources Institute, the program was first publicly announced at the Global Climate Action Summit in September 2018. The founding cohort of 10 Pledge signatories collectively serves more than 60 million meals annually, with plans in place to grow the number of signatories to cover organizations that serve over 10 billion meals per year.



“The Cool Food Pledge is a cutting-edge program that shows how behavior-change initiatives can be highly effective strategies for addressing climate challenges. Working with funders like ClimateWorks and their partners shows the power of catalytic seed funding; Cool Food is using this initial philanthropic funding to scale, and plans to be self-funded and self-sustaining in the future.”

Daniel Vennard, Director of the Better Buying Lab at World Resources Institute



Creating the Just Transition Needed to Move to Zero Emissions

Just Transition Centre

It's evident that moving to a zero-carbon society implies major changes to the structure of the economy, including jobs. Most obvious are job losses in polluting industries like coal mining. But the challenge is clear in the way new industries, like renewable energy installation and maintenance, are often non-union, with less attractive working conditions. As a result, decarbonization gets tarred with the brush of reducing standards of living, making it far less likely to gain the social and political backing needed to push through policies required to make the shift.

ClimateWorks has supported the [Just Transition Centre](#) (JTC) through our International Engagement portfolio, in order to tackle this issue head-on. The JTC works to accelerate just transition processes that guarantee better and decent jobs, social protection, more training opportunities, and greater job security for all workers

affected by global warming and climate change policies. They do this by working with labor and communities internationally to establish best practices in transition processes, and demonstrate that it is possible to create broader backing for climate-friendly policies when they are developed in a participatory fashion, and when active measures are taken to plan. The JTC brings these ground-level experiences to national and international processes, for example helping craft the Just Transition statement at COP24 in Poland.

The Just Transition Centre has also established a partnership with C40 Cities, to work with city administrations, and with The B Team, to have a conversation across industrial leadership and labor. This collaborative approach marks a new milestone in thinking clearly and openly about how to create the social acceptance necessary to achieve a zero-carbon future.

Acting with Unprecedented Urgency

In the not-so-distant future, we envision a world that grasps the realities of climate change and begins to act at the speed and scale necessary to address this global crisis.

What we do over the next ten years is crucial. Global efforts must ensure that greenhouse gas emissions peak as soon as possible and fall sharply each decade, to net-zero around mid-century. We must also prepare to remove large quantities of CO2 from the atmosphere in the latter half of the century. This is how we solve the climate crisis and ensure the health and safety of people and the planet.

ClimateWorks is energized to play our part in this great effort by supporting and empowering the global philanthropic community and working with partners around the world to drive the actions necessary to meet global climate goals. We enter our next ten years with a spirit of determination, hope, and partnership, along with a tremendous sense of urgency.

“Philanthropy is supporting important efforts to advance climate solutions around the world, but we must do more. Now is the time to build on successes, learn from failures, and dial up philanthropy’s role in solving the climate crisis and making a healthy, prosperous future available to everyone.”

Charlotte Pera, President & CEO, ClimateWorks Foundation

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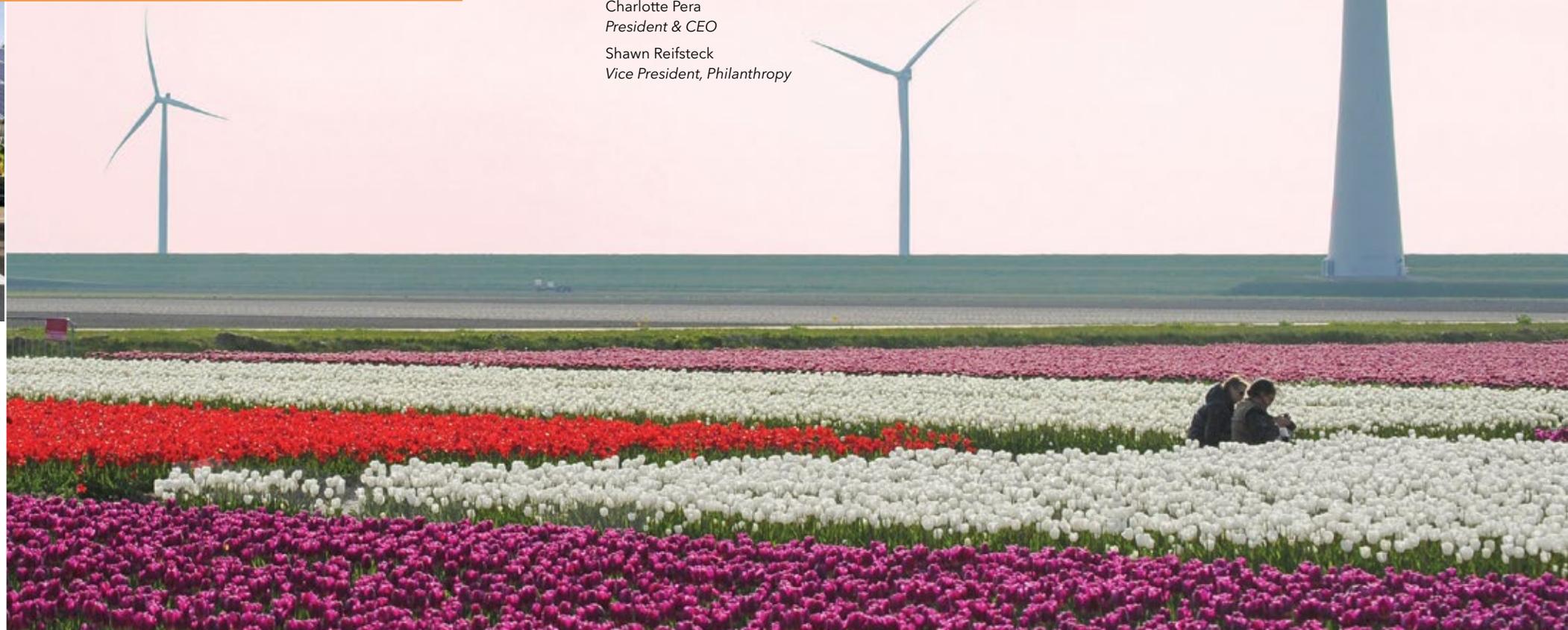
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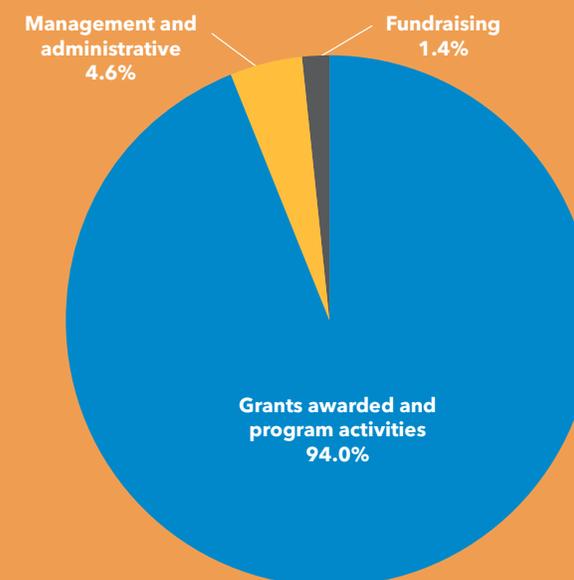
ClimateWorks Foundation Consolidated Audited Statements of Financial Position (in thousands)

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 93,724	\$ 67,630
Contributions receivable, net	24,946	32,944
Prepaid expenses, deposits, and other current assets	749	626
Total current assets	119,419	101,200
Long-term assets:		
Contributions receivable, net	81,430	15,938
Deposits and other assets	165	114
Property and equipment, net	407	1,067
Total long-term assets	82,002	17,119
Total assets	\$ 201,421	\$ 118,319
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,163	\$ 3,112
Grants payable, net	21,348	13,399
Total current liabilities	25,511	16,511
Long-term liabilities:		
Grants payable, net	7,087	1,348
Deferred rent and other liabilities	64	335
Total long-term liabilities	7,151	1,683
Total liabilities	\$ 32,662	\$ 18,194
Net assets		
Total net assets	168,759	100,125
Total liabilities and net assets	\$ 201,421	\$ 118,319

ClimateWorks Foundation Consolidated Audited Statements of Activities (in thousands)

	Year ended December 31, 2018	Year ended December 31, 2017
Support and revenue:		
Total support and revenue	162,834	100,125
Expenses:		
Grants, awarded	58,435	46,176
Program activities	30,067	25,355
Total program expenses	88,502	71,531
Management and administrative	4,361	3,771
Fundraising	1,337	967
Total expenses	94,200	76,269
Change in net assets	68,634	23,856
Net assets:		
Beginning of year	100,125	76,269
End of year	\$ 168,759	\$ 100,125

ClimateWorks Foundation Summary of Expenses 2018





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