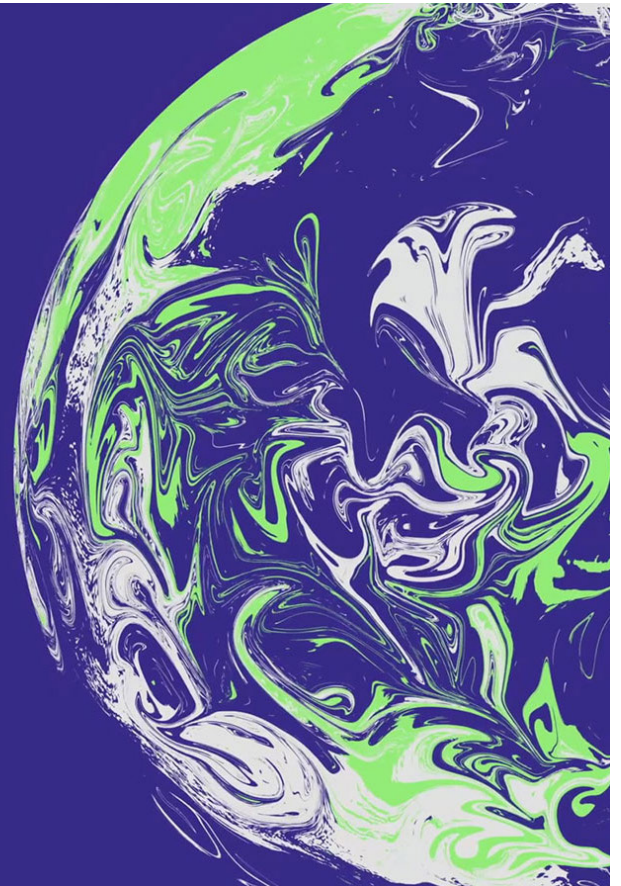


Beyond 2%

From climate philanthropy to climate justice philanthropy

Philanthropic foundations have long exerted influence in the international climate arena. Over 30 years on from their early forays into climate debates, this report asks how effective they have been. How relevant are their theories of change and worldviews today? And what can philanthropic foundations do to position themselves at the vanguard of meaningful change in the climate arena?



The need for a qualitative shift

2%—that is the estimated share of philanthropic dollars allocated to climate-related issues. In the run-up to the all-important Paris Climate Conference in 2015, “2%” was a rallying cry to get more grant dollars flowing towards climate action. In an April 2015 opinion piece for the *Chronicle of Philanthropy*, Larry Kramer of the Hewlett Foundation and Carol Larson of the Packard Foundation expressed their dismay that “currently less than 2 percent of all philanthropic dollars

are being spent in the fight against climate change.”¹ Just over six years later many philanthropies still refer to the 2% figure, seeking both to highlight the importance of philanthropy in addressing the climate problem, and to get more foundations to commit funds to climate action.²

Yet numbers can be misleading. Whether the actual figure is just over or just under 2%, focusing on the amount of philanthropic funding distracts us from important questions: Where do funds originate, and to

what and to whom are they allocated? What is the place, function and legitimacy of philanthropy in the climate debate? What qualifies as climate philanthropy (and what does not)? And what theories of change and worldviews drive philanthropic giving in the climate field?

¹ <https://www.philanthropy.com/article/Foundation-Must-Move-Fast-to/229509>

² <https://www.climateworks.org/report/funding-trends-climate-change-mitigation-philanthropy/>; <https://www.alliancemagazine.org/magazine/issue/june-2021/>





Moving beyond market-centric “win-win” solutions

In answering these questions, this report argues that the approaches to climate philanthropy, and the strategies that currently underpin the 2% figure, are outdated and ineffective. Foundations’ support to market-centric and corporate-driven “win-win” solutions has not resulted in lower emissions, nor has it improved the fate of frontline workers and communities in the Global South and North.

For climate philanthropy to make effective and meaningful contributions to a just low-carbon transition, climate justice needs to be placed at the heart of all foundation efforts in the climate space. A growing number of foundations now acknowledge the importance of climate justice and just transition, but they are still treated as subsidiary issues in support of what fundamentally remains a “business-as-usual” approach to climate action. A qualitative shift is urgently needed. Climate justice cannot be a mere “add-on”; it must be at the very centre of all philanthropic efforts to address the climate crisis. Foundations must collectively and strategically embark on a wholesale transformation.



Radically rethinking philanthropy’s role



At the individual foundation level

Change the relations of power and influence within philanthropic foundations. Change the ways in which individual foundations engage with their grantees and society more broadly.



At the philanthropic sector level

Change the culture within the sector by making it more respectful and accountable to grantees and society as a whole. Develop new joint strategies and alignment through funder organizing that is centred on climate justice and just transition.



At the system level

Embrace climate justice and systems change approaches to philanthropy, acknowledge philanthropy’s role and responsibilities. Align grant making and other philanthropic activities with a radical climate justice agenda.

▶▶ Moving towards climate justice philanthropy

In partnership with the United Nations Research Institute for Social Development (UNRISD), the EDGE Funders Alliance is launching this report on climate philanthropy that takes a fresh look at the state of play in the sector, and sets out the case for grounding climate philanthropy in climate justice and just transition principles.

The report lays out a series of possible “next steps” towards a qualitative shift from climate philanthropy to climate justice philanthropy. These include:

- **Identifying examples of initiatives** at the foundation and movement levels that can inspire further action.
- **Creating and cultivating spaces** for movement/funder dialogue, strategizing and action.
- **“Occupying climate philanthropy”:** Organizing progressive funders to ensure that climate justice voices are heard, and approaches are represented, within the climate philanthropy space.

The report draws on discussions within the EDGE COP26 Working Group, which brought together funders and climate movement actors; one-on-one conversations; and written materials produced by funder networks, foundations and academics.

● Continue the conversation

Scan the QR code to access the full report and stay engaged with the Climate Justice Working Group at EDGE.

