

# Climate Change Fund

Supporting sustainable, evidence-based solutions to the “triple challenge” of carbon emissions, air pollution, and energy poverty.

## The Problem

Tackling climate change is one of the greatest challenges to face humanity. Yet it is not an isolated problem; it is one part of a triple challenge surrounding energy production. How we produce energy not only leads to environmentally damaging carbon emissions, but the related pollution of the air we breathe also kills millions of people every year, making it one of the largest yet often overlooked health problems globally. At the same time, many of the world’s poor lack sufficient access to energy. Together, climate change, air pollution and energy poverty add up to an environmental and humanitarian crisis that we must urgently address.

Beyond the detrimental impacts of carbon emissions on our planet, research has shown that the associated air pollution killed [5 million](#) people in 2017, a fact largely left out of the climate discussion. This is similarly true for energy poverty: almost 3 billion people rely on biomass to cook, filling their homes with carcinogenic particles that disproportionately affect women and children, while about 1 billion people lack access to electricity at home. This severely hampers global development goals, and clearly shows that millions of people could benefit from having access to *more* energy despite much of the conversation focusing on how we can use *less*. Thus, we face a triple challenge: we not only need to drive down carbon emissions to near zero by mid-century and drastically reduce air pollution, but we need to do so while supporting work to reduce global poverty, which is often accompanied, or even driven, by increased energy consumption.

Progress on the triple challenge so far has been poor: the share of low-carbon energy has barely increased over the last 30 years – with about 85% of energy production coming from fossil fuels – and, at this rate, decarbonising the economy will take centuries. Even when assuming strong efficiency gains, energy demand by the end of this century will probably at least double: the world economy will likely be five times larger and there will be 2-3 billion more people. Most growth in energy demand will come from outside the OECD economies of North America, Europe and Japan, meaning we must focus on bringing down emissions across the globe, not just domestically. Crucially, this is not about deflecting our responsibility -- historically and on a per-capita basis we are mostly responsible for climate change -- but about helping maximally to solve this problem.



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## Our Perspective

Much of the existing work in this area focuses solely on emissions and does not take energy poverty into account. What's more, many funders and policymakers are currently focused on reducing domestic or even personal emissions. We aim to take a holistic approach that recognises both the global nature of the problem and the fact that, despite its urgency, we are still in the early days of climate action. The solutions we focus on will not only reduce emissions now but also help us avoid future emissions, while also creating opportunities for the world's poor and eventually bringing energy poverty to an end.

We aim to do this in three ways. First, we will **fund audacious advocacy**, focusing our grantmaking on organisations leveraging large amounts of money through policy advocacy and thought leadership aimed at influencing the wider conversation. Some highly effective organisations - with budgets in the millions of dollars - have influenced government innovation budgets orders of magnitude larger than their costs. By looking for opportunities with leverage like this, we can have an outsized impact.

Second, we will **focus on neglected solutions** – blindspots and bottlenecks – underserved by other stakeholders to ensure that each Fund dollar makes as much difference as possible. While some technologies, such as solar, enjoy widespread popularity and significant policy support, this is not similarly true for other approaches, meaning there are overlooked low-hanging fruits. By finding and funding overlooked solutions, such as carbon removal, carbon capture and storage, and tools for industrial decarbonisation, we can ensure we are making the most of every tool available to us in the fight against the climate challenge. Early work is more likely to make a real difference and be extraordinarily impactful, so funding these neglected solutions is key.

Finally, we will work to **accelerate low-carbon innovation** by finding and funding advocacy opportunities that strengthen the energy innovation ecosystem or promote innovation of certain technologies. As the success of solar has shown for electricity, the availability of cheap, low-carbon alternatives to our current energy sources can make a very significant difference. Efficient, low-cost technology can spread around the world without intergovernmental cooperation or expensive policies, making it a more robust strategy at a time when climate action is often not the first priority for policymakers and the public.

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## Meet the Fund Managers



**Johannes Ackva** is the lead researcher on Climate Change at Founders Pledge. Previously, Johannes worked in a leading sustainability think tank in Berlin advising decision makers on climate policy and researching the intersection between effective and feasible climate policies. Johannes received his MA in Social Sciences from the University of Chicago and his MSc in Sociology from the Interuniversity Centre for Social Science Theory and Methodology from the University of Groningen.



**Anu Khan** is a Research Advisor based in San Francisco. Prior to joining Founders Pledge, Anu was a materials science and engineering researcher at Northwestern University and Caltech. Her work focused on high-temperature electrocatalysts for fuel cells and direct solar-to-chemical energy conversion, both clean energy technologies for a hydrogen-friendly energy economy. She received her MS in chemistry from Caltech and her AB in chemistry from Princeton



## Our Approach to Grantmaking

When evaluating potential grants, we consider several key points:

- > **Counterfactual impact.** Our grants are designed to create a meaningful outcome that would not otherwise have happened. In particular, we aim to make grants that otherwise wouldn't have been made, rather than those which just take the place of other philanthropists' donations. This means that you can rely on the Funds to create meaningful, real change, rather than just maintaining the status quo.
- > **Impact-driven philanthropy.** The goal of this fund is maximal positive impact, irrespective of this impact being "sexy" or visible. We will focus on opportunities that philanthropists concerned with plaudits or shiny rewards might neglect, such as boosting a promising organisation's general capacity or strategy if we believe it to be a bottleneck to their ability to create greater impact.
- > **Funding gaps.** Not all organisations are set up to scale their programming and many can't productively absorb large amounts of unsolicited funding. We evaluate all potential grantees' capacity for growth and consider how much money they could put to good use. This means that there will be many great organisations that we do not recommend because they are already sufficiently funded.
- > **Organisational strength.** It's important to have trust in the leadership and capacity of the organisations we support, particularly if funding is unrestricted. We look at their track record for success and their transparency about past failures. We will only support organisations that are exceptionally well-run.
- > **Timing and certainty.** While Founders Pledge members give to our top climate charities regularly, sometimes there are time-critical opportunities that require us to act quickly. At other times, organisations need certainty from their funding streams to allow for new hires and the launch of new campaigns and programmes. Through the Fund, we make grants to timely, short-term opportunities and also provide stability to high-impact funding opportunities to maximise our overall impact.
- > **Portfolio approach.** All strategies to tackle climate change, such as energy innovation, have potential to underdeliver, so we need to hedge our bets. Our Fund will pursue a portfolio approach to maximise our impact, so if one promising strategy fails, we will still be supporting other technologies and innovations that could be crucial in the fight against climate change. A world with 4°C of warming will be much more hostile than a world with 2°C of warming, so we must ensure we're exploring all our options to boost our chances of effectively mitigating climate change.



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## Why Contribute to the Climate Change Fund?



> **A focus on impact.** Fund Managers conduct detailed, comparative analyses of potential funding opportunities to find those where financial support will lead to sustainable reductions in carbon emissions.

> **Access to leveraged funding opportunities.** By pooling donations with others, the Founders Pledge Funds give donors access to opportunities that are not available to individuals (e.g., organisations may only accept grants above a certain threshold).

> **Zero administrative burden.** Contributing to the Founders Pledge Funds is as easy as emailing your Research Advisor. We charge zero fees, and your donations are fully tax deductible. Every dollar contributed to the Fund will be granted to a highly impactful organisation.

> **Learning opportunities.** Fund contributors will have unique opportunities to learn alongside the Fund Managers about effective philanthropy within the space of climate change. Fund Managers will facilitate conversations with the leaders of grantee organisations and other topic-area experts, grant review sessions, and other sessions requested by Fund contributors.

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## Learn More and Contribute

To learn more about the Founders Pledge Climate Change Fund, or to make a contribution, please send an email to your Research Advisor or to [funds@founderspledge.com](mailto:funds@founderspledge.com).



## Sample Grants

This portfolio is designed to provide examples of the kind of organisations which score highly on the points shown above and are likely to receive grants from the Climate fund. The fund will grant to a range of organisations likely including, but not limited to, those mentioned below.

### Example Allocation



- Supporting advocacy organisations focused on accelerating energy innovation and low-carbon transformation
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- Support for high-risk, high-reward opportunities

### Clean Air Task Force (CATF)



Audacious advocacy



Innovation



Focus on neglected solutions



Coalition building

CATF was the spearhead of a campaign for [45Q](#), a tax credit for carbon capture and storage and carbon removal, some of the most neglected but important low-carbon technologies. 45Q has the potential to mitigate tens of millions of tonnes of CO<sub>2</sub> in the US per year, and possibly many more internationally through technological learning, but the Clean Air Task Force operates on a budget of less than \$10 million a year. This is just one example of CATF's work focused on supporting advocacy to accelerate critical climate solutions neglected by other players.



## Carbon180



As the name suggests, Carbon180 is focused on removing carbon from the atmosphere through policy advocacy, coalition building, innovation support, and other high-leverage strategies to increase the development, adoption and scaling of carbon-removal approaches. These include land-use-based approaches such as better soil management, approaches to accelerate natural processes (e.g. enhanced weathering), as well as high-tech solutions like direct air capture. We believe this work to be crucial as a complement to our energy innovation work, as carbon-removal solutions will likely become more important when energy transformation turns out to be harder than expected, providing a hedge in a balanced portfolio.

## TerraPraxis



TerraPraxis is a new organisation headed by Kirsty Gogan, a renowned advocate for (next-generation) nuclear power as a key piece of the climate solution puzzle. They focus on nuclear as a complement, rather than a competitor, to renewables with important applications beyond electricity, such as for industrial heat as well as hydrogen production. The organisation makes the case for a broad portfolio of solutions to the twin challenges of climate change and energy poverty. We support the scaling of this organisation through our Fund because we believe that TerraPraxis has an essential message and a good shot at becoming a well-known, impactful organisation in the climate space.

