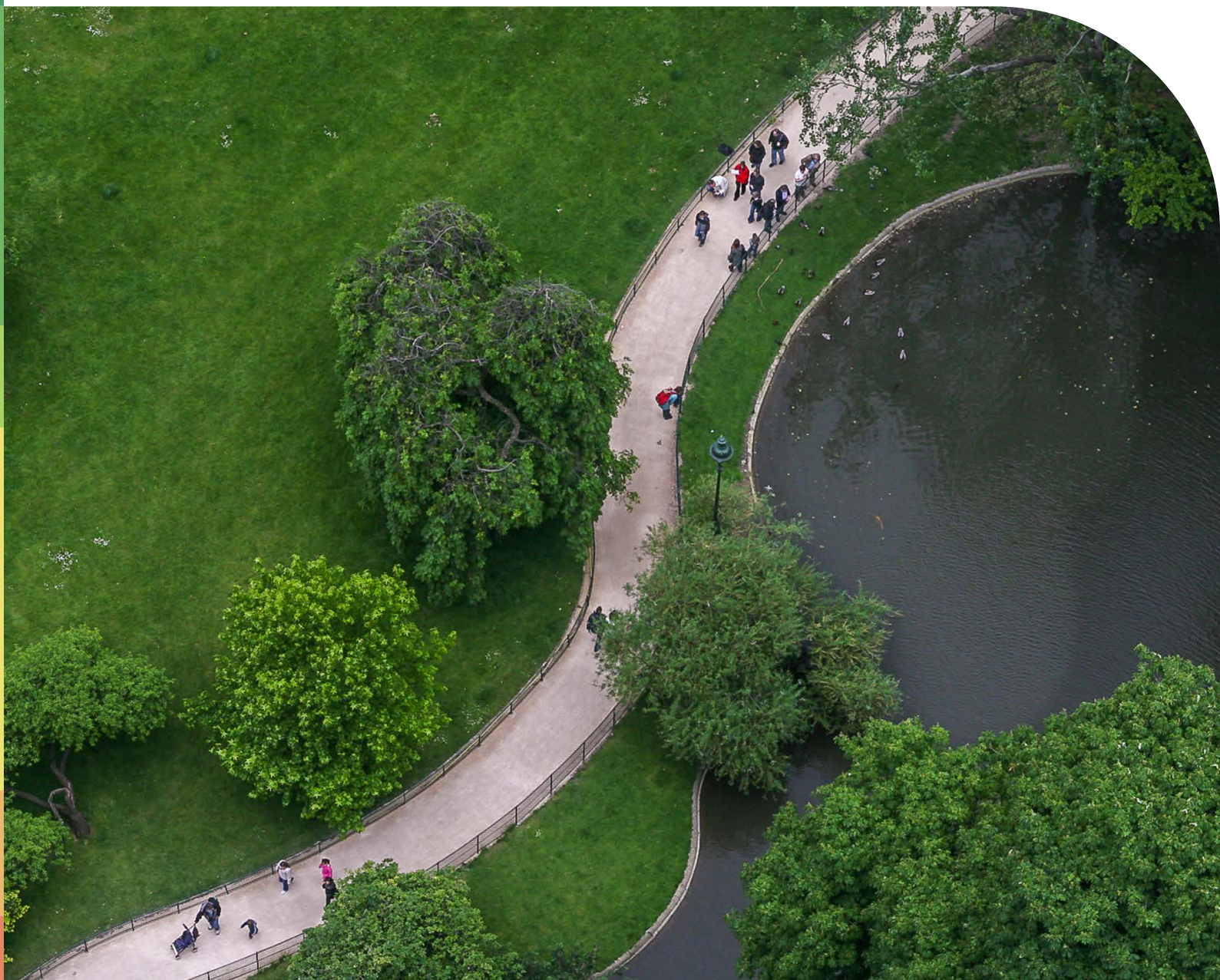


Funding trends 2022: Climate change mitigation philanthropy

By Helene Desanlis, Tim Lau, Karolina Janik, Stephanie Suttentberg, and Surabi Menon



Executive Summary

This is our third annual report on funding trends in climate change mitigation philanthropy and covers seven years of funding data from 2015 to 2021.

In last year's report, we estimated that of \$750 billion in total philanthropic giving worldwide in 2020, roughly \$6 billion to \$10 billion was dedicated to climate change mitigation.

In 2021, we estimate total philanthropic giving by foundations and individuals grew to \$810 billion, of which \$7.5 billion to \$12.5 billion was focused on climate change mitigation. In the last year, growth in philanthropic giving to climate change mitigation (a 25% increase) outpaced growth in overall philanthropic giving (an 8% increase). However, total giving to climate change mitigation from individuals and foundations still represents less than 2% of global philanthropic giving. Considering the ever-increasing urgency of the crisis, it is time for philanthropy to step up its ambition — and to move more funds faster to the places that need them most.

Highlights from the report:

- **Accelerated growth in foundation funding for climate change mitigation:** Foundation funding for climate change mitigation has more than tripled since 2015, the year the Paris Agreement was adopted — growing from \$900 million to more than \$3 billion in 2021. Funding increased by more than 40% between 2020 and 2021 alone, driven in part by the arrival of major new donors and by numerous pledges and commitments.
- **An expanding community of grantees:** Backed by philanthropic support, the total number of grantees receiving climate change mitigation funding has nearly doubled from about 1,400 in 2015 to about 2,775 in 2021 — and the total number of individual grantees receiving funds annually has increased across all regions.
- **Sectoral and regional trends:** Although clean electricity remains the largest sector for philanthropic funding, 2021 saw sizable funding increases for forests and carbon dioxide removal. Regionally, funding is still heavily focused on the United States, Canada, and Europe, but it is growing significantly in other regions — especially Latin America and Africa — and it increasingly has a global focus.
- **A growing emphasis on equity and justice:** An increasing number of climate funders are committing to incorporate equity and justice principles into their grantmaking. Increasingly, there are resources for climate funders looking to integrate climate justice into their philanthropic practices.
- **Shifting approaches and strategies and increased collaboration:** The growth of climate philanthropy extends beyond increases in total funding dollars and commitments — it also involves the continued emergence of newer approaches and strategies (such as fossil fuel divestment and integrated solutions) and increased collaboration, including with the private sector and governments.

In this report, we track where philanthropic funds are being deployed across sectors, strategies, and regions and analyze the gap between current funding levels and the levels needed to support effective and equitable climate action. We hope that this transparent information on foundation giving, along with data on individual giving, can lead to a better understanding of the overall landscape of philanthropic giving to climate change mitigation. This understanding can lead to targeted philanthropic opportunities and giving at the scale that is needed to address the climate crisis.

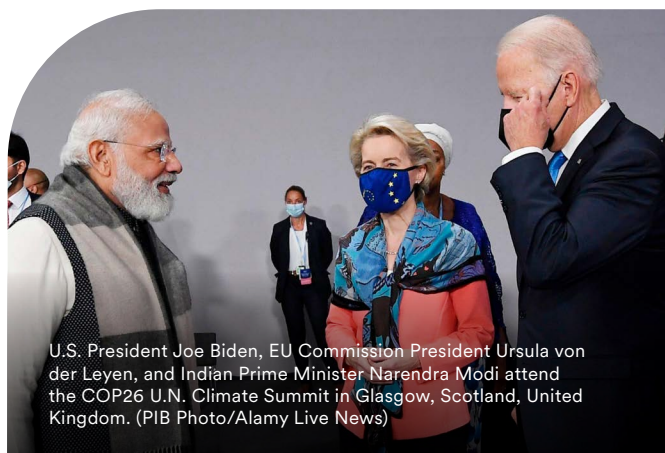
Cover photo: Aerial view of a curving path in a Paris park (Philippe Marion/Getty)

Introduction

U.N. reports published earlier this year warned that time is running out to limit warming to less than 1.5° C and that climate change impacts are appearing faster than expected. In 2022, extreme weather events continued to cause devastation around the world — from severe droughts in Ethiopia, Somalia, Kenya, and Mexico to dangerous hurricanes across the Atlantic and Caribbean to destructive floods in Australia, Pakistan, and South Africa to deadly heat waves in India, Pakistan, many parts of Europe, and the United States. The negative impacts of these extreme weather events are uneven, disproportionately affecting the communities and countries least responsible for climate change.

Amid these disasters, there is growing recognition that climate change is not a distant crisis but is already affecting people in every region on the planet and that its impacts are intensifying in scale and magnitude. In a 2022 survey by Pew Research, a median of 75% of respondents across 19 countries in North America, Europe, and the Asia-Pacific region labeled global climate change a major threat.¹

Nonetheless, in the past year, there have also been landmark commitments to achieving climate progress. In July 2021, the European Union announced the Fit for 55 package, a set of proposals to reduce emissions by at least 55% by 2030.² In November 2021, leading up to and during the annual United Nations Climate Change Conference (COP26), 151 countries submitted new Nationally Determined Contributions (NDCs) outlining plans to slash emissions by 2030.³ India, for example, pledged in its updated NDC to reduce the emissions intensity of its GDP by 45% from 2005 levels and to produce 50% of its cumulative electric power from non-fossil-fuel-based energy resources by 2030.⁴ Also at COP26, South Africa launched the Just Energy Transition Partnership (JETP) — a historic \$8.5 billion pledge to end coal power — in agreement with the governments of the European Union, France, Germany, the United Kingdom, and the United States. In August 2022, U.S. President Joe Biden signed into law the Inflation Reduction Act, which includes a historic investment in climate and clean energy. The law represents the most significant action by the United States to date to address the climate crisis. Over the past year, there have also been significant commitments to climate action or net-zero emissions by cities, states, corporations, and the finance sector and by numerous multi-actor partnerships.



U.S. President Joe Biden, EU Commission President Ursula von der Leyen, and Indian Prime Minister Narendra Modi attend the COP26 U.N. Climate Summit in Glasgow, Scotland, United Kingdom. (PIB Photo/Alamy Live News)

Despite this progress, the world is still heading toward a temperature increase of 2.4° C, far from the 1.5° C target outlined in the Paris Agreement.⁵ Russia's invasion of Ukraine and the resulting shock to gas supplies have disrupted the clean energy transition and caused European countries to consider a return to coal use and investments in alternate oil and gas supplies, potentially compounding climate impacts from fossil use.⁶ A major acceleration of efforts is required to address climate change — and philanthropy has a significant role to play in driving change and supporting the implementation of recent commitments. To help the philanthropic community respond to the climate crisis, ClimateWorks Global Intelligence tracks data on philanthropic giving for climate change mitigation. This third annual report on funding trends in climate change mitigation presents data from 2015 to 2021 and offers insights to support both new and existing climate funders in resourcing the most effective climate strategies.

1 <https://www.pewresearch.org/global/2022/08/31/climate-change-remains-top-global-threat-across-19-country-survey/>

2 <https://www.consilium.europa.eu/en/policies/green-deal/fit-for-55-the-eu-plan-for-a-green-transition/>

3 <https://www.wri.org/insights/cop26-key-outcomes-un-climate-talks-glasgow>

4 <https://www.climateworks.org/blog/india75-indias-energy-transition-model-for-emerging-economies/>

5 https://climateactiontracker.org/documents/1051/CAT_2022-06-03_Briefing_MidYearUpdate_DespiteGlasgowTargetUpdatesStalled.pdf

6 <https://www.bbc.com/news/science-environment-61723252>

Funding for climate change mitigation outpaces overall philanthropic giving

In 2021, total philanthropic giving by foundations and individuals worldwide was estimated at \$810 billion, with significant growth across the philanthropy sector largely due to strong giving by foundations as well as individuals, especially high-net-worth individuals. The total philanthropic giving to climate change mitigation by foundations and individuals was \$7.5 billion to \$12.5 billion — an increase of about \$2 billion compared with 2020 (Figure 1).⁷ Philanthropic giving to climate change mitigation increased at a faster rate (+25%) between 2020 and 2021 than overall philanthropic giving (+8%). The year also set a record in terms of philanthropic giving to climate mitigation, outpacing the growth observed between 2019 and 2020 by almost 80%.⁸

The tremendous growth seen last year in climate mitigation philanthropy has been due not just to new donors entering the climate field, but also to increased commitment from existing donors and more collaborations among donors focusing on ambitious targets to drive impact. Nevertheless, total giving to climate change mitigation from individuals and foundations still represents a small fraction of total giving. While climate change mitigation does represent a growing share of overall philanthropic giving, it would need to increase by a significant amount to exceed 2% (Figure 2). Given the ever-increasing urgency of the climate crisis, it is time for philanthropy to step up its ambition — and to move more funds faster to the places that need them most.

ClimateWorks’ most in-depth and longstanding research has focused on foundation grantmaking for climate change mitigation. Data collected by ClimateWorks with the support of our partners help reveal gaps and opportunities, which in turn help inform decisions about where to support climate action across the globe. The data are the basis of quantitative analysis of the flows of known foundation funding to climate mitigation from the world’s biggest foundations focused on climate causes.⁹ They capture the most significant flows of foundation funding going to climate change mitigation causes.

The remainder of this report provides updates on key trends in foundation grantmaking to climate mitigation, highlighting areas in which additional funding would greatly support climate action and progress. Although this report focuses on funding for climate change mitigation, ClimateWorks is exploring ways to estimate philanthropic funding for adaptation. Conversations across philanthropy about its historical impact and the origins and distribution of wealth are not reflected in the report’s central analysis.

FIGURE 1. PHILANTHROPIC GIVING TO CLIMATE CHANGE MITIGATION, 2021

In 2021, philanthropic giving for climate change mitigation totaled **\$7.5 BILLION–\$12.5 BILLION**

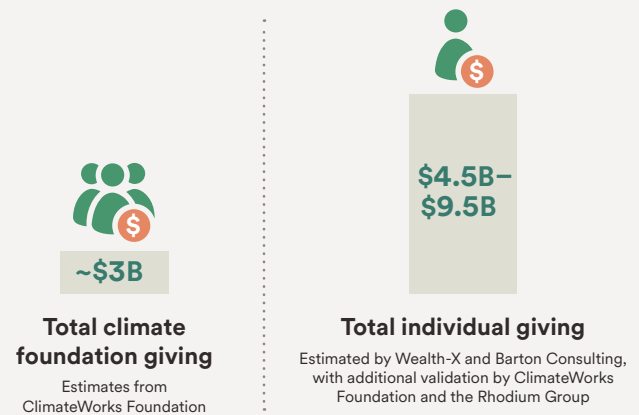
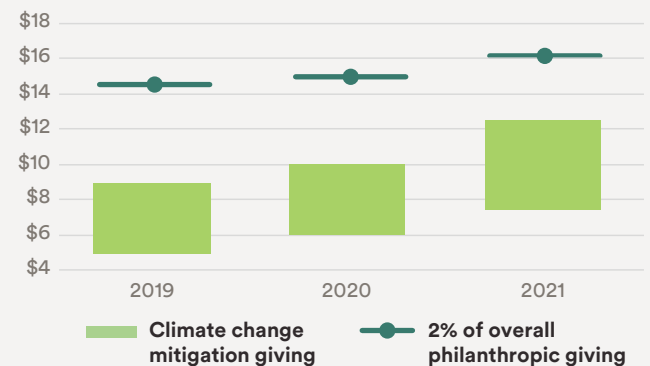


FIGURE 2. CLIMATE CHANGE MITIGATION ADVANCES CLOSER TO 2% SHARE OF OVERALL PHILANTHROPIC GIVING, 2019–2021, USD BILLIONS



⁷ Due to various factors, including tax reporting requirements, geographic definitions, and availability of data globally, honing an estimate for individual philanthropy is complex. See the individual giving data methodology in this report’s annex for additional information.

⁸ Observed growth is based on updated data for the years 2019 and 2020 as of September 2022.

⁹ See the section on methodology in this report’s annex.

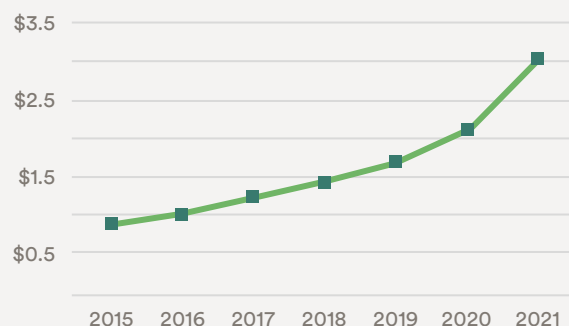
Foundation giving to climate change mitigation

In recent years, foundation funding for climate change mitigation has more than tripled, growing from \$900 million in 2015 to more than \$3 billion in 2021 (Figure 3). Between 2020 and 2021 alone, it increased by more than 40%, driven in part by the arrival of major new donors such as the Bezos Earth Fund. Additionally, 2021 saw the announcement of numerous pledges and commitments by Bloomberg Philanthropies, the IKEA Foundation, the Rockefeller Foundation, and other organizations (see Annex 2). A recent survey of large U.S. foundations conducted by Candid in January 2021 confirmed this trend: more than half of respondents reported an increase in their giving in 2021 compared with 2020.¹⁰

Meanwhile, the total number of new funding commitments has increased by an average of 20% each year since 2015. The number of commitments in 2021 was double that in 2020. Events like the Global Climate Action Summit and initiatives such as XPRIZE and the Audacious Project can mobilize and foster major shifts in behavior within the philanthropic community, as evidenced by the dramatic increase in funding commitments to climate change mitigation between 2015 and 2021 (Figure 3). Major new pledges of billions of dollars to accelerate sector breakthroughs (for example, in transport, deforestation, food systems, and methane) and energy transitions (such as those fostered by the Just Energy Transition Partnership for South Africa) demonstrate increased ambition from philanthropy to boost efforts that will reduce emissions and advance a just transition.

Despite these positive developments, it is also worth considering that the fossil fuel industry and other polluting sectors continue to receive an extraordinary amount of funding. According to a recent report published by the Clean Air Fund, international development funders committed more than \$45 billion between 2015 and 2021 to projects that will prolong the use of fossil fuels rather than projects that focus on tackling air pollution.¹¹ A 2022 study from Business for Nature and the B Team confirmed this trend, finding that governments and other subsidiaries spend at least \$1.8 trillion every year in funding that harms the environment — funding equivalent to 2% of global GDP.¹² By comparison, 2% to 3% of the global GDP represents the amount of funding required to achieve the Paris Agreement goal of net-zero carbon emissions.¹³ Philanthropy can play a catalytic role in rapidly accelerating funding for climate change mitigation efforts and in diverting funding away from polluting sectors.

FIGURE 3. FOUNDATION GIVING TO CLIMATE CHANGE MITIGATION, 2015–2021, USD BILLIONS



¹⁰ <https://blog.candid.org/post/foundation-giving-and-payout-what-changed-in-2021/>

¹¹ <https://www.cleanairfund.org/air-quality-funding-2022/>

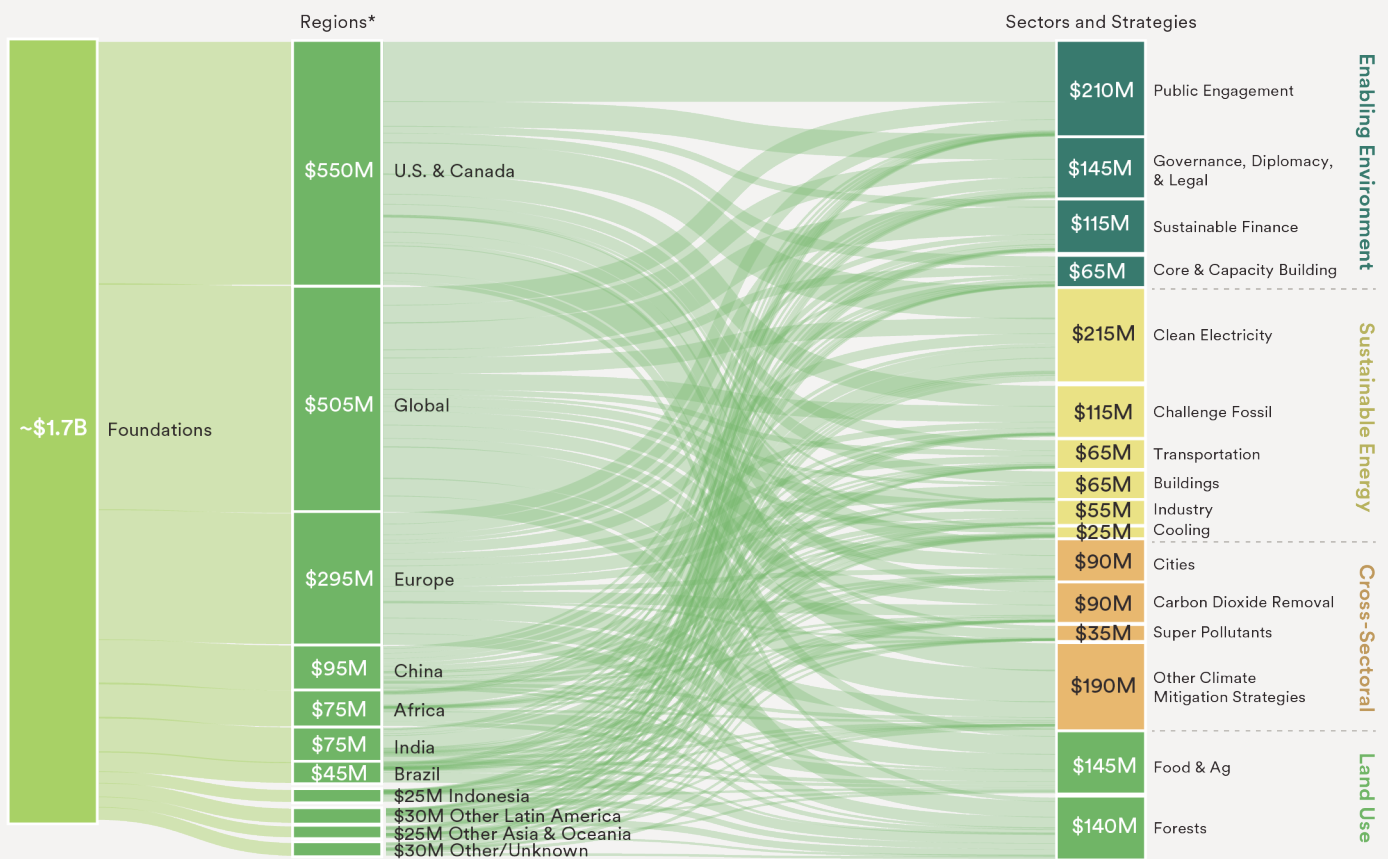
¹² <https://www.earthtrack.net/document/protecting-nature-reforming-environmentally-harmful-subsidies-role-business>

¹³ <https://www.reuters.com/business/cop/climate-inaction-costlier-than-net-zero-transition-economists-2021-10-25/>

Funding trends by sector, strategy, and region

ClimateWorks tracks foundation funding for climate change mitigation across 16 sectors and strategies and 12 regions (Figure 4).¹⁴ The data provide a window into long-term trends, ongoing funding gaps, and opportunities to scale support to the areas of most critical need. The insights below are based on funding where allocation to specific sectors, strategies, and regions is made possible. This funding represents some 94% of the total foundation funding tracked by ClimateWorks from 2017 to 2021 (Figures 4 and 5). The remaining 13% is included in the overall foundation funding directed to climate change mitigation in 2021 (Figure 3).¹⁵

FIGURE 4. KNOWN FOUNDATION SUPPORT TO REGIONS, SECTORS, AND STRATEGIES, ANNUAL AVERAGE, 2017–2021, USD MILLIONS



* Funding by region is based on geography of intervention, not the geography of the funder or recipient. If a US-based grantee receives funding from a US-based funder for work in Brazil, this funding would be counted toward "Brazil."

14 See this report's annex for definitions of sectors, strategies, and regions.
 15 Some of the data provided to ClimateWorks remain too broad for allocation to specific sectors, strategies, and regions. ClimateWorks is committed to work with its partners to make some analysis as comprehensive as possible, while respecting requirements for confidentiality.

FIGURE 5. ANNUAL AVERAGE FOUNDATION FUNDING BY REGIONS, SECTORS, AND STRATEGIES, 2017–2021, USD MILLIONS

	Africa	Asia and Oceania	Brazil	China	Europe	Global	India	Indonesia	Latin America	Other/ Unknown	U.S. & Canada
CROSS - SECTORAL											
Carbon Dioxide Removal	\$5	\$0.2	\$0.6	\$1.5	\$24	\$30	\$4	\$0.1	\$0.9	\$1.9	\$23
Cities	\$0.1	\$-	\$1.9	\$7	\$11	\$30	\$1.5	\$2.3	\$2.8	\$-	\$35
Super Pollutants	\$-	\$-	\$0.1	\$1.6	\$0.9	\$20	\$0.4	\$-	\$0.1	\$0.1	\$9
Other Climate Change Mitigation Strategies	\$2.4	\$2.2	\$0.6	\$8	\$35	\$70	\$7	\$0.3	\$0.5	\$7	\$60
ENABLING ENVIRONMENT											
Core & Capacity-Building	\$0.7	\$0.9	\$2.6	\$9	\$8	\$19	\$4	\$0.1	\$0.1	\$-	\$22
Governance, Diplomacy & Legal	\$1.4	\$1.8	\$2.1	\$11	\$24	\$40	\$4	\$1.2	\$0.6	\$-	\$55
Public Engagement	\$0.3	\$1.1	\$2.3	\$4	\$25	\$40	\$2	\$0.7	\$0.3	\$0.4	\$135
Sustainable Finance	\$3	\$2.1	\$1.1	\$12	\$12	\$60	\$6	\$0.1	\$1.2	\$2.9	\$16
LAND USE											
Food & Agriculture	\$22	\$2.8	\$7	\$4	\$35	\$40	\$8	\$5	\$2.8	\$-	\$18
Forests	\$10	\$0.6	\$22	\$2.6	\$25	\$35	\$0.1	\$13	\$15	\$5.8	\$9
SUSTAINABLE ENERGY											
Buildings	\$0.3	\$-	\$0.2	\$0.5	\$29	\$7	\$1.6	\$-	\$-	\$-	\$25
Challenge Fossil	\$4	\$5	\$0.3	\$9	\$14	\$35	\$0.7	\$0.9	\$0.6	\$-	\$45
Clean Electricity	\$25	\$6	\$2.3	\$8	\$22	\$35	\$30	\$2	\$4	\$8	\$70
Cooling	\$1.3	\$0.8	\$0.8	\$2.5	\$-	\$13	\$1.8	\$0.2	\$1.7	\$0.3	\$0.2
Industry	\$0.7	\$0.1	\$-	\$11	\$17	\$19	\$1.9	\$0.1	\$-	\$-	\$2.5
Transportation	\$1	\$0.2	\$0.6	\$5	\$15	\$12	\$4	\$-	\$0.3	\$1.3	\$23

In 2021, the top three sectors in terms of funding received were clean electricity, forests, and food and agriculture (Figure 6).¹⁶ The top-funded enabling strategy was governance, diplomacy, and legal.

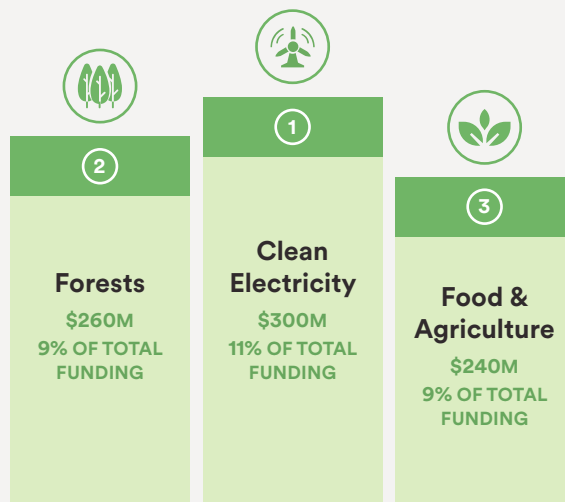
The fastest funding growth by sector was in forests (+69%), in part thanks to the Indigenous People and Local Communities (IPLC) pledge, the Protecting Our Planet Challenge, and other major new commitments made in 2021 (see Annex 2).

Funding to carbon dioxide removal (CDR), which has grown steadily since 2015, saw the second-fastest growth by sector between 2020 and 2021. Strategies include funding for natural, marine, and technological CDR approaches as well as for combinations of those approaches. Nonetheless, the CDR sector currently only amounts to 6% of total foundation funding for climate change mitigation. Significant opportunities exist in the CDR sector, notably regarding the proper implementation of CDR-relevant measures in the Inflation Reduction Act (particularly as it relates to community concerns) as well as work on US-China and other bilateral and multilateral collaborations.

In 2021, foundation funding that spanned multiple regions totaled \$875 million, which represented 32% of overall foundation funding for climate change mitigation. More than two-thirds of funding targeted to a single country or region went to the United States and Canada (\$810 million) or Europe (\$435 million).¹⁷ Between 2020 and 2021, there was rapid funding growth in Latin America (+101%) and Africa (+50%). This growth has been driven by developments such as the Bezos Earth Fund’s commitments in the forest sector to expand protected areas in the tropical Andes and the Congo Basin while supporting Indigenous peoples and local communities as well as by funding to innovative finance for conservation in Gabon. Overall, however, Latin America and Africa combined still represented less than 10% of the total foundation funding for climate mitigation in 2021. To achieve climate objectives, many geographies around the world need, at a minimum, levels of funding similar to those seen over the years by the United States and Canada.

ClimateWorks and three of its partners recently published two regional funding spotlights: one on Europe in October 2021 with the European Foundation Centre and The Hour is Late, and one on China in February 2022 with Energy Foundation China.¹⁸ We found that although China is the largest emitter and responsible for around 30% of global emissions, it is the focus of less than 6% of climate philanthropic funds. We hope to provide detailed landscape data for additional geographies in the coming year.

FIGURE 6. TOP-FUNDED SECTORS IN 2021



¹⁶ See Table 1 in this report’s annex for sector and strategy definitions.

¹⁷ See Table 2 in this report’s annex for definitions of regions.

¹⁸ <https://www.climateworks.org/report/foundation-funding-for-climate-change-mitigation-europe-spotlight/>; <https://www.climateworks.org/report/china-funding-landscape/>

Spotlight Africa

Africa accounts for the smallest share of global greenhouse gas emissions but is disproportionately impacted by the consequences of climate change.¹⁹ Since 2015, climate philanthropy funding to the African continent has been rising by an average of 30% annually, reaching an estimated \$140 million in 2021. Yet the region accounts for only 5% of total funding for climate mitigation causes. More broadly, annual climate finance flows in Africa stand at only \$29.5 billion — far short of the \$277 billion per year that Africa needs to implement its NDCs and meet 2030 climate goals, according to a 2022 report by the Climate Policy Initiative.²⁰ Investments in new, low-carbon infrastructure could reduce the costs of transitioning to a low-carbon economy for the many countries on the African continent that are still not developed and that have insufficient access to energy (565 million people in sub-Saharan Africa lack such access).²¹

In recently published country profiles of Ethiopia, Ghana, Kenya, Nigeria, Senegal, and South Africa, we build on partner research to provide an overview of near-term opportunities for climate philanthropy.²² These profiles, together with the work of many local partners (such as the African Climate Foundation), can help guide funders as they develop their engagement strategies.

Spotlight Indonesia

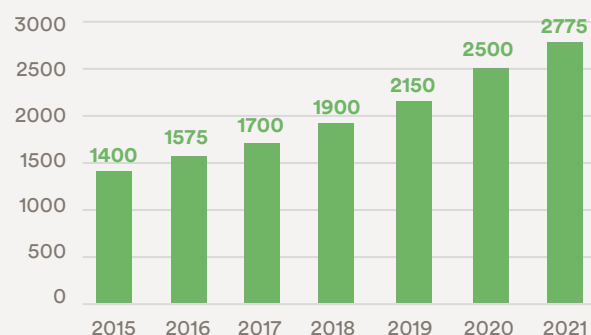
Funding to Indonesia for climate change mitigation efforts has oscillated since 2015 but is now on the upswing with an increase of 14% between 2020 and 2021. This recent increase was driven partly by new commitments to support Indonesia's net-zero transition over the longer term and to ramp up giving focused on decarbonizing sectors such as transport, buildings, and industry. The uptick in philanthropic giving is occurring against a backdrop of increased ambition from the government on net-zero emissions, including a plan to phase out coal by mid-century.

A growing community of grantees

The community of grantees working in climate change mitigation has experienced significant changes since 2015. Between 2015 and 2021, the total number of grantees funded nearly doubled from approximately 1,400 to about 2,775 (Figure 7).²³

However, grantee growth has not occurred evenly across sectors. Trends emerging between 2015 and 2021 indicate shifts in grantee focus, possibly reflecting a response to current events or evolving climate mitigation strategies (Figure 8). In 2015, the top three grantee sectors and strategies were public engagement, “challenge fossil,” and clean electricity. In 2021, the top strategy was governance, diplomacy, and legal. Between 2015 and 2021, the number of grantees receiving funding for programs in that category increased by more than 600% — growth likely driven by both grantee and foundation priorities. The next two largest grantee strategies in 2021 were “other climate change mitigation strategies” and public engagement.²⁴ This shift reflects an increased focus on efforts to support the enabling environment.

FIGURE 7. TOTAL NUMBER OF GRANTEES ACROSS THE GLOBE WORKING IN CLIMATE MITIGATION, 2015–2021



19 <https://www.cdp.net/en/research/global-reports/africa-report>

20 <https://www.climatepolicyinitiative.org/id/publication/landscape-of-climate-finance-in-africa/>











21 https://wwf.panda.org/discover/our_focus/climate_and_energy_practice/what_we_do/changing_energy_use/energy_access_africa/

22 <https://www.climateworks.org/report/africa-country-profiles-for-climate-philanthropy/>

23 The analysis of grantees is based on commitments by foundations rather than on the annualized payments used in the above sectoral and regional analysis.

24 See Table 1 in this report's annex for sector and strategy definitions.

FIGURE 8. SECTORS AND STRATEGIES WITH THE GREATEST TOTAL NUMBER OF GRANTEES WORKING IN CLIMATE CHANGE MITIGATION

2015	2021
 1. Public Engagement	 1. Governance, Diplomacy & Legal
 2. Challenge Fossil	 2. Other Climate Change Mitigation Strategies
 3. Clean Electricity	 3. Public Engagement
 4. Other Climate Change Mitigation Strategies	 4. Transportation
 5. Sustainable Finance	 5. Challenge Fossil

Expanding funding access to a wider and more diverse group of grantees can bring a wider range of perspectives to help address the challenges of climate change and to improve mitigation solutions. Broadening grantee pools could also result in better grantee–foundation alignment on funding and priority issues. Such alignment is particularly important with regard to environmental justice organizations, which are critical to addressing the serious threat climate change poses to many frontline communities.²⁵

Despite the important role grantees play in executing the groundwork for climate change mitigation, baseline data on them is inconsistently gathered and not always accessible to funders. Increased collection, standardization, and analysis of data on grantee organizations are needed to inform funding strategies and guide grantmaking. Such analysis requires a significant investment of time and human resources. ClimateWorks is committed to expanding work on the grantee community, but that work is currently limited to a preliminary analysis of grantee trends. The data presented here reflect grantees funded by the largest philanthropic foundations and, therefore, are not representative of the entire grantee community.

Philanthropic support for climate mitigation has helped grow the grantee community significantly since 2015, and the total number of individual grantees receiving funds has annually increased across all regions. Additionally, philanthropy can play a critical role in creating the enabling environment needed for transitions and transformations. Some areas for action include the following:

- **Expand grantee pool:** There is a clear need to expand the pool of grantees in the climate change mitigation space. More than 50% of the funding in Africa, Brazil, China, and Europe goes to a very small subset of grantees.
- **Support local capacity:** Local capacity growth needs to be supported to help ensure that climate solutions are community-oriented and account for local contexts. More than 50% of the top 10 grantees with work focused on Africa, Brazil, China, India, and Indonesia were internationally based.
- **Broaden mobilization base:** Funders can expand their support for areas such as grassroots organizations, movement building, business, and the mobilization of nontraditional allies. This support will help incorporate a wider range of voices and perspectives in climate change mitigation efforts.

25 <https://bea4impact.org/our-work/landscape-assessment>

The justice and equity imperative

Amid accelerating efforts to respond to the climate crisis, there is a growing recognition that climate change is an issue of equity and justice. Around the world, the negative impacts and costs of climate change are unevenly distributed.²⁶ Many of the countries and regions that are now experiencing the worst climate impacts have historically contributed the least to global greenhouse gas emissions, which have been driven largely by wealthy, industrialized nations. Within countries and municipalities, climate change also exacerbates social and economic inequalities, disproportionately affecting groups such as Indigenous people, people of color, women, and people with disabilities.²⁷ Climate change is also an issue of intergenerational justice because children and future generations are most impacted by the choices we make today.²⁸

Historically, funding for climate change mitigation has not prioritized equity and justice. Rather, funding has disproportionately gone to large, white-funded, and white-led organizations that do not center BIPOC community needs in their climate strategies — and has prioritized “Big Greens” rather than grassroots organizations that are more closely connected to frontline communities. Common philanthropic practices such as looking for “silver bullet” mitigation solutions can perpetuate existing power imbalances, exclude the voices of frontline communities, and further undermine justice and equity-focused efforts.²⁹ Additionally, institutional biases often present barriers to inclusive practices.

Despite these challenges, there have been notable signs of progress over the past year in terms of prioritizing justice and equity in climate philanthropy. In September 2021, during the lead-up to COP26, the second World Forum on Climate Justice was held in Glasgow and focused on ways to incorporate climate justice into global climate governance and the post-pandemic recovery.³⁰ In the United States, there is growing support for environmental equity-related issues, including efforts to address environmental racism and advance climate justice, according to Giving USA’s 2021 report.³¹ In February 2021, the Donors of Color Network (DOCN) launched the Climate Funders Justice Pledge, which challenges the largest climate funders in the United States to commit to greater transparency and to give at least 30 percent of their climate funding to organizations run by, serving, and building power for communities of color. Signatories have promised to improve the effectiveness of their climate efforts by incorporating the voices of those most impacted by climate change. As of August 2022, a total of 36 foundations, including ClimateWorks Foundation, have committed to all or part of the DOCN pledge.³²

A growing number of resources is aimed at climate funders looking to integrate climate justice into their philanthropic practices. In May 2022, Candid and Ariadne released a field guide outlining insights and presenting case studies from funders that are adopting a climate justice lens for their grantmaking portfolios.³³ Similar resources can help funders incorporate justice and equity principles as they develop or expand their climate funding strategies.

26 <https://www.nature.com/articles/nclimate2529>

27 <https://climate.mit.edu/explainers/climate-justice>, <https://www.carbonbrief.org/in-depth-qa-what-is-climate-justice/>

28 <https://www.nrdc.org/experts/christina-swanson/ipcc-report-climate-change-generational-justice-issue>

29 <https://learningforfunders.candid.org/content/guides/centering-equity-and-justice-in-climate-philanthropy/>

30 <https://climatejusticeforum.org/>

31 Giving USA: The Annual Report on Philanthropy for the Year 2021–2022

32 <https://www.climate.donorsofcolor.org/whos-pledged>

33 <https://learningforfunders.candid.org/content/guides/centering-equity-and-justice-in-climate-philanthropy/>

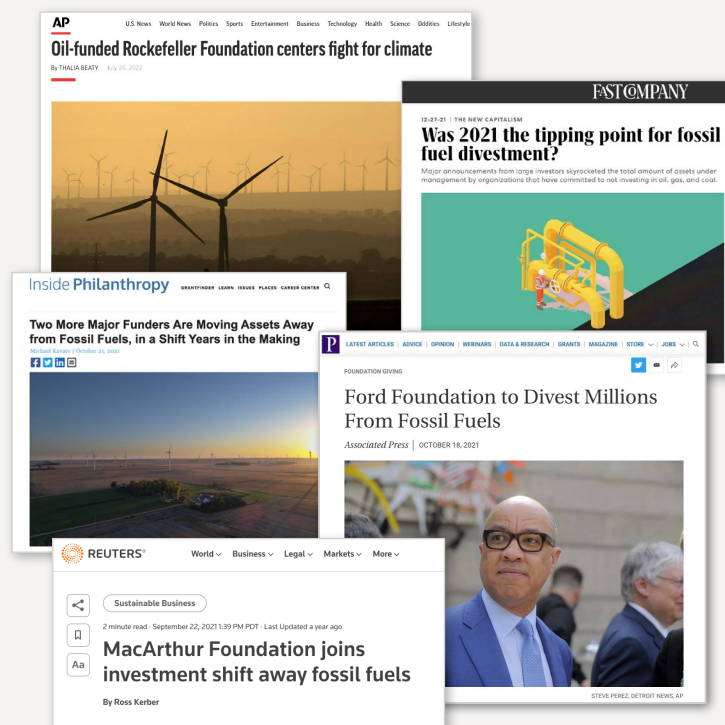
New strategies, shifting approaches, and increased collaboration

The growth of climate philanthropy in recent years extends beyond increases in total funding dollars and commitments — it also involves the continued emergence of shifting approaches, strategies, and types of collaborations.

One recent trend is fossil fuel divestment. In December 2020, for example, the Rockefeller Foundation announced in its plans to divest its \$5 billion endowment from fossil fuels.³⁴ Similarly, leading up to COP26 in November 2021, the Ford and MacArthur foundations announced plans to shift their investments away from fossil fuels.³⁵ A 2021 report by the Global Fossil Fuel Divestment Commitments Database seems to confirm the divestment trend, finding that, in 2014, just 17 foundations had publicly committed to some form of divestment from fossil fuels but that, globally, more than 190 foundations and family funds with more than \$125 billion in combined assets have now done so.³⁶ However, this figure represents a remarkably small number of foundations worldwide, considering there are 240,000 foundations in the United States alone. Nonetheless, divestment efforts by foundations — combined with increased funding to accelerate the global shift away from fossil fuels and to counter fossil fuel lobbying — can help contribute to the global transition to clean energy.

Another trend in climate philanthropy is an increased acknowledgment of the interconnectedness of climate and a wide range of societal issues. As the climate crisis intensifies, it will increasingly have implications for public health, food security, biodiversity, economic equity, and racial and social justice. These intersections call for innovative approaches and solutions from the philanthropic sector, including funders new to climate but with expertise on issues that may have been traditionally underemphasized in that space. Meanwhile, experienced climate funders can deepen their commitments by exploring solutions to interconnected issues and by making climate a central component of their work. As an example, the Rockefeller Foundation announced in July 2022 a commitment to prioritize climate across its programmatic, operational, and investment strategies.³⁷

Addressing the climate crisis is an enormous undertaking, and various analyses project the need for investments in the range of \$4 trillion to \$9 trillion per year to support a global green transition.³⁸ No single funder will have the capacity or solutions to address this existential crisis. However, philanthropic resources can play a critical role in catalyzing both public and private finance to unlock the trillions of dollars that are needed.



In 2021, foundations made headlines for their announcements to divest from fossil fuels.

34 <https://www.rockefellerfoundation.org/news/the-rockefeller-foundation-commits-to-divesting-from-fossil-fuels/>

35 <https://apnews.com/article/climate-science-business-environment-and-nature-philanthropy-83a2713d184ce0a983f4f1eb89f088f8>

36 <https://divestmentdatabase.org/report-invest-divest-2021/>

37 <https://apnews.com/article/united-states-philanthropy-rockefeller-foundation-climate-and-environment-6c60f2cf9fb8043c9a4095853175dc84>

38 <https://www.iea.org/reports/net-zero-by-2050>; <https://www.wri.org/research/state-climate-action-2021>; <https://www.mckinsey.com/capabilities/sustainability/our-insights/the-net-zero-transition-what-it-would-cost-what-it-could-bring>

Already, different forms of large-scale collaboration are emerging, and over the past year, the philanthropy sector has engaged in major new partnerships with the private sector and with governments to address the climate crisis. For example, in September 2021, the Climate Innovation Fund was launched to advance clean energy solutions in South and Southeast Asia; initial philanthropic funding, managed by the Asian Development Bank (ADB), comes from Bloomberg Philanthropies and Goldman Sachs.³⁹ Meanwhile, at COP26, the Global Energy Alliance for People and the Planet (GEAPP), which brings together philanthropies and multilateral and development finance institutions, was launched to unlock \$100 billion in public and private capital over the next decade.⁴⁰ And in April 2022, the Global Methane Hub was launched to assist countries working to slash methane emissions. Established with \$340 million of philanthropic funding, the initiative will help implement the Global Methane Pledge, which was launched at COP26 by the United States and the European Union and which has been signed by more than 100 countries.⁴¹

Philanthropy has a unique capacity to react quickly and the flexibility to change or stay the course when needed. To increase impact, philanthropy needs to work more collaboratively and efficiently. By taking interdisciplinary approaches, foundations can keep working across many social and humanitarian issues while also acting on climate change.



U.S. Special Presidential Envoy for Climate John Kerry walks on stage at the Global Methane Pledge event during the UN Climate Change Conference (COP26) in Glasgow, Scotland, United Kingdom. (Reuters/Kevin Lamarque)

39 <https://www.goldmansachs.com/media-relations/press-releases/2021/climate-innovation-fund-launch-25million-funding.html>

40 <https://www.energyalliance.org/news-insights/historic-alliance-launches-at-cop26-to-accelerate-a-transition-to-renewable-energy-access-to-energy-for-all-and-jobs/>

41 <https://climatechangenews.com/2022/04/05/global-hub-launched-to-help-countries-slash-methane-emissions/>

Conclusion

On many levels, it has been a harrowing year for the planet. From severe droughts to destructive floods and deadly heat waves, the evidence is clear that the climate crisis is already here. With climate impacts reaching uncharted territory, every effort to reduce temperature increase by even one-tenth of a degree is vital to achieving 1.5° C-degree targets. The Intergovernmental Panel on Climate Change (IPCC) has called for the immediate and rapid large-scale reduction of emissions to avoid further escalation of extreme climate events.⁴² Given the stakes, it can be daunting to consider the scale of resources required to address the climate challenge and enable the sectoral transformations needed to avert the worst consequences.

Nonetheless, there has been significant momentum over the past year for philanthropic efforts to respond to the climate crisis. In 2021 alone, philanthropic giving to climate change mitigation increased by 25% over the previous year, a record-breaking year for growth. Philanthropy is on the move, and funders are making bigger and bolder pledges and commitments to climate change efforts. With their growing awareness of how climate change mitigation intersects with equity and justice, funders are implementing an increasingly diverse range of approaches and strategies, including fossil fuel divestment, collaboration with the private and government sectors, and implementation of solutions that simultaneously address multiple societal issues. They should continue to accelerate their efforts to form strategic partnerships with frontline communities.

The compelling momentum seen in 2021 comes at a decisive moment for the planet. The actions taken, solutions supported, and financial resources mobilized in the coming years will have enormous implications for future generations and the possibility of securing a more just and sustainable future. Given the urgency of the challenge and the historical dearth of funding, many areas of climate change mitigation are significantly under-resourced. Now is the time for funders big and small to step up their climate efforts — and to partner with a wider range of communities, movements, and organizations — to help implement climate solutions and to help ensure that humanity not only survives but thrives.

For funders new to climate change mitigation, there are numerous entry points and a broad network of organizations to help them move quickly, work collaboratively, and stay informed. For example, the Climate Leadership Initiative is a unique organization fully funded by philanthropy to help high-net-worth families globally entering this space. Active Philanthropy and the India Climate Collaborative are both similar organizations working with funders in Europe and India, respectively.

For our part, ClimateWorks continues to amplify the power of philanthropy to end the climate crisis by providing world-class climate and philanthropic insights, collaborative venues, and investible programs operating at scale, which together help funders to be better informed, more connected, and nimbler to deliver increased impact.

Contact us to learn more about key trends in climate change mitigation funding or to start building your funding strategy.

⁴² <https://www.ipcc.ch/report/ar6/wg1/#InteractiveAtlas>

Annex 1: Methodology and notes

To help the philanthropic community effectively combat the climate crisis, ClimateWorks Global Intelligence tracks worldwide philanthropic giving for climate change mitigation, allowing funders to understand funding flows, gaps, and opportunities. This tracking reflects funding data from foundations with major climate programs, publicly available data on official development assistance flows, and, more recently, data on donations from individuals to climate-relevant causes.

Foundation data

Data on foundation giving for climate change mitigation is based on a combination of proprietary data collected from approximately 70 major climate foundations in real time, supplemented with data collected from dozens of other institutions when publicly available rather than when funding commitments are made.

In addition to information obtained through direct partnerships, we also use publicly available data from foundation websites and tax disclosure forms and data collected by partners such as Candid, the European Foundation Centre, and the Organisation for Economic Co-operation and Development's Philanthropy Center. Significant measures are taken to avoid double-counting. Data reflect annual payments whenever known; when grant duration is unavailable, it is assumed to be one year, and the full commitment amount is shown in the first year.

By contrast, analysis of the grantee community is based on commitment, whereby all grant funding is accounted for in the year the commitment was made. This data analysis is only possible when information on grantees is available.

Major pledges are included in the funding data only after funding begins flowing to the field, not when it was committed. For instance, if a \$50 million gift is deployed over the course of 10 years, we would consider the gift to be \$5 million annually, rather than \$50 million in the first year.

Numbers are revised annually and might vary between editions of this report. Data included in this report were last updated in September 2022.

Individual giving data

Numbers on individual giving for climate change mitigation are estimates from 2018 to 2021 based on market-sizing research by Barton Consulting and Wealth-X. This research provided a midpoint estimate for individual giving to climate change mitigation of roughly \$7.5 billion in 2021, compared with \$7 billion in 2020. As is standard practice, the principal market-sizing estimate does not include large-scale gifts, which Barton Consulting and Wealth-X estimate to total from \$500 million to \$2 billion in 2021, compared with \$150 million to \$1.2 billion in 2020. ClimateWorks Foundation and the Rhodium Group conducted additional validation to construct uncertainty parameters around these estimates to arrive at a total estimate of individual giving to climate change mitigation, including large-scale gifts, of \$4.5 billion to \$9.5 billion in 2021. As in 2019 and 2020, the share of funding provided by individuals to climate mitigation remains significantly less than 2% of the \$520 billion that Barton Consulting and Wealth-X estimate was gifted by individuals in 2021.

Other public and private funding sources

The landscape of philanthropic giving is complex and growing. Globally, experts estimate that philanthropic giving topped \$810 billion in 2021.⁴³ According to Giving USA, in the United States alone, individuals, foundations, and corporations gave nearly \$485 billion — a 4% increase in current dollars compared with 2020.⁴⁴ More than 50% of this philanthropic funding goes to the three sectors of religion, education, and human services.

⁴³ Barton Consulting and Wealth-X (July 2022)

⁴⁴ Giving USA: The Annual Report on Philanthropy for the Year 2021 (2022)

Table 1. Sector and strategy definitions

















Name	Description
 Buildings	Work to decarbonize the buildings sector includes electrification, efficiency, and reduction of embodied emissions.
 Carbon Dioxide Removal (CDR)	In addition to slashing greenhouse gas emissions, carbon dioxide (CO ₂) needs to be removed from the atmosphere in order to meet the goals of the Paris Agreement. Work under this sector encompasses the variety of strategies targeting the removal of CO ₂ from the air, including land-based CDR, on-farm CDR, combined CDR, technological CDR, and ocean-based CDR, as well as comprehensive strategies and other carbon removal strategies and innovations.
 Challenge Fossil	Work targets upstream supply of oil, gas, and coal as well as efforts to fight the use of coal-fired power. Efforts to reduce the use of fossil fuels in specific sectors, such as industry or transport, are included in those sectors.
 Cities	Work to decarbonize cities includes development of city-based leadership on climate, clean urban mobility, green urban planning, and related city-based strategies.
 Clean Electricity	Work includes efforts to advance clean electricity, such as development and deployment of renewable energy, utility model reform, grid efficiency, energy access, and integration of renewables onto the grid.
 Cooling	Work includes support of increasingly energy-efficient and climate-friendly cooling.
 Core & Capacity-Building	This work reflects core support that is not otherwise related to a specific sector. Core support to an organization, such as a clean transport nonprofit, would be shown as accruing to the relevant sector (in this example, transport). Core support to an organization working across a range of climate-relevant topics and sectors is shown in this core sector.
 Food & Agriculture	Work to decarbonize the food system and agricultural sector includes increasing efficiency in the system, supporting alternative production models, shifting consumption patterns, supporting deforestation-free commodities, and accelerating support for a just rural transition.
 Forests	Work includes efforts to prevent deforestation and protect climate-relevant non-agricultural landscapes. Afforestation or reforestation efforts, which ClimateWorks considers land-based carbon removal, can be found in the CDR sector. Work on agricultural landscapes and on forest-related commodities can be found in the Food & Agriculture sector.
 Governance, Diplomacy & Legal	General governance and policy work includes broad efforts to support development and implementation of a country's Nationally Determined Contribution to the Paris Agreement, diplomacy work includes work with Track II dialogues or with the United Nations, and legal work includes litigation-based climate initiatives.
 Industry	Work includes efforts to decarbonize the material economy (for example, mining, manufacturing, construction, and waste processing) through electrification where possible, promotion of the circular economy and material efficiency, deployment of industry-specific carbon capture and storage, and innovation in industrial business models and the policy environment.
 Public Engagement	Work includes public will-building, mobilization, and engagement efforts. Specifically, it includes strategic communications, grassroots and nontraditional ally mobilization, business engagement, and other public engagement efforts.
 Super Pollutants	Work targets super pollutants, including methane, hydrofluorocarbons (F-gases), black carbon, and ground-level ozone. Its scope includes methane leakage and venting from oil and gas operations, implementation of the Kigali Amendment on F-gases, and particulate emissions from off-road diesels, brick kilns, and other sources.
 Sustainable Finance	Work to align finance with international climate goals and to accelerate the inevitable low-carbon transition ranges widely. It includes influencing activities in the capital markets, including climate disclosure and analysis, investment alignment, and corporate and policy engagement; governance of the financial system, including supervision, regulation, legislation, and monetary policy; fiscal policy, including development of public financial institutions, subsidies, procurement, and emissions pricing; development of markets for low-carbon investments, including mission investment and program-related investment; and macroeconomic and trade-related strategies.
 Transportation	Work to decarbonize the transportation sector includes electrification of light-duty and freight vehicles, aviation, and maritime shipping as well as promotion of zero-emission modes of transport. Urban mobility work, including micro-mobility work, can be found in the Cities sector.
 Other Climate Change Mitigation Strategies	This work spans multiple sectors or receives funding insufficient to be broken out by sector. Strategies target air quality, equity and justice, general climate research, health, innovation, a just transition, the new economy, and sustainable behavior and lifestyles.

Table 2. Region definitions

Name	Description
Africa	<p>This region includes all sub-regions within Africa.</p> <p>Countries: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Republic of the Congo, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Western Sahara, Zambia, and Zimbabwe</p>
Brazil	Brazil
China	China
Europe	<p>This region includes all of Europe, both EU and non-EU countries.</p> <p>Countries: Albania, Andorra, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Greenland, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Monaco, Montenegro, Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, and Vatican</p>
India	India
Indonesia	Indonesia
Latin America	<p>This region includes the Caribbean, Mexico, and Central and South America, excluding Brazil, which, due to historical funding patterns and emissions levels, is broken out as a standalone region in the data.</p> <p>Countries: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, and Venezuela</p>
Middle East & Central Asia	<p>This region includes Russia and countries in the Middle East and Central Asia.</p> <p>Countries: Armenia, Azerbaijan, Bahrain, Georgia, Iraq, Iran, Israel, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Mongolia, Oman, Palestine, Qatar, Russian Federation, Saudi Arabia, Syrian Arab Republic, Tajikistan, Turkmenistan, United Arab Emirates, Uzbekistan, and Yemen</p>
Other Asia & Oceania	<p>This region includes countries in Asia and Oceania other than China, India, and Indonesia, which, due to historical funding patterns and emissions levels, are broken out as standalone regions in the data.</p> <p>Countries: Afghanistan, Australia, Bangladesh, Brunei Darussalam, Bhutan, Cambodia, Democratic People's Republic of Korea, Federated States of Micronesia, Fiji, Japan, Kiribati, Lao Peoples Democratic Republic, Maldives, Marshall Islands, Myanmar, Malaysia, Nauru, Nepal, New Zealand, Palau, Papua New Guinea, Pakistan, Philippines, Samoa, Singapore, Solomon Islands, South Korea, Sri Lanka, Thailand, Timor Leste, Tokelau, Tonga, Tuvalu, Vanuatu, and Vietnam</p>
U.S. & Canada	This region includes the United States and Canada.
Global	This region represents funding with a global or transnational focus, work occurring in countries included in multiple regions, or both.
Other/Unknown	This region represents funding for which the region is unknown.

Annex 2: A sample list of climate pledges announced in 2021

Name	Funding type	Amount (USD)	Description
Waverley Street	Foundation	\$3.5 billion	Commitment to environmental causes over a decade
The U.K., Norway, Germany, the U.S., and the Netherlands, in partnership with 17 foundations	Multiple	\$1.7 billion	Indigenous peoples and local communities (IPLC) Pledge: Commitment over five years to support Indigenous Peoples and local communities to protect the biodiverse tropical forests that are vital to protecting the planet from climate change, and biodiversity loss
Bloomberg Philanthropies	Foundation	\$25 million	Accelerate satellite and airborne methane sensing technologies
Bloomberg Philanthropies/ Goldman Sachs	Multiple	\$25 million	Advance clean energy solutions in South and Southeast Asia
Bloomberg Philanthropies/ International Solar Alliance	Multiple		Partnership with International Solar Alliance (ISA) to mobilize \$1 trillion in global investments for solar energy across ISA's member countries
Rockefeller Foundation/ IKEA Foundation/ Bezos Earth Fund	Foundation	\$1.5 billion	Global Energy Alliance for People and Planet: Foundations each committed \$500 million to a \$10.5 billion fund that will help emerging economies move from fossil fuels to clean energy
Mark and Lynne Benioff	Individual	\$200 million	Commitment to planting trees and backing ecological entrepreneurs to combat the climate crisis
Chan Zuckerberg Initiative	Foundation	\$33 million	Support to carbon dioxide and past emissions removal and decarbonization of heavy industries
Mike and Annie Cannon-Brookes	Individual	~\$1.13 billion	1.5 billion Australian dollars committed to investments in green technology and grants to organizations working on the climate crisis by 2030
The Gates Foundation	Foundation	\$315 million	Commitment over the next three years to help the roughly 500 million small-scale farmers and livestock managers in low-income countries hit hard by climate change
Alliance of more than 20 funders	Foundation	\$328 million	Methane Reduction Pledge: Commitment over three years to support the 75+ countries that signed the Global Methane Pledge
Bezos Earth Fund	Foundation	\$2 billion	Additional commitment from previously announced \$10 billion Bezos Earth Fund to support landscape restoration and food systems transformation
Nine organizations	Multiple	\$5 billion	Protecting Our Planet Challenge: Pledge over the next 10 years to support the global effort to conserve 30% of the world's land and waters by 2030, possibly the largest private funding commitment for biodiversity to date
Multiple foundations	Foundation	\$3 million	Contribution in start-up assistance for prospective Glasgow Loss & Damage Facility to support vulnerable countries suffering from climate change

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