

THE WINNING ESSAY

The key is coal

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When we feel hot indoors, the first thing most of us do is open a window or turn down the thermostat. We do not look for new technologies to regulate indoor climate, or seek to change our countries' policies.



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The prize money will be donated to further the Growald Family Fund's efforts to fight coal.

Yet the mind-numbing complexity of climate change has caused many philanthropists to overlook one compelling fact: burning coal contributes about 40 per cent of the total CO₂ released into the earth's atmosphere every year, or 8 of every 20 pounds of carbon released. And if we want to turn down the earth's thermostat most immediately, the first step is to stop construction of new coal-fired power plants and ultimately phase out the most polluting old ones as well.

At present, however, in the United States only 5 per cent – one of every 20 philanthropic dollars invested in stemming climate change – is directed at this most carbon-intensive of fuel sources.

So if we had \$10 million to spend to combat global warming, we would invest it to slow, and eventually stop, emissions from coal.

It is critical to focus on this in the next three to five years because each new plant that gets built today will continue operating for another half century or more, thus locking in 50 years of CO₂ emissions. Compared to other strategies that address climate, the impact of coal is staggering.¹ California recently passed legislation to cut carbon dioxide in new cars by 25 per cent. Even if every new car in the state this year met the new standard, the carbon dioxide emissions from only one medium-sized coal-fired power plant would negate this effort in just eight months of operation.

We would invest in fighting coal because:

- ▶ Results are clear and measurable. Non-profit advocates have achieved astounding success while subsisting on limited resources, having stopped over 100 of 160 proposed new coal plants in the US, and thereby prevented emissions of 408 million tons of CO₂ annually.²
- ▶ Results are rapid. A proposed new power plant can be stopped in a matter of years, not decades, when it is rejected by regulators or dropped by



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Power plant at Datteln, Germany, on the Dortmund-Ems Canal.

its owner. In comparison, changes in consumer behaviour or improvements in technology can take decades to achieve and are often hard to measure.

- ▶ We know this strategy works. At the Growald Family Fund, we have focused our philanthropy on coal over the last three years, with impressive results. However, we have found that the need far outweighs the resources we are able to provide. There is a compelling opportunity to scale our impact and achieve significant CO₂ reductions.

Our vision is to help combat climate change and contribute to meeting the goal of reducing global warming emissions by 20 per cent by 2020. To accomplish these ambitious goals, we would allocate the \$10 million to:

- ▶ selecting and investing in a portfolio of high-impact organizations working on the issues of climate change, and particularly the lifecycle of coal;
- ▶ leveraging our investments to exponentially increase their impact through capacity building, research, networking and additional fundraising; and ▶

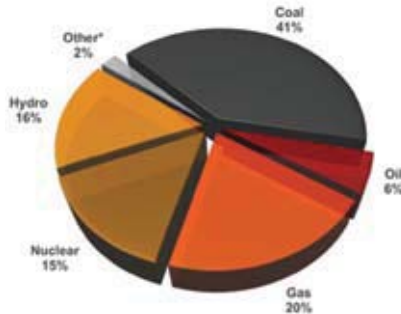
- ▶ providing a clear measurement framework for the outcomes of both the organization's work and our own choices.

Obstacles:

- ▶ The power of the coal industry. Coal is a known technology with momentum and money on its side. Last year the coal industry spent \$45 million on clean coal messaging in the US alone, and political ties run deep.
- ▶ Philanthropic response is not commensurate to the scale of the problem. Although we know that coal is 40 per cent of the problem, it receives only 5 per cent of climate-related philanthropic dollars being allocated towards climate change solutions.

Total world electricity generation by fuel (2006).

Source IEA, 2008.



To overcome these obstacles, we will focus on the following key areas of work:

▶ Stop new coal

- The rush to build new coal plants will lock us in to 50 or more years of emissions and take scarce investment funds away from clean energy opportunities. We will focus on stopping the remaining US proposed plants and steering multilateral institution funding away from coal and towards clean energy development.

▶ Retire existing coal-fired electric generating plants

- In order to meet emissions reductions, existing coal plants must be cleaned up or retired. Given the investment needed to clean up existing plants, many should instead be closed.

▶ Address the coal lifecycle

The full cost of coal to society is not reflected in coal's cost on the market place. In order to level the playing field, the full cost of coal should be internalized, including:

- Mining. Mining has devastating ecological and health impacts and is also a valuable strategy for raising awareness of the true costs of coal. The focus will be on stopping mining in valuable ecosystems and blocking infrastructure development.

ORGANIZING AN ESSAY PRIZE ON CLIMATE CHANGE PHILANTHROPY – SOME REFLECTIONS JON CRACKNELL



The Environmental Funders Network has found it very rewarding to work with *Alliance* on this first essay prize, focused on climate change philanthropy. Given the impact that climate change is likely to have on causes that are dear to many philanthropists (public health, global poverty, security, migration, human rights, and the prospects of future generations), it is disturbing to find that less than 1 per cent of trust and foundation grants are directed towards climate change mitigation in major philanthropy marketplaces such as the US and UK. One of the reasons why trusts are reluctant to engage with climate change is that the issue seems so multi-faceted and daunting that it is difficult to know where to begin. Our hope in organizing the essay prize is that we might help funders think through some of the different ways that they could make a contribution.

The essays that we received were certainly diverse in terms of the range of ideas put forward and the geographical spread of the projects that were

proposed. The winning essay (published here) and the runners-up, which are posted on the *Alliance* website, give a sense of the diversity of suggestions. We succeeded in drawing in contributions from both philanthropists and non-philanthropists, and this is something that it seems important to maintain in future years – more dialogue between grantmakers and non-funders on questions of effectiveness is something that would benefit the philanthropy sector overall.

We consciously selected a four-strong judging panel from different regions of the world, looking to blend grantmaking experience with experience of hands-on work on climate change in civil society organizations. While our four judges were fairly consistent in their views on the essays, there were inevitably some differences in opinion. The winning entry, however, was considered to be a good, well-argued essay by all the judges.

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– Ash/waste removal. Another impact of coal is the waste, which is extremely toxic to ecosystem and human health, yet lightly regulated.

▶ **Develop an international ‘COALition’** to support wide-ranging efforts to stop coal development. While initial efforts have focused on the US, it is imperative that we coordinate them internationally to move the globe away from coal and towards sustainable solutions. This will need to include work with poverty and economic development advocates.

Expected impact

- ▶ It will help the environmental non-profit community have a significant impact on combating climate change, specifically reducing or avoiding emissions from coal.
- Benchmarks include tons of CO₂ avoided or reduced, number of new plants stopped, number of existing plants retired, shifts in public opinion about coal, reduction of financing of coal.
- ▶ It will help strengthen today’s most critical climate organizations, while laying the groundwork to create tomorrow’s climate leaders.
- Benchmarks include amount of additional philanthropic investment and organizational growth.

Conclusion

While it is easy to feel overwhelmed by the challenge of climate change or tempted by the lure of new technologies and complex policy fixes, it is important to remember that one of the most powerful parts of the problem is also one of the most powerful parts of the solution. In order to make a significant impact on climate, we must stop coal. @

A protest against the coal-burning Brayton power station, Somerset, Massachusetts, March 2009.



THE RUNNERS-UP

Rebecca Adamson and Scott Klinger First Peoples Worldwide

Stewart Allen Postgraduate student

Dean Karlan and Tim Ogden Yale University and Philanthropy Action

Juraj Mesik Society for Sustainable Living

Rachael Young Mertz Gilmore Foundation

The winning essay and the five runners-up are all published at www.alliancemagazine.org

ALLIANCE AND THE ENVIRONMENTAL FUNDERS NETWORK WOULD LIKE TO THANK THE FOUR ESSAY PRIZE JUDGES:

Athena Ballesteros Manager of International Financial Flows and the Environment, World Resources Institute

Martin Rocholl Policy Director and Program Director, Transport, European Climate Foundation

Girish Sant Trustee, Prayas; Coordinator, Prayas Energy Group

Sandra Smithey Program Officer for the Environment, C S Mott Foundation

- 1 Architecture 2030.
- 2 The Sierra Club Foundation Beyond Coal Campaign.

CAVEAT FROM GIRISH SANT

Girish Sant, who ranked the entry by Messing et al as the winner, had the following caveat:

“The essay is well articulated and well thought out, but this concept should not be applied to developing countries. Despite the externalities of coal, it is still a low-cost source of energy in many parts of world. I would consider it as a viable solution only in the context of the US and other Annex-I countries (countries that are rich and/or above the world average in emissions per capita). The rich world would be more than happy to ban new coal plants in low-income countries while they continue to burn excessive coal.”

To highlight Girish’s point, please see the graph below showing the discrepancy between European and US carbon emissions compared to those of India and China.

