THE TASK FORCE ON PHILANTHROPIC INNOVATION IN PARIS AGREEMENT IMPLEMENTATION

SEPTEMBER, 2019

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Foreword

We are in a climate emergency. Rising global temperatures are already massively impacting our climate and earth systems, leading to unprecedented heat waves, storms, droughts, and more. Burgeoning protests demanding radical change show that people increasingly understand the urgent need for a much faster transition to a net zero economy. Yet action is failing to reflect the changing debate or the scientific imperative, and new policies and measures to accelerate this transition are meeting opposition.

The 2015 Paris Agreement signalled the world's commitment to addressing the challenge and offered a framework for moving from incremental to transformational change. This requires truly collective action across societies – governments, businesses and citizens themselves can and must deliver. Philanthropy plays a particular and central role: it has the ability to mobilise citizens and encourage progressive actors, and flexible resources that can be deployed quickly and can help leverage and steer much greater amounts of public and private finance towards innovative and climate-friendly investments. There is huge opportunity for engagement and impact by aligning the roles and resources of government and philanthropy, which was recognized by French President Emmanuel Macron when he launched the Task Force on Philanthropic Innovation at the One Planet Summit in 2017.

Over a period of 18 months, the Task Force and its government and philanthropy partners came together to demonstrate our collective commitment to greater coordination and leveraging of efforts and financing in the fight against climate change, and has produced a new set of partnerships.

A significant coalition of governments and philanthropies, committed to helping the energy transition in Southeast Asia, is gaining momentum and building operations. The design of the Climate Finance Partnership sends a signal to the market as the world's largest asset manager, BlackRock, joins forces with government and philanthropies to co-develop a blended finance instrument focused on climate-friendly infrastructure. Concerted efforts of Task Force members to tackle air pollution catalysed the French Development Agency to create an air quality strategy and helped kickstart a range of projects in Europe and beyond. All these collaborations moved forward under the auspices of the Task Force on Philanthropic Innovation. We have achieved a lot in a short amount of time.

This report provides the rationale for partnership between government and philanthropy, and looks closely at the experience of the Task Force to extract key lessons to inform future collaborations. The partnerships we launched will carry on, and further collaboration between government and philanthropy is required. I hope this report serves as a useful resource for those committed to harnessing the power of collaboration to address the climate challenge.

Professor Laurence Tubiana
CEO, European Climate Foundation

Executive Summary

Climate change is an existential challenge that requires multilateral attention. The 2015 Paris Agreement on climate change represents a hugely important milestone in the world's commitment to collective action on climate, and provides a guiding framework for the transition to a net-zero world. Achieving the objectives set out in the Agreement necessitates broad support from government at all levels, philanthropy, private investors and companies, non-governmental organisations (NGOs), and citizens.

Recognising the roles that governments and philanthropy play, French President Emmanuel Macron launched the Task Force on Philanthropic Innovation at the One Planet Summit in 2017. Over 18 months, a group of 16 philanthropies and four governments worked together to achieve outcomes across a range of issues. The Task Force was also set up to explore how philanthropy and government can best work together by leveraging their comparative advantages with respect to deploying different tools (e.g., technical assistance, grants, long-tenor low-interest-rate loans, civil society mobilisation, etc.). This report aims to demonstrate the power of partnership in implementing the Paris Agreement and, provides reflections on and lessons learned from the Task Force experience.

1. Rationale for Government-Philanthropy Partnerships

Implementing the true spirit and law of the Paris Agreement is no small task – in fact, meeting the Paris Agreement goals requires a radical transformation of our economies – our energy systems, our agriculture systems, our means of transportation, and more. The IPCC 1.5 Report told us we have an extremely limited window of time, and the decisions we make in the next decade will be do-or-die. We are now in a phase where our thinking has to go from incremental to transformational. This leap is not easy. It involves marrying technical solutions with changes in public perception and politics, from the local level up through the global. Making this shift requires a collective effort and alliances between different actors. We need to support the networks of organisations, institutions, and individuals who are making the case for such transformation, as well as open the political space for governments to embark upon this transformational trajectory. An alliance between philanthropy, government, and the private sector can be a joint effort to support a common vision of transformative change across different geographic, economic and political contexts.

Such a society-wide and global mobilisation is no small feat. Challenges range from inertia and incumbency, to recent trends toward isolationism and nationalism, to organisational tendencies to focus quite narrowly. Fostering integrated, coherent climate action is critical. This paper will focus primarily on the crucial roles that government and philanthropy can play in leading the global effort to avert dangerous climate change (see Annex 1 for a Primer on Philanthropy), though of course all stakeholders will need to be involved.

In the last several decades, government and philanthropic support for climate action has often been through incremental interventions (e.g., building on and improving conventional approaches to climate risk reduction and management, increasing renewable energy penetration). While these steps have been essential, the scale and scope of the climate crisis necessitates transformational change. We must take a broader and more systemic look at the root causes of vulnerability, while also remodelling entire systems of energy, transportation, and other infrastructure – all the while bringing citizens alongside. Transformation of the global economy is necessary to meet the Paris Agreement goals.

The public and philanthropic sectors both have critical roles to play. The public sector has a responsibility to mobilise Paris Agreement-aligned finance and to exhibit sufficient political will and commitment to implementing the Paris Agreement. This will in turn send a signal to the

private sector, as well as the philanthropic community, to ensure that multiples more climate finance is effectively leveraged and deployed. Governments have key strengths: political insight and access, ability to mobilise public finance at scale, and relationships with recipient governments, to name a few. Similarly, philanthropy has its own comparative advantages: flexible resources that can be deployed quickly, the ability to mobilise citizens and encourage progressive actors, and the provision of support for policy dialogue beyond government.

Ultimately, government and philanthropy each have their own objectives, relationships, sets of tools, and ways of working. These differences make them ideal candidates for promising partnerships. The differences between the two should be understood, embraced, and taken into account as partnerships are being constructed. Although neither philanthropy nor government are homogenous categories, the following table presents an overview of their general world views and realities.

Philanthropy and Government: Different World Views and Realities[1]

	Philanthropy	Government
Decision-making time horizon	We have a high degree of flexibility regarding the timing of our funding decisions.	We have to work within our budget cycles and often lengthy approval processes.
Funding time horizon	We can make long-term commitments to certain sectors, geographies, or issues, but tend to rely on shorter-term grants and other instruments to provide support.	We are often constrained by election terms for some instruments, but can also offer longer-term loans.
Scale	Our resources are modest but we use them catalytically.	We have significantly more resources at our disposal than most.
Funding priorities	We can be selective about how to focus our support.	We have minimal flexibility in terms of how we focus our support.
Funding recipients	We primarily target civil society, academia, media, and the private sector.	We work directly with governments or via intermediaries/implementing entities.
Instruments	We rely primarily on grants but are increasingly using low-interest-rate, long-tenor loans and other instruments.	Our bilateral agencies usually provide grants while our development finance institutions deploy loans, and we use multilateral channels to support other instruments.
Accountability	Our independence is valuable.	We are accountable to the public.
Perception of the other	Government is sometimes perceived as too cumbersome or slow, and geopolitically influenced in its Overseas Development Assistance (ODA) approach.	Philanthropy often lacks relevant technical expertise and should focus on filling in the gap left by government.
Role of collaboration/ partnership	We tend to work alone, but occasionally collaborate with other philanthropic entities that share similar objectives, sometimes pooling our resources together to achieve greater impact.	Our bilateral aid agencies and development finance institutions work directly with recipient country governments and institutions, and we often collaborate with other donor governments on certain initiatives or pool resources via the multilateral development banks or other funds.

1 Adapted from Mackinnon and Gibson (2010) and Ferris and Williams (2012). See References for full citations.

There are several reasons to spark deeper relations, discussion, and collaboration between philanthropy and government. The benefits of collaboration include, for example:

- Better alignment of objectives;
- Knowledge sharing and changing perception of risks and opportunities;
- Optimisation of existing funding; and
- Pooling or aligning of resources to unlock private investment.

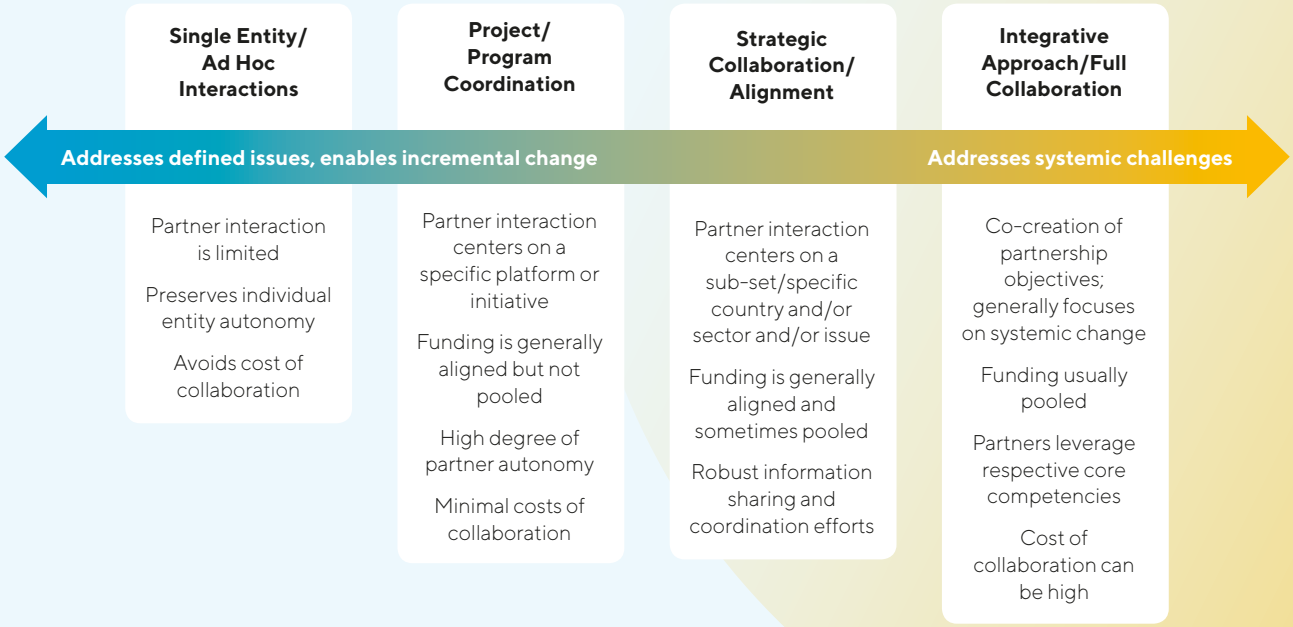
2. Climate Finance: Paris Agreement Framing and Current State

Finance is critical to addressing climate change adaptation and mitigation needs. The Paris Agreement's Article 2.1c — "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development" — expands the historical focus on "Clean" finance flows to include "Dirty" finance flows (e.g., investments in emissions-intensive activities, including finance for new fossil fuel plants, particularly coal; investments in oil and gas production, subsidies for fossil fuels, and investments in maladaptive infrastructure that reduce resilience),[2] capital stock, and domestic and international finance. This paradigm shift reflects the broader recognition that the climate challenge requires more than incremental change — it requires radical, transformational change. This necessitates strong collaborative effort.

3. Modalities of Partnerships

There are a number of ways in which collaborations can be structured. The figure below highlights the broad categories along the spectrum, moving from primarily single-party interventions with limited and ad hoc collaboration to an integrative approach or full collaboration model.

Spectrum of Collaboration[3]



2 Kessler *et al.* (2018).
3 Adapted from KPMG International (2016).

Generally speaking, some of the key differentiating factors and variables to consider when structuring collaborations include:

- Funding autonomy;
- Scope and scale of partnership focus; and
- Transaction costs of collaboration.

Tools to deploy

Collaborations, depending on the scope, intensity, and the government entities and philanthropies involved, can utilise a range of tools to support climate projects and programs. These tools can be described along two levels: the financial instruments deployed, and the use or focus of the financing. The originator or channel to deploy the climate support also varies. The below figure outlines these variables.

Overview of Climate Tools and Originators/Channels[4]

	Project Preparation/Readiness	Early-stage Investment	Later-stage Investment
Financial Instruments	• Grants • Concessional loans (including policy loans)	• Grants • Concessional loans • Credit/loan guarantees • Equity • Blended/pooled funds	• Credit/loan guarantees • Equity • Blended/pooled funds • Climate/green bonds • Private capital at commercial terms
Financing Uses/Focus	• Enabling environments • Developing MRV systems • Capacity building • Strategic planning • Project preparation • Research and development	• Institution building • Infrastructure/asset purchases • Technology development • Project implementation	• Financial structuring • Replication/scale-up • Asset improvement

Originators/ Channels	• In-kind/local government
	• Bilateral aid agencies
	• Philanthropy
	
	• Development Finance Institutions:
	  • Multilateral Development Banks (MDBs),
	  • National Development Banks (NDBs),
	  • Bilateral Financial Institutions (BFIs)
	
	• Climate Funds:
	  • Green Climate Fund (GCF),
	  • Adaptation Fund (AF),
	  • Global Environment Facility (GEF)
		• Private sector (banks, commercial capital providers, impact investors)
		• Philanthropy (program-related investments)
			• Private sector (institutional investors)

4 Illustrative; not exhaustive.

4. Task Force on Philanthropic Innovation: Overview, Partnership Structure, Working Groups

Launched by President Macron of France at the One Planet Summit in December 2017, the Task Force had three goals:

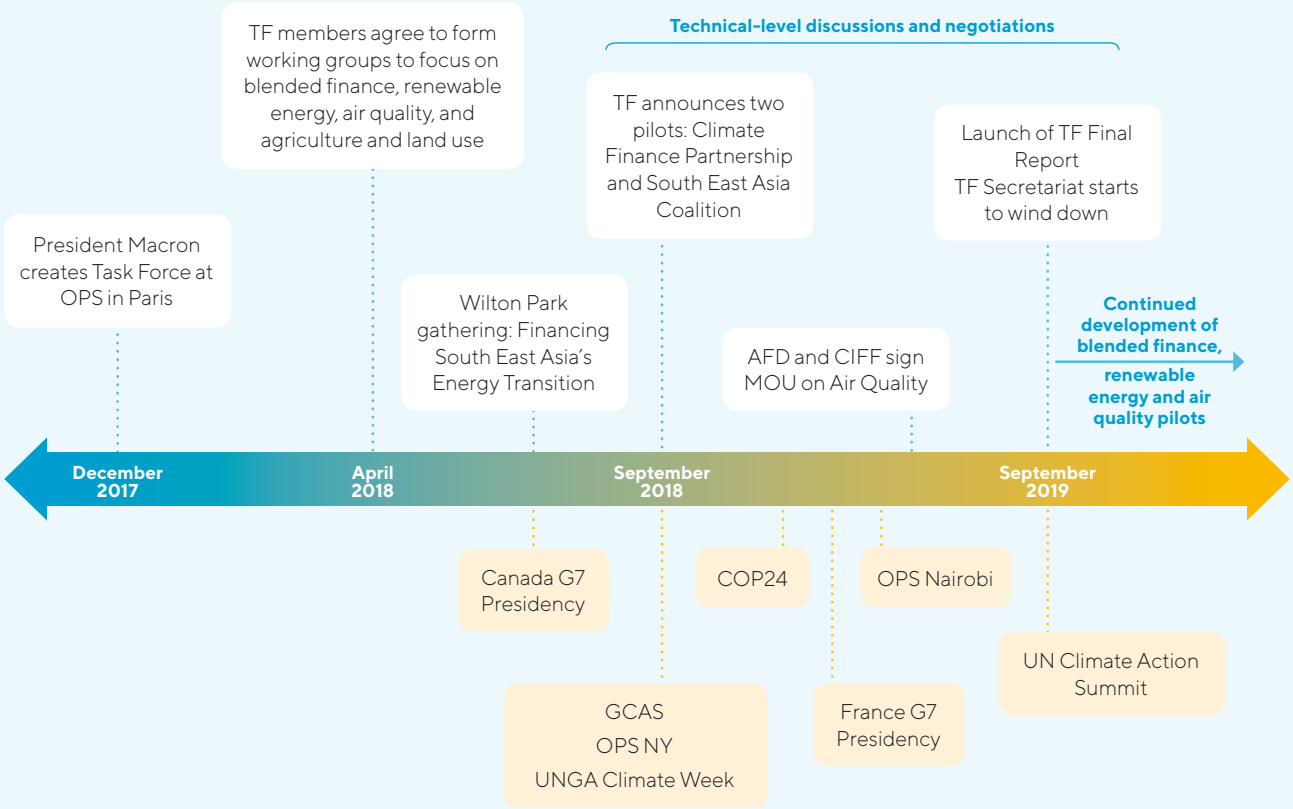
1. Expand philanthropy's role in the accelerated delivery of the Paris Agreement;
2. Identify and pilot specific mechanisms of collaboration between governments, public finance agencies, philanthropists and institutional investment partners; and
3. Mobilise additional support for climate adaptation and mitigation efforts, especially in developing countries.

Envisioned as a time-bound effort over an 18 month period, the Task Force sought to catalyse existing or nascent concepts in blended finance and renewable energy while collaborating on efforts in air quality and land use and agriculture. The supporters and contributing organisations were guided by a simple question: "What can we accomplish together that we cannot achieve on our own?".

As mandated by President Macron, Laurence Tubiana, CEO of the European Climate Foundation (ECF), led the Task Force and provided thought leadership, vision and overall direction. A small secretariat based at the ECF worked closely with the Task Force members and advisors as needed, managing ongoing communication with government partners and regular coordination with President Macron. In April 2018, the Task Force [5] was organised around four working groups to focus efforts on developing action plans and pilot projects as proof of concept: renewable energy, blended finance, air quality, and agriculture and land use. These initial target areas were chosen by consensus as a starting point for more structured conversation on the practicalities of increasing government-philanthropic investment. The figure below provides a timeline of the key milestones of the Task Force, and the table summarises unique features of the effort, its working groups, and its next steps.

5 See Annex 2 for a List of Task Force Members.

Timeline of the Task Force for Philanthropic Innovation in Paris Agreement Implementation



Notes: **AFD** = Agence Française de Développement (French Development Agency), **CIFF** = Children's Investment Fund Foundation, **GCAS** = Global Climate Action Summit, **MOU** = Memorandum of Understanding, **OPS** = One Planet Summit, **TF** = Task Force, **UNGA** = United Nations General Assembly.

Summary of the Task Force's Unique Features and Next Steps

	Unique Features	Next Steps
Task Force Overall	• Co-funding partnerships between private philanthropists and governments who ask: "What can we do together that we otherwise could not do on our own?". • Timebound effort seizing political momentum to catalyse existing efforts and bring innovative ideas to fruition. • Pragmatic focus on action plans with scalable and replicable pilots. Ambitious assignment pushing all partners outside of their comfort zones. • Working groups that utilise a co-chair model, each relying on one government and one philanthropy representative. • A small temporary secretariat, a central point of contact providing thought leadership and strategic direction while leaving working groups maximum autonomy.	• Bringing this learning to a broader audience. • Continue rolling out and scaling projects. • Maintaining political momentum.
RE in Southeast Asia	• Coordinated donor government and philanthropy effort harnessing their respective complementary capabilities and funding abilities. Focus on technical assistance. • Specific sector and geography selected to maintain focus and maximise impact.	• Staffing and operationalising the South East Asia Energy Transition Partnership. • Developing relationships with governments and partners in the region.

Air Quality	• The first time that governments, bilateral development agencies, and philanthropy have aligned around the mutual benefits and opportunities to tackle air pollution and climate change. • Brings a new climate focus and awareness for health-oriented government and philanthropic organisations that may not have previously focused on or prioritised climate.	• Building knowledge and awareness of the problems caused by air quality and designing pathways to solutions. • Developing and rolling out workshops and action plans with a view to providing broader city and national access to project finance for longer-term air quality solutions.
Blended Finance: Climate Finance Partnership	• First-of-its-kind partnership between leading global philanthropies, governments, institutional investors, and the world's largest asset manager. • Proof-of-concept focus on catalysing institutional investors into the climate investment space.	• Finalising the structure and key terms of this unique vehicle.
Agriculture and Land Use	• Conscious effort to identify common ground and frame a joint approach between government and philanthropy.	• Further dialogue to work toward an action plan. • Share concept notes and invite other philanthropists to enter this space with governments.

5. Task Force for Philanthropic Innovation: Lessons Learned

A number of lessons from the Task Force effort were collected and compiled through a series of structured interviews with Task Force members. Although this list is not exhaustive, it elaborates on key lessons to help inform future collaborations. In no particular order, these lessons are listed in the table below.

Category	Lesson	Overview
Partnership Composition and Roles and Responsibilities	Trusted facilitators and co-chairs are paramount.	When identifying working group facilitators and/or chairs/co-chairs, it is critical to select not only the right institutions but also the right individuals.
	Secretariats play instrumental roles.	Provided that sufficient resources can be made available, administrative and substantive expertise can go a long way in expediting and encouraging the progress of the broader effort.
	The partner specifics matter; governments are not monolithic and philanthropy structures vary.	At the outset of the partnership and then over its life cycle, it is necessary to ensure that the right entities are at the table, and to understand which are responsible for substantive input, funding decisions, etc.
	Diversity is important.	It is important for partnerships to better integrate recipient country involvement and expand beyond the usual philanthropic circles to capture the rising philanthropic community in emerging economies.

Enabling Factors Before and at the Outset of Partnerships	Defining success/objectives at the outset of the collaboration requires setting aside individual priorities.	It is often challenging to set aside individual priorities, but it is also important that partnerships cultivate shared objectives that allow each partner to feel like they are adding value and are a part of something.
	It is necessary to define clear roles and responsibilities at the beginning of the partnership.	There is no one-size-fits-all in terms of the structure of roles and responsibilities, but is important for all of those involved to be on the same page regarding, for example, how the secretariat interacts with the co-chairs, the roles that the co-chairs are playing, and the implications of being a member or a co-chair of a working group.
	Earlier due diligence efforts and the presence of existing relationships help to expedite collaborative progress.	When selecting issues and partners for potential collaboration, it is important to reflect on the trade-off between venturing into a new area with new partners, which would come with additional upfront time and resource requirements but potentially catalyse additional outcomes, and choosing to collaborate on a specific, known issue with existing partners, which would likely allow for faster wins.
During the Partnership	Political will and support must be coupled with strong working-level execution.	Ongoing engagement between the political level and working level, as well as within various other levels, can help to mitigate issues and overcome roadblocks.
	Timebound exercises with interim forcing events present benefits and challenges.	When collaborations originate from a largely top-down, highly visible event/platform, it is especially important that the political level maintain visibility of and support for the collaboration after the initial announcement.
	Some processes cannot be expedited or changed (e.g., budget cycles), and these realities should be understood by all parties as early as possible.	In cases where partners will be pooling or even aligning funds, it is important to understand the practical realities of each partner to manage expectations.
	There is no one-size-fits-all funding model; aligning funding may make more sense than pooling resources in some situations.	When exploring funding models, partnerships must bear in mind the barriers they intend to address as well as the practicalities of the individual partners involved (e.g., budget timelines and processes).
	The intangible benefits of collaboration are often as important as the tangible ones.	Having tangible goals in mind is always useful in terms of focusing efforts, but the more intangible outcomes or other co-benefits associated with partnerships should also be recognised.
Blended Finance Vehicles	Maintain focus on main vehicle objective.	It is critical to maintain a focus on the primary issue the vehicle was designed to address.
	Institutional investors value concessional funder's ability to protect downside.	Institutional investors are willing to provide a disproportionate share of the upside with concessional funders in return for concessional funders providing downside protection (e.g., serve in a first loss position).
	1+1=3.	Each new player introduced to a blended finance partnership structure increases the complexity of negotiations exponentially as opposed to linearly. Only add new partners if necessary for programmatic or financial reasons.

6. Conclusion

The Task Force accomplished a great deal in a short period of time. It served as a useful pilot and demonstrated that government and philanthropy, when working in partnership, can indeed achieve more than when operating individually. It also served as a helpful reminder of the respective comparative advantages that each possess, and the ways in which these can be maximised.

Looking ahead, the lessons learned from the Task Force effort can and must be integrated into efforts to achieve the goals set out in the Paris Agreement. Accomplishing systemic, transformational change necessitates strong political will and commitment, as well as effective execution by all actors. It is not easy. Joint efforts between governments and philanthropy should support the actors — in a range of different geographical areas with varying economic development profiles — who have a shared vision for and commitment to the radical, transformational change required.

Introduction

Climate change is a systemic and existential challenge. It is a threat multiplier — it aggravates the major problems facing humanity, including public health, national security, agricultural productivity, water availability, and more. A stable climate system is perhaps our most important intergenerational and global asset, and it requires multilateral attention and cooperation.

We have the framework for this global cooperation. The Paris Agreement was adopted in December 2015; 194 states and the EU have signed the Agreement, and 184 states and the EU, representing more than 88% of global greenhouse gas emissions, have ratified or acceded to the Agreement.[6]

The Paris Agreement's central aim is to strengthen the global response to climate change, in the context of sustainable development and efforts to eradicate poverty, by taking measures that include:

- Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C, recognising that this would significantly reduce the risks and impacts of climate change;
- Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and
- Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.[7]

Although the focus of this paper is on implementation of the Paris Agreement, it is important to understand the broader landscape given the unequivocal interconnectivity of these efforts. There are three other critical post-2015 agendas: the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, and the Sendai Framework for Disaster Risk Reduction. Taken together, these represent an important inflection point as the world moves towards managing the climate crisis while implementing an ambitious sustainable development agenda.

This report serves as one output of the Task Force for Philanthropic Innovation in Paris Agreement Implementation (Task Force), which was set up in response to the call for a collective governmental and philanthropic initiative made by French President Emmanuel Macron at the One Planet Summit in December 2017. Over 18 months, a group of 16 philanthropies and four governments worked together to achieve outcomes across four workstreams:

1. Renewable Energy in Southeast Asia;
2. Air Quality;
3. Blended Finance: Climate Finance Partnership; and
4. Agriculture and Land Use.

The Task Force was also launched to explore more broadly how philanthropy and government can best work together by leveraging their comparative advantages with respect to deploying different tools (e.g., technical assistance, grants, long-tenor loans, civil society mobilisation, etc.).

6 https://www.c2es.org/content/paris-climate-agreement-qa/; UNFCCC (accessed 14 August 2019).
7 UNFCCC (2015).

This report aims to demonstrate the power of partnership in implementing the Paris Agreement and, provides reflections on and lessons learned from the Task Force experience.

Specifically, in the report:

- Chapter one covers the rationale for partnership between government and philanthropy, highlighting that their different world views and funding approaches can lead to successful, complementary collaborative action;
- Chapter two describes the framing of climate finance in the Paris Agreement and provides an overview of climate finance instruments and the roles that government and philanthropy can each play in their deployment;
- Chapter three outlines the spectrum of potential collaborative approaches, including the role of blended or aligned financing, and highlights several illustrative examples of climate-focused partnerships;
- Chapter four provides the rationale for and composition of the Task Force, including its four working groups, and highlights efforts to date as well as next steps;
- Chapter five summarizes the key lessons learned from the Task Force experience; and
- Chapter six concludes the report.

1. Rationale for Government-Philanthropy Partnership

In 2015, the world united around a common challenge — climate change — and signed the Paris Agreement, committing to putting each of their countries on a trajectory that would lead the planet away from the dangerous path it is currently on. Yet implementing the true spirit and law of the Paris Agreement is no small task — in fact, meeting the Paris Agreement goals requires a radical transformation of our economies — our energy systems, our agriculture systems, our means of transportation, and more.

The IPCC 1.5 Report told us we have an extremely limited window of time, and the decisions we make in the next decade will be do-or-die. We are now in a phase where our thinking has to go from incremental to transformational. This leap is not easy. It involves marrying technical solutions with changes in public perception and politics, from the local level up through the global. Making this shift requires a collective effort and alliances between different actors. We need to support the networks of organisations, institutions, and individuals who are making the case for such transformation, as well as open the political space for governments to embark upon this transformational trajectory. An alliance between philanthropy, government, and the private sector can be a joint effort to support a common vision of transformative change across different geographic, economic and political contexts.

Such a society-wide and global mobilisation is no small feat. Challenges range from inertia and incumbency, to recent trends toward isolationism and nationalism, to organisational tendencies to focus quite narrowly. Fostering integrated, coherent climate action is critical. This paper will focus primarily on the crucial roles that government and philanthropy can play in leading the global effort to avert dangerous climate change (see Annex 1 for a Primer on Philanthropy), though of course all stakeholders will need to be involved.

In the last several decades, government and philanthropic support for climate action has often been through incremental interventions (e.g., building on and improving conventional approaches to climate risk reduction and management, increasing renewable energy penetration). While these steps have been essential, the scale and scope of the climate crisis necessitates transformational change. We must take a broader and more systemic look at the root causes of vulnerability, while also remodelling entire systems of energy, transportation, and other infrastructure – all the while bringing citizens alongside. Transformation of the global economy is necessary to meet the Paris Agreement goals.

The public and philanthropic sectors both have critical roles to play. The public sector has a responsibility to mobilise Paris Agreement-aligned finance and to exhibit sufficient political will and commitment to implementing the Paris Agreement. This will in turn send a signal to the private sector, as well as the philanthropic community, to ensure that multiples more climate finance is effectively leveraged and deployed. Governments have key strengths: political insight and access, ability to mobilise public finance at scale, and relationships with recipient governments, to name a few. Similarly, philanthropy has its own comparative advantages: flexible resources that can be deployed quickly, the ability to mobilise citizens and encourage progressive actors, and the provision of support for policy dialogue beyond government.

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8 Adapted from Mackinnon and Gibson (2010) and Ferris and Williams (2012). See References for full citations.

There are several reasons to spark deeper relations, discussion, and collaboration between philanthropy and government. The benefits of collaboration include:

- **Better alignment of objectives**: Recognising that individual actors will always have their own objectives, it is also critical that the funder community has a clear sense of the core shared objectives. Sharing a set of common objectives will enable greater effectiveness by directing even formally unrelated efforts toward achieving the same ends. It will also allow for a clearer discussion on the means toward those ends and the roles that philanthropy and government can best play.
- **Knowledge sharing and changing perception of risks and opportunities:** Information and intelligence-sharing will greatly improve effectiveness, impact, and ability to adapt to local context. Philanthropy and government have different networks, relationships and perspectives, and sharing their points of views and understandings will help both gain a more robust and nuanced outlook and improve decision-making. These collaborations will also help to alter the perception of risks and opportunities related to some climate investments, thus enabling government and philanthropy to pursue new investment opportunities and act more boldly when it comes to climate. This alignment of knowledge and resources can help unlock greater funding and greater action.
- **Optimisation of existing funding:** Current spending by philanthropy and government often overlaps, but without coordination (or often, awareness) ahead of time or a clear mechanism for evaluation afterward. The effectiveness of current funding could be greatly improved by each side opening their portfolios of investments and discussing the areas of overlap, or gaps that may emerge.
- **Pooling or aligning of resources to unlock private investment:** Philanthropic and government resources alone will be insufficient to enable the transition to a low-emission, climate-resilient global economy. Private investment is required. Blended finance approaches — including where philanthropy and government pool their resources together in innovative structures — are important tools to mobilise necessary private climate investment at scale. Similarly, more active alignment of capital will reduce the potential for duplication of effort or, even worse, interventions carried out at cross-purposes.

Of course, government, and to some extent philanthropy, have been long-standing supporters of climate action in developing economies. The bulk of government support channels through bilateral agencies, multilateral climate funds, and the multilateral development banks (MDBs), often referred to together as international public finance. Over the 2015-16 period, international public climate finance flows from developed to developing countries amounted to USD 58 billion on average per year (see Table 2).

Table 2. Characteristics of International Public Climate Finance Flows in the Period 2015-16 [9]

	Annual Average [10]	Area of Support				Financial Instrument		
		Adaptation	Mitigation	REDD+	Cross-cutting	Grants	Concessional Loans	Other
Multilateral climate funds [11]	1.9	25%	53%	5%	17%	51%	44%	5%
Bilateral climate funds [12]	31.7	29%	50%	–	21%	47%	52%	< 1%
MDB [13] **climate finance** [14]	24.4	21%	79%	–	–	9%	74%	17%

Notes: All values are based on approvals and commitments.

Philanthropic support is also channelled via multiple structures. Historically, philanthropists have focused their efforts on setting up foundations and capitalizing endowments to enable giving into perpetuity. In 2015, there were 86,203 foundations with total assets of USD 890 billion and giving of USD 62.8 million in the U.S. alone, though a very small proportion of those funds went to climate change. [15]

More recently, philanthropists — particularly those that are still living — are developing deployment models beyond foundations. For example, in the U.S., this includes donor-advised funds (DAFs), limited-liability companies (LLCs) to facilitate impact investing, and the 501(c)(4) structure, which allows engagement in some political and lobbying activities. [16] In 2017, donors contributed USD 29.23 billion to 463,622 individual DAFs. [17] Individual giving, especially by high net worth individuals, is also on the rise. One such example is the Giving Pledge, launched by Bill and Melinda Gates and Warren Buffet, which has so far garnered the commitment to give half of their net worth to philanthropy from 189 of the world's wealthiest individuals, couples, and families from 22 countries. [18] This should result in a minimum of USD 500 billion in contributions to established or new foundations in coming decades. [19] It will be important to ensure that new philanthropic wealth understands the critical and cross-cutting importance of climate change as they develop their giving strategies.

9 UNFCCC (2018).

10 USD billion.

11 Including Adaptation for Smallholder Agriculture Programme, Adaptation Fund, Bio Carbon Fund, Clean Technology Fund, Forest Carbon Partnership Facility, Forest Investment Program, Global Climate Change Alliance, Global Environment Facility Trust Fund, Green Climate Fund, Least Developed Countries Fund, Partnership for Market Readiness, Pilot Programme for Climate Resilience, Scaling up Renewable Energy Program, Special Climate Change Fund, and United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries.

12 Bilateral climate finance data are sources from biennial reports from Parties included in Annex II to the Convention (that further include regional and other channels) for the annual average. Information related to the United States of America is drawn from preliminary data provided by the United States. The thematic split and the financial instrument data are taken from data from the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC), referring only to concessional flows of climate-related development assistance reported by OECD-DAC members.

13 Abbreviations: MDB = multilateral development bank.

14 The annual average and thematic split of MDBs include their own resources only, while the financial instrument data include data from MDBs and from external resources, due to the lack of data disaggregation.

15 Foundation Center (2015; accessed 2019).

16 IRS (2018).

17 National Philanthropic Trust (2018).

18 Giving Pledge (accessed 2019).

19 Powell, Seldon, and Sahni (2019).

Data on climate finance from philanthropy is fragmented and incomplete at best. This is due to several factors, including the sheer number of philanthropic entities operating around the world, which makes aggregation a challenge; the minimal norms and standards for tracking and reporting philanthropic support; and the fact that sometimes information is intentionally kept private to protect the anonymity of recipients of support. A good deal of information that does exist is ex-ante, in terms of pledges made. This includes the philanthropic community's five-year USD 4 billion commitment to combat climate change announced in September 2018 at the Global Climate Action Summit in California.[20] This announcement represents the largest-ever philanthropic investment focused on climate change mitigation. Data on ex-post support provided is not as readily available, especially in aggregated form. One estimate — from 2013/2014 — suggests that climate represents around 2% of overall U.S. and UK foundation spending.[21] More recently, the Foundation Center estimated that total foundation spending worldwide for Sustainable Development Goal (SDG) 13 (Climate Action) has amounted to USD 1.29 billion from 2016 onward, representing 0.87% of overall SDG funding from foundations.[22] From 2010 to 2015, an estimated USD 2.04 billion was provided to SDG 13, or 0.99% of overall SDG funding from foundations.[23]

However, these numbers likely underestimate actual climate support. Foundations and other entities generally self-report using their own categories and methodologies, and do not necessarily tag or otherwise track climate-related support as such (e.g., a climate-smart agriculture project might only be reported as an agriculture and food security program; renewable energy may fall into a foundation's energy or energy access program and not be accounted for as climate support). According to 2013 data from the Foundation Center, climate support accounted for a mere 0.8% of all foundation spending, but when three separate categories were incorporated — "climate and atmosphere", "Energy", and "Transportation" — the figure increased to 1.82%.[24] If additional categories, or proportions of categories, were included, the figure would increase further – though still not to levels commensurate with the challenge ahead.

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20 Signatories included 29 foundations: Barr Foundation, Bloomberg Philanthropies, Bullitt Foundation, Sir Christopher Hohn and The Children's Investment Fund Foundation (CIFF), The Educational Foundation of America, Pirojsha Godrej Foundation, Grantham Foundation, The Grove Foundation, Growald Family Foundation, The George Gund Foundation, Heising-Simons Foundation, William and Flora Hewlett Foundation, IKEA Foundation, Ivey Foundation, Joyce Foundation, The JPB Foundation, KR Foundation, Kresge Foundation, Dee & Richard Lawrence and OIF, John D. and Catherine T. MacArthur Foundation, McKinney Family Foundation, McKnight Foundation, Oak Foundation, The David and Lucile Packard Foundation, Pisces Foundation, Rockefeller Brothers Fund (RBF), Sea Change Foundation, Turner Foundation, Yellow Chair Foundation.

21 *Alliance* Magazine (2016).

22 SDG Funders (Recent Data; accessed 13 August 2019). The data is framed as "2016+" but it is not clear whether this includes 2017 and 2018 for all foundations captured.

23 SDG Funders (Historical Data; accessed 13 August 2019).

24 *Alliance* Magazine (2016).

2. Climate Finance: Paris Agreement Framing and Current State

Finance is critical to addressing climate change mitigation and adaptation. Historically, progress on finance has been measured by looking solely at estimates of "Clean" finance flows (e.g., investments in climate-aligned projects or programs such as renewable energy capacity, energy efficiency, and climate adaptation and resilience),[25] especially from the developed to the developing world.

The Paris Agreement's Article 2.1c — "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development" — was a turning point. It broadens the scope to include "Dirty" finance flows (e.g., investments in emissions-intensive activities, including finance for new fossil fuel plants, particularly coal; investments in oil and gas production, subsidies for fossil fuels, and investments in maladaptive infrastructure that reduce resilience),[26] capital stock, and domestic and international finance. This paradigm shift reflects the broader recognition that the climate challenge requires more than incremental improvements — it requires radical, transformational change. Table 3 highlights the framing of climate finance pre- and post-Paris Agreement.

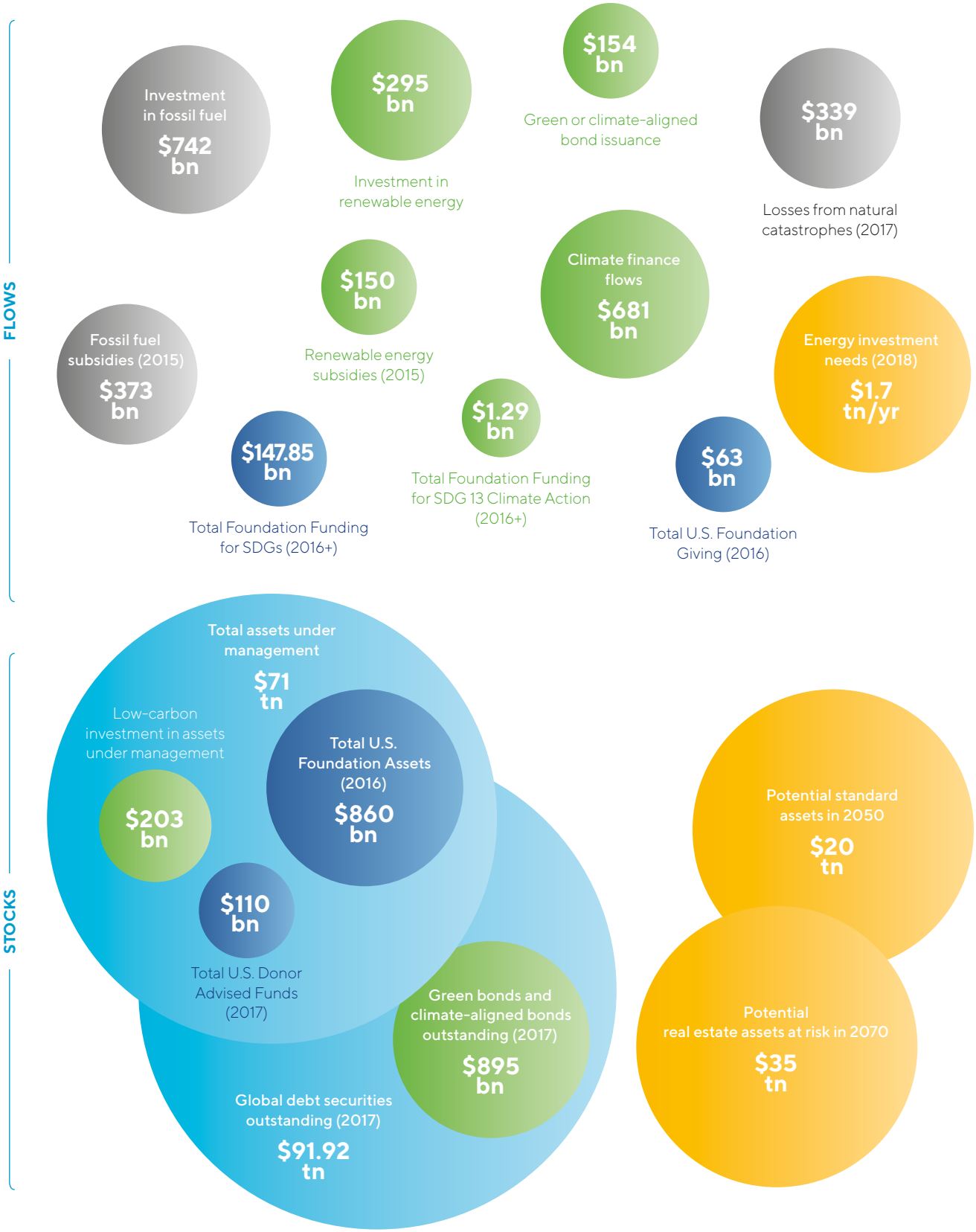
Table 3. Climate Finance Focus

	Pre-Paris Agreement	Paris Agreement Implementation
Type	"Clean" finance	"Clean" and "Dirty" finance
Category	Flows	Flows and stocks
Provider/Recipient	North/South	North/South, South/South
Location	International (South)	International (South) and domestic (Global)

Making financial flows consistent with the Paris Agreement means that at the least, finance flows must not worsen the climate crisis.[27] With this holistic global stock and flows lens in mind, it is clear that clean finance flows (referred to generally as "climate finance" in this paper) accounts for just a small proportion of overall finance (see Figure 1). As Figure 1 shows, significant progress is required to reallocate capital and green the financial system. For example, while the green bond market grew from USD 7 billion in 2012 to an estimated USD 295 billion outstanding at the start of 2018, showing increasing appetite by institutional investors for this kind of product, this represents less than 1% of overall global debt securities outstanding. Foundation funding for climate change needs to increase, and there is room to invest foundation assets in a more low-carbon, climate-resilient manner.

25 Kessler *et al.* (2018).
26 Ibid.
27 UNFCCC (2018).

Figure 1. Climate Finance in Context[28]



Notes: All flows are global and annual for 2016 unless stated otherwise. Energy investment needs are modelled under a 2°C scenario. The representation of stocks that overlap is not necessarily reflective of real of world overlaps. The flows represented are not representative of all flows contributing to the stocks presented. Data points are provided to place climate finance in context and do not represent an aggregate or systematic view. Climate finance flows are those represented in Section B of the Summary and Recommendations and as reported in chapter 2 of UNFCCC (2018). Investment in renewable energy overlaps with this estimate of climate finance flows.

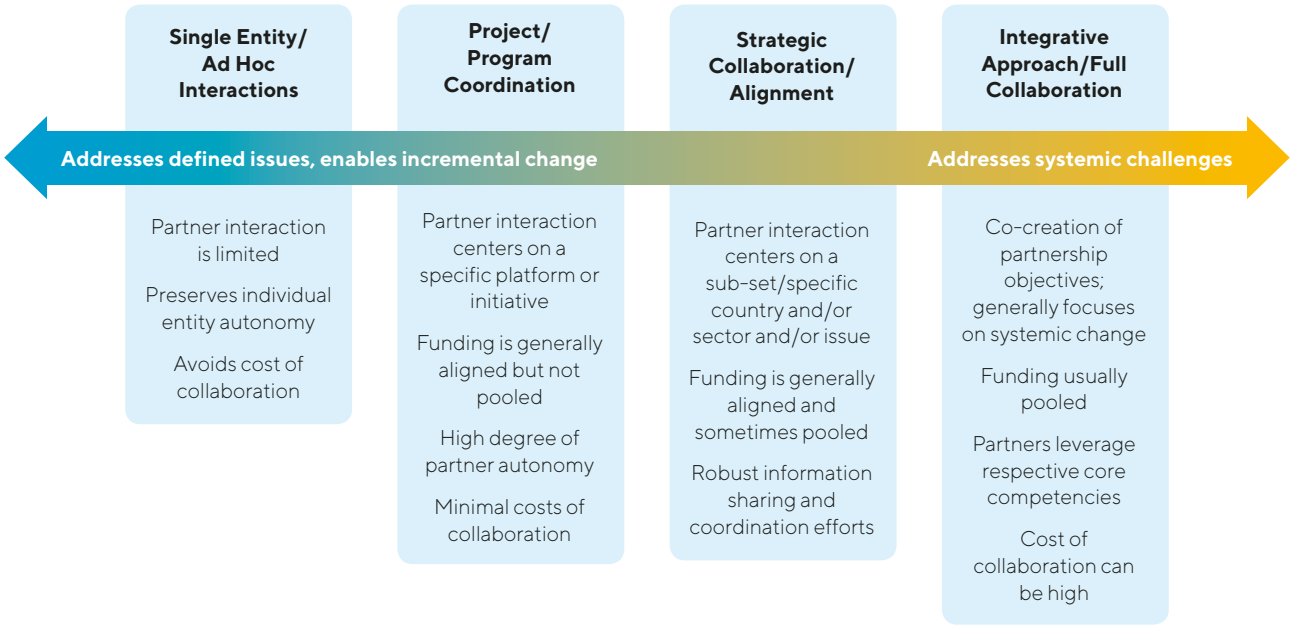
28 Adapted from UNFCCC (2018), Foundation Center (2015; accessed 2019), National Philanthropic Trust (accessed 2019), and SDG Funders (Recent Data; accessed 13 August 2019).

3. Modalities of Partnerships

Typologies of Collaboration

Collaborations can be structured in a number of ways. Figure 2 outlines the broad categories along the spectrum, moving from primarily single-party interventions with limited and ad hoc collaboration to an integrative approach or full collaboration model.

Figure 2. Spectrum of Collaboration[29]



Generally speaking, some of the key differentiating factors and variables to consider when structuring collaborations include:

- **Funding autonomy:** The degree to which partners prefer or are required to maintain autonomy in their funding decisions, or have an appetite for aligning or pooling funding;
- **Scope and scale of partnership focus:** Whether the engagement will be on a more ad hoc or project-by-project basis or on a longer-term basis framed around specific sectors, countries, or other organising principles; and
- **Transaction costs of collaboration:** The extent of interest in sharing information and engaging in other meetings and dialogues, as well as the willingness and ability to manage the transaction costs (in manpower and time) of collaboration.

Tools to Deploy

Depending on the scope, intensity, and the government entities and philanthropies involved, collaborations can utilize a range of tools to support climate projects and programs. These tools can be described along two levels: the financial instruments deployed, and the use or focus of the financing. The applicability of a given financial instrument will vary depending on the stage and composition of the project or program, as well as its investment needs. For example, if the focus of the project is to strengthen the enabling environment for future climate investment, grants and concessional loans are likely most appropriate. In terms of more specific uses or focuses, the civil

29 Adapted from KPMG International (2016).

society organisation (CSO) community may use some of the grants to support progressive policy development, and/or provide technical assistance to government to develop the policies. The originator or channel to deploy the climate support also varies. Building on the same example, philanthropy is best positioned to support the CSO community, while bilateral aid agencies are likely best positioned to provide technical support to local governments. An overview of climate tools at different stages is provided in Figure 3.

Figure 3. Overview of Climate Tools and Originators/Channels[30]

	Project Preparation/Readiness	Early-stage Investment	Later-stage Investment
Financial Instruments	• Grants • Concessional loans (including policy loans)	• Grants • Concessional loans • Credit/loan guarantees • Equity • Blended/pooled funds	• Credit/loan guarantees • Equity • Blended/pooled funds • Climate/green bonds • Private capital at commercial terms
Financing Uses/Focus	• Enabling environments • Developing MRV systems • Capacity building • Strategic planning • Project preparation • Research and development	• Institution building • Infrastructure/asset purchases • Technology development • Project implementation	• Financial structuring • Replication/scale-up • Asset improvement
Originators/ Channels	• In-kind/local government • Bilateral aid agencies • Philanthropy		

	• Development Finance Institutions:
	  • Multilateral Development Banks (MDBs),
	  • National Development Banks (NDBs),
	  • Bilateral Financial Institutions (BFIs)
	• Climate Funds:
	  • Green Climate Fund (GCF),
	  • Adaptation Fund (AF),
	  • Global Environment Facility (GEF)		

		• Private sector (banks, commercial capital providers, impact investors) • Philanthropy (program-related investments)	
			• Private sector (institutional investors)

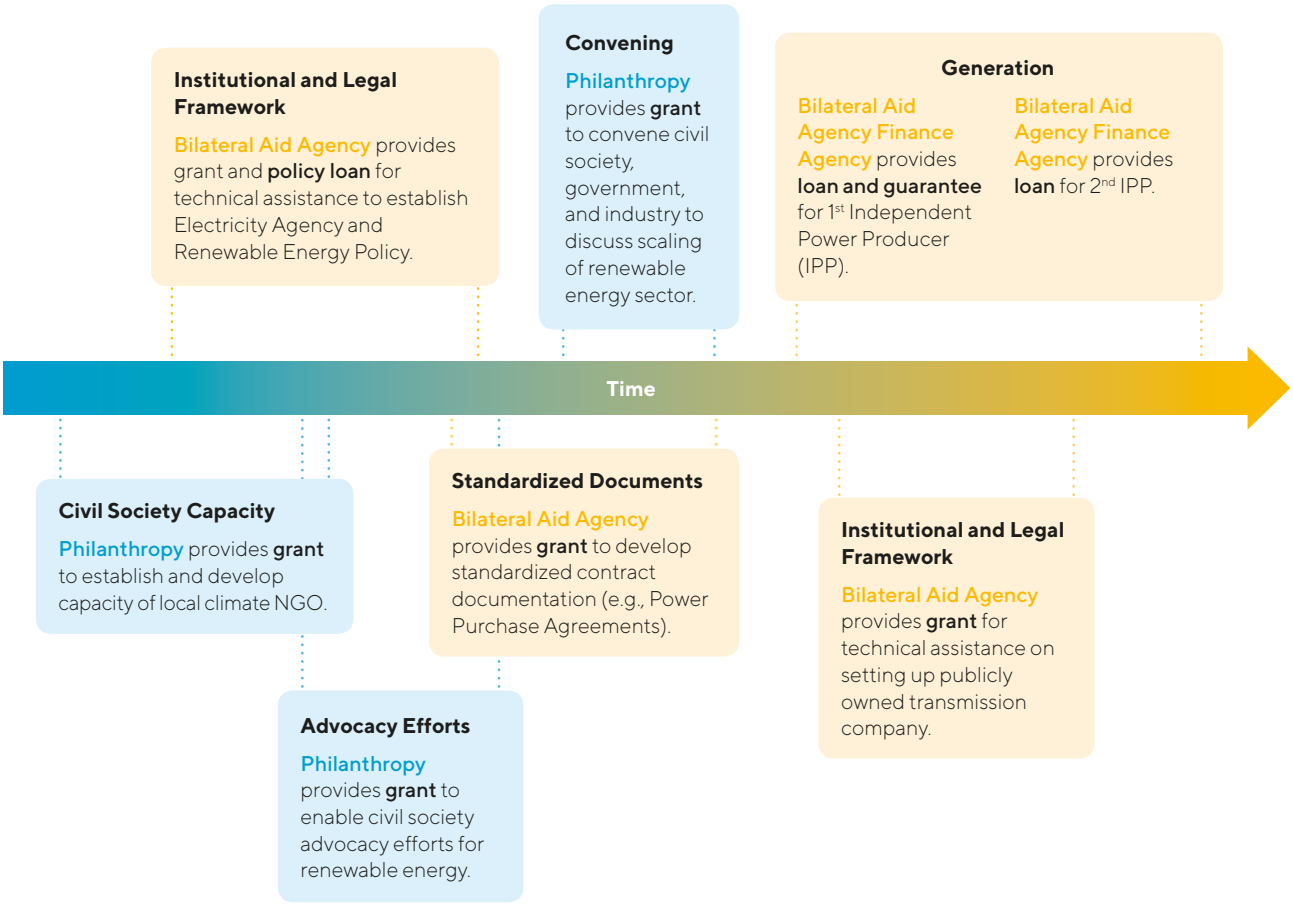
There is also a certain amount of investment diversification and sequencing necessary to enable the transition to low-carbon, climate-resilient economies. In other words, although Figure 3 may appear as a "menu of options", no single instrument or investment use will be sufficient — successful interventions will require a multitude of instruments deployed by a range of actors over a potentially long period of time.

30 Illustrative; not exhaustive.

Figure 4 provides an illustrative example of the roles that donor governments and philanthropy can play in supporting the development of the renewable energy sector in a developing country. As this example shows, governments — via their bilateral aid agencies, development finance institutions, and other entities — are often well positioned to deploy early-stage large-scale grant support to strengthen the enabling environments for further public and private investments, as well as later-stage guarantees and long-tenor, low-interest-rate loans. These are generally channelled directly to governments or other intermediary actors, possibly including the private sector.

Meanwhile, philanthropy is well-placed to galvanise progressive civil society in the early to intermediate stages to ensure that government policies are robust. Civil society can help to either put pressure on governments to ensure that their policies adequately align with the Paris Agreement, on the one hand, or provide support to governments that are taking ambitious action, such as city governments that are implementing low-emissions zones to address pollution and vehicle emissions. Philanthropy can also provide grant-based support to fund the secretariat, meetings, and other critical costs associated with the collaboration. There are of course myriad other tools that government and philanthropy can call on, some of which can be pursued together. Figure 4 is therefore not an exhaustive list but is meant to highlight the types of support that could be provided by different entities, for what purposes, and in which sequence.

Figure 4. Illustrative Example: Roles of Donor Government and Philanthropy in Supporting the Development of the Renewable Energy Sector in a Developing Country[31]



31 Adapted from Standing Committee on Financing Forum (6 September 2017), pp. 11–13.

There is certainly no one-size-fits-all approach when it comes to collaboration. Furthermore, it's also critical to consider local context – some collaborations may work best at a quite local rather than global level. A range of factors need to be explored when considering potential partnerships, including: appetite for the transaction costs associated with collaboration, willingness to let go of some autonomy, and desire to focus on ad hoc engagements or more systemic collaboration. It is also quite possible that a collaboration naturally moves along the spectrum over time, as partners become more comfortable with one another and the challenges they are collectively trying to address.

Blended and Aligned Finance

Two important multi-stakeholder methods of financing are blended and aligned finance. Blended finance generally refers to the pooling of capital – according to the Organisation for Economic Co-operation and Development (OECD), it is "the strategic use of development finance for the mobilisation of additional finance towards sustainable development[32] in developing countries", with "additional finance" referring primarily to commercial finance.[33] Blended finance structures make use of development finance sources, such as development assistance from governments and funding provided by philanthropies, to mobilise additional private finance. The number and size of blended finance vehicles has grown rapidly; in the last five years, the blended finance market has doubled in size, driven primarily by investment in clean energy.[34]

Aligned finance, relatedly, occurs when partners agree to coordinate their funding towards a common objective or project without a formal fund pooling arrangement. The alignment of financial support allows partners to share basic objectives and coordinate around interventions, but also to maintain more autonomy when it comes to individual funding decisions. Both blended finance and aligned finance are important climate finance tools for both philanthropy and government, and in fact can be a key way for the two to collaborate.

Factors that trigger usage of blended or pooled finance[35]:

- Investor(s) want to build a certain type or size of fund and doing so requires adjusting the risk profile in order to attract additional investment;
- Investor(s) can provide grants and/or other concessional public finance but want to leverage multiples more in private capital; and
- The preferred investment structure requires a combination of public and private capital.

Factors that are suited to a focus on aligned finance:

- Investor(s) share common objectives and target geographies and/or countries, but are either not interested in or are unable to pool resources with others; and
- Investor(s) have different budget timelines or processes not conducive to pooling.

32 Until 2030, the SDGs will provide the universally agreed results framework in this regard.

33 Development finance, in the context of this definition, includes Official Development Finance as well as private funds that are governed by a development mandate (e.g., financing provided by philanthropic organizations). The Blended Finance Principles focus primarily on the increased mobilization of additional commercial finance.

34 Blended Finance Taskforce (2018).

35 Global Impact Investing Network (October 2018).

Collaboration Examples

The following examples are meant to highlight a range of approaches to climate-related collaboration with an emphasis on efforts that include strong government and philanthropy involvement.

The Innovation Lab for Climate Finance

The Global Innovation Lab for Climate Finance (Lab) was launched by the German, UK and U.S. governments in 2014 in an effort to unlock additional finance for low-carbon, climate-resilient development in developing countries. There are now additional funders and three more Lab programs: the India Innovation Lab for Green Finance, the Brazil Innovation Lab for Climate Finance, and the Fire Awards for Sustainable Investment. As a public-private partnership, the Lab identifies, develops, and supports transformative climate and sustainable finance ideas. The Climate Policy Initiative (CPI) serves as the secretariat. The Lab has been formally endorsed by the governments of the G7, India and Brazil, and in 2017 was included in the Center for High Impact Philanthropy's "Top 11 Best Bets" out of nearly 2,000 submissions to the MacArthur Foundation's 100&Change competition.

Lab lessons and issues to highlight:

- Involvement of public and private sector actors in the design of instruments is strategic: The diversity of the Lab members involved — government, philanthropy, and private sectors — enables Lab instruments to overcome investment barriers that neither the public nor private sector could address alone. Over the 2014–2018 period, Lab members' investments amounted to more than USD 200 million. Another USD 900 million was mobilised by other investors, and an additional USD 290 million for project co-investment and/or replication of instruments.[36]
- Secretariats can add significant value: The Lab has mobilised more than 200 times the funders' investment in the Lab Secretariat. This represents a significant return-on-investment for the governments and philanthropies involved in providing financial support.
- The use of public finance framed in a timebound manner: Concessional finance (grants, loans) from the public sector can play an important role in catalysing private investment, especially in sectors or regions where the risk/return profile is currently a challenge. However, public sector resources should not be required in the long-term. The Lab process requires all ideas to demonstrate a pathway to phasing out public finance over time.

The Kigali Cooling Efficiency Program (K-CEP)

The Kigali Cooling Efficiency Program (K-CEP) is a pooled fund from 17 foundations that jointly committed USD 52 million to help developing countries increase the energy efficiency of cooling.[37]

The philanthropic funding was announced shortly before the start of governmental negotiations on an amendment to the 1987 Montreal Protocol that would require the phase-out of hydrofluorocarbons (HFCs), a coolant (and greenhouse gas) frequently used in refrigerators and air conditioners, and was a critical factor in the success of the negotiations. The philanthropic fund operates alongside and in alignment with a USD 27 million fund established by donor countries for developing nations that committed to an ambitious HFC phase-out timeline.

36 The Lab (February 2019).
37 Kigali Cooling Efficiency Program.

K-CEP lessons and issues to highlight:

- Raising ambition and fast-start financing: The philanthropic money is available to support countries that commit to phasing out HFCs on an aggressive timeline. The philanthropic community was therefore able to increase the level of ambition in the governmental agreement by ensuring that financial resources would quickly be available to support governments that were willing to move faster with the guarantee of such financial and technical support.
- Leveraging governmental funds: The philanthropic fund worked alongside a fund established by donor nations in order to speed up the timelines agreed to by developing countries.
- Enabling environment for governmental action: The philanthropic fund, which was announced before the governmental negotiations commenced, helped create greater operating space for governments involved. The philanthropic commitment, both in terms of signalling the importance the community gave to the issue and in terms of money on the table, helped provide a safety net for governmental commitment to climate action.

Climate Investor One

Climate Investor One (CIO) is a blended finance facility mandated with delivering renewable energy infrastructure projects in emerging markets by contributing to the entire lifecycle of a project. The CIO combines three investment funds into one facility to finance renewable energy projects at specific stages of the project lifecycle. At the project preparation stage, the CIO's Development Fund provides financial, technical, environmental, and social development, as well as structuring support. The CIO then provides equity financing for a large portion of the construction and early operation through a Construction Equity Fund. Once the project is operational, the CIO mobilises long-term debt financing through a Refinancing Fund with the objective of optimising the financing over the operational life of the project.[38] On 21 June 2018, CIO reached its third close at USD 535 million. Investors include several Dutch public and private entities, the Swedish Development Finance Institution Swedfund, the Nordic Development Fund, Sanlam, and the IMAS Foundation. More recently, the Green Climate Fund (GCF) has approved a USD 100 million investment in CIO.[39]

CIO lessons and issues to highlight:

- End-to-end financing of renewable energy projects: The CIO invests in several stages of a projects' lives to ensure that the projects get off the ground quickly and eventually attract new investors. The continuity of funding and support brings projects to an operational stage more quickly than current practice. Its innovative financial structure will help inspire new approaches to financing infrastructure in various sectors.
- The ability to take a large equity position removes the need for complex capital structures: The COI's Construction Equity Fund is able to finance up to 75% of a project's construction phase, to a maximum of USD 100 million. This reduces the amount of time, and the complexity, associated with negotiating with several financiers.
- Provision of support during the design phase: The Netherlands Development Finance Company FMO proposed CIO to the Lab in 2015 and it underwent further development over the 2014–2015 Lab cycle. It was ultimately endorsed by Lab members. The Lab's public and private sector members provided critical input during the design phase to ensure that it was structured to achieve maximum impact and also to enable investment from a range of actors.

38 Climate Investor One (2016).
39 FMO (20 October 2018).

4. Task Force on Philanthropic Innovation: Overview, Partnership Structure, Working Groups

Overview

The Task Force on Philanthropic Innovation (Task Force) was a catalyst for collaboration and ideas, a sandbox for approaches to partnership, and an incubator for scalable and replicable projects.

Launched by President Macron of France at the One Planet Summit in December 2017, the Task Force had three goals:

1. Expand philanthropy's role in the accelerated delivery of the Paris Agreement;
2. Identify and pilot specific mechanisms of collaboration between philanthropies, governments, public finance agencies, and institutional investment partners; and
3. Mobilise additional support for climate adaptation and mitigation efforts, especially in developing countries.

Envisioned as a time-bound effort over an 18 month period, the Task Force sought to catalyse existing or nascent concepts in blended finance and renewable energy while collaborating on efforts in air quality and land use and agriculture. The supporters and contributing organisations (see Table 4) were guided by a simple question: "What can we accomplish together that we cannot achieve on our own?".

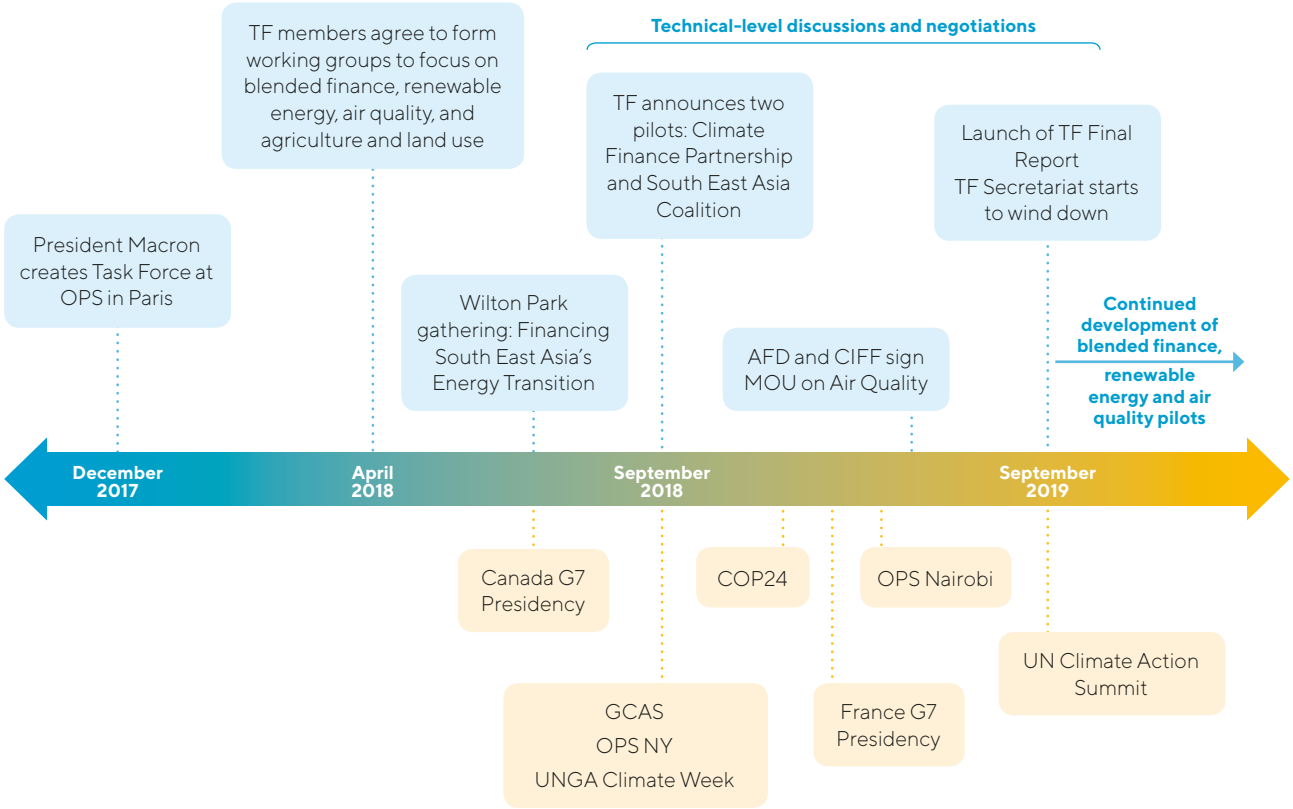
Partnership Structure

President Macron mandated Laurence Tubiana, CEO of the European Climate Foundation, to lead the Task Force and provide thought leadership, vision, and overall direction. A small secretariat based at the European Climate Foundation (ECF) helped translate that vision by working closely with the Task Force members and advisors as needed, managing ongoing communication with government partners and regular coordination with President Macron. The secretariat facilitated communication among members, including by helping to organise working groups, recruiting new philanthropic members (in partnership with current members), convening meetings, and generating regular updates and reports.

In April 2018, the Task Force [40] was organised around four working groups to focus efforts on developing action plans and pilot projects as proof of concept: renewable energy, blended finance, air quality, and agriculture and land use. These initial target areas were chosen by consensus as a starting point for more structured conversation on the practicalities of increasing government-philanthropic investment. The Task Force was always intended to be a timebound effort. From the outset the goal was to align objectives and differentiate roles and methods to bring increased investment, while seeking to understand the questions and challenges that arose during this process, with a view to deriving broader best practices and recommendations. An overview of the Task Force timeline is provided in Figure 5.

40 See Annex 2 for a List of Task Force Members.

Figure 5. Timeline of the Task Force for Philanthropic Innovation in Paris Agreement Implementation



Notes: **AFD** = Agence Française de Développement (French Development Agency), **CIFF** = Children's Investment Fund Foundation, **GCAS** = Global Climate Action Summit, **MOU** = Memorandum of Understanding, **OPS** = One Planet Summit, **TF** = Task Force, **UNGA** = United Nations General Assembly.

Working Groups

The four working groups were each headed by two co-chairs, one representing government and the other philanthropy. The working groups acted as key decision-making venues. The secretariat provided a framework, guidance and overview on the development of the working groups' action plans; while the working groups decided on the problems to be addressed and were responsible for producing the outcomes via action plans. This structure promoted true ownership of the process and left enough room for innovative and creative ideas to emerge. The working group co-chairs retained flexibility to engage other philanthropic and government partners as necessary to achieve their goals. The following section outlines the rationale and vision behind each working group and summarizes their outcomes to date.

Renewable Energy in Southeast Asia

Rationale: Southeast Asia is characterized by strong economic growth, a rapid rate of urbanisation, growing populations, and mounting environmental challenges. The ASEAN Centre for Energy estimates that energy consumption will more than double over the 2015 to 2040 period.[41] To meet these needs, the region will need to make pivotal choices: they will either lock into carbon-intensive energy infrastructure and stranded assets, or pursue a more sustainable and renewable energy-driven pathway.

41 http://www.aseanenergy.org/resources/the-5th-asean-energy-outlook/

Why collaborate: Philanthropists and donor governments interested in designing and operating projects and programs related to Southeast Asia's energy transition must engage in information-gathering and relationship building, as well as deploy investments over time. In other words, there are both entry costs and ongoing costs. There is also a cost element for recipient governments responsible for navigating the international funding landscape. Collaborating under a formal partnership helps to reduce these transaction costs and increase efficiency and value for money. The support provided by philanthropy and donor governments complement each other: while public funds are generally deployed via bilateral dialogues between the donor and recipient governments, philanthropy can complement this deployment by supporting progressive local civil society, media, and academia in a coordinated fashion.

Outcomes to date: This working group brought together philanthropies and donor governments around a common objective: to accelerate the energy transition through the deployment of renewable energy and low-carbon infrastructure in Southeast Asia. The initial focus is on renewable energy, but the program will also include other elements related to energy efficiency and low-carbon transport. The working group efforts led to the launch of the Southeast Asia Energy Transition Partnership (SEAETP), a pooled and aligned funding effort. The anticipated benefits of the partnership include:

- Reduction in transaction cost for Southeast Asian governments pursuing international funding;
- Increase in efficiency and value for money for donors;
- Opportunities for additional finance via co-funding models;
- Structured learning from previous partnerships;
- Political momentum — government and philanthropy want to cooperate; and
- Increased complementarity among partners.

The SEAETP set up an interim secretariat at ECF whose primary role is to hire a team that will be based in the region. It is this regionally based team that will design, manage and deliver the energy transition partnership. Overseen by a steering committee comprising representatives of philanthropic and government donors, SEAETP pooled and aligned funding will be deployed to help underwrite and coordinate capacity building, policy reform, diplomacy, industry engagement, research and analysis, and demonstration projects. Politically sensitive activities aimed at public mobilisation or influencing opinion and behaviours will be funded by the philanthropies involved.

Air Quality

Rationale: Air quality is an urgent climate and health problem. It is also a major opportunity and entry point for the climate community; it has a tangible impact on the lives of everyday citizens, is a more politically neutral cause than climate, and injects an urgency of short-term health impacts into the otherwise long-term framing of climate action. With growing public concern about air quality across the world, particularly with the increasing knowledge of pollution's serious health impacts on babies and children, now is the time to create the political space for ambitious action on clean mobility and energy to solve the air quality crisis.

Why collaborate: A number of levers need to be deployed in concert to effect transformative change, including public mobilisation, policy change (through litigation, advocacy or policy development), monitoring, technical support, public infrastructure investment and upgrades, and enforcement. It is critical that both philanthropy and government elaborate their roles in order to create an enabling environment for public funds and market solutions to reach critical mass. Some of these levers must be pulled by philanthropy rather than by government: philanthropy can convene stakeholders, mobilise public support to create political space, and support technical pilots and policy innovation to help unlock a substantial scaling up of public funding for air quality. Governments are well-positioned to provide bilateral technical assistance to help identify, develop, and implement best-practice policies and systems, which will in turn impact the private sector's incentives.

Outcomes to date: The working group members converged on the strong correlation between air pollution and climate change and the potential co-benefits of tackling both. This is the first time a group of governments and philanthropies have aligned around the mutual benefits and opportunities to tackle air pollution and climate change. Some Task Force members decided to pool their resources and focus their activities through the creation of a Clean Air Fund. One foundation funded a series of citizen mobilisation activities in Poland in the lead up to COP24. Other working group members came together to propose a range of actions focusing on urban air quality in developed and developing countries with initial pilot projects planned for India. A significant partnership will also see some working group members providing complementary support to cities in Southeast Asia and Africa that are aiming to implement urban air quality projects, mainly in the transport sector. The planned activities include increasing awareness and building capacity; improving knowledge through monitoring, data and modelling; defining and implementing investments to reduce air pollution in short- and longer-term actions; and evaluating actions and policies.

Blended Finance: Climate Finance Partnership

Rationale: : Although many renewable energy projects are cost competitive in an increasing number of countries around the world, the next five to ten years will be absolutely critical to the climate trajectory of the earth. Expediting the flow of private capital to drive the transition to a low-carbon economy is crucial. This means mobilising institutional investors by helping them get comfortable with the idea of allocating significant capital to sectors and markets where they may be uncomfortable or only marginally comfortable today. The challenge of designing investment vehicles to significantly expedite the flow of private capital into climate-related projects is large but the task is absolutely necessary to secure a safe and prosperous future for the generations to come. Best estimates of incremental funding levels required to prevent the most negative impacts of climate change are nearly USD 1 trillion annually.

Why collaborate: Private sector investors, especially from the impact investing community, are beginning to move into climate-related sectors in emerging markets, but the speed of investment has been far too slow. In order to meaningfully combat climate change, private investment needs to be mobilised by the trillions. And to unlock these trillions, there needs to be some element of responsible de-risking for these initial and forward-leaning investors to go ahead. The innovative partnership structure of the Climate Finance Partnership (CFP) endeavours to catalyse new institutional capital and ultimately serve as a proof-of-concept that these structures, and the investments of the fund, present risk/return profiles of interest to mainstream institutional investors.

Outcomes to date: The CFP brings together a consortium of leading global actors who are collaborating in the design of a flagship blended finance private equity fund for climate infrastructure investments in a select set of emerging markets in Africa, Southeast Asia and Latin America. It will showcase the power and catalytic role that a combination of government and philanthropic "catalytic capital" can play in mobilising conservative institutional capital into climate-related investments in emerging markets at high ratios. Through its very creation, the CFP has already succeeded in inspiring BlackRock, the world's largest asset manager, to publicly commit itself to initiating investment activities, alongside its institutional investor clients, in climate infrastructure sectors in a select set of emerging markets. That in itself sends a powerful demonstration effect to the market and will help to build momentum in the institutional investor community to commit future funds to climate-related vehicles. CFP formally launched at the One Planet Summit in New York in September 2018, and its partners have been actively engaged in an iterative process of negotiating the structure and key terms of this unique vehicle. Some of the key issues under ongoing discussion include capital mobilisation targets, regional allocations, level of "protection" for institutional investors, and governance considerations.

Agriculture and Land Use

Rationale: The agriculture sectors (crop and livestock production, forestry and fisheries, and aquaculture) are facing the enormous challenge of feeding the world's growing population in the midst of climate change. The impacts of increased climate variability as well as more extreme and frequent weather events are jeopardising agriculture, livelihoods and infrastructure. Farmers, pastoralists, fishers and community foresters depend on activities that are intimately and inextricably linked to climate. They are among the most vulnerable to climate change but the least equipped to cope. Profound transformation in the global food and agriculture system is needed to ensure that the adaptive capacity of smallholders is enhanced and that countries transition toward low emission and climate resilient development. However, the clock is ticking. Action must be taken now in order to secure sustainable food and agriculture for the future.

Why collaborate: To date, much of the climate community's focus on land use and agriculture has been on forestry-related activities. The Task Force members sought to be additional to existing efforts and to explore complementarity in a safe space. There is broad recognition that the scope of the climate community needs to be widened to encompass issues including:

- Emissions from agricultural practices;
- Dietary choices and food waste;
- Pressure on land use from urbanization;
- Energy consumption and efficiency in the production and transportation of food;
- Soil health; and
- Climate adaptation measure required to build resilience.

Outcomes to date: The Task Force's working group identified a number of themes and issues for potential collaboration, as outlined in Table 5.

Table 5. Agriculture and Land Use Working Group Ideas

Facts	Issues	Interest of the Working Group
Agriculture disproportionately impacts the poorest and the most vulnerable.	Agricultural, rural development and adaptation to climate change capacities are impaired by poverty traps and lack of access to production means and markets.	Bridging social inclusion and the climate agendas by working locally with communities on empowerment and adaptation strategies.
Rural women are among the most exposed to climate risks.	Women have limited: • Access to resources, services; • Endowments, and entitlements, and limited voices in decision-making; and • Mobility.	Promoting gender mainstreaming in climate change adaptation strategies and projects.
Agricultural sectors are highly vulnerable globally.	75% of the world's food is generated from only 12 plants and 5 animal species.	Developing new agroecological and nature-based solutions in order to increase the resilience of production systems and limit new conversion of natural land to agriculture and subsequent loss of biodiversity.

The Task Force members acknowledge that the themes and interests around which its members converged neither address agriculture's role as an emitter nor design a mitigation strategy. More work is required. Ultimately, the working group concluded that there is room for philanthropy to step up and help lead in this space. The Task Force government members expressed an appetite to collaborate on the analytical work necessary to detail a common vision, scope target countries and rural territories, and select pilots for implementation.

Summary of Unique Features and Next Steps

The following table distils the unique features of the overall effort as well as of each working group, and summarizes next steps.

Table 6. Summary of the Task Force's Unique Features and Next Steps

	Unique Features	Next Steps
Task Force Overall	• Co-funding partnerships between private philanthropists and governments who ask: "What can we do together that we otherwise could not do on our own?". • Timebound effort seizing political momentum to catalyse existing efforts and bring innovative ideas to fruition. • Pragmatic focus on action plans with scalable and replicable pilots. Ambitious assignment pushing all partners outside of their comfort zones. • Working groups that utilise a co-chair model, each relying on one government and one philanthropy representative. • A small temporary secretariat, a central point of contact providing thought leadership and strategic direction while leaving working groups maximum autonomy.	• Bringing this learning to a broader audience. • Continue rolling out and scaling projects. • Maintaining political momentum.
RE in Southeast Asia	• Coordinated donor government and philanthropy effort harnessing their respective complementary capabilities and funding abilities. Focus on technical assistance. • Specific sector and geography selected to maintain focus and maximise impact.	• Staffing and operationalising the South East Asia Energy Transition Partnership. • Developing relationships with governments and partners in the region.
Air Quality	• The first time that governments, bilateral development agencies, and philanthropy have aligned around the mutual benefits and opportunities to tackle air pollution and climate change. • Brings a new climate focus and awareness for health-oriented government and philanthropic organisations that may not have previously focused on or prioritised climate.	• Building knowledge and awareness of the problems caused by air quality and designing pathways to solutions. • Developing and rolling out workshops and action plans with a view to providing broader city and national access to project finance for longer-term air quality solutions.
Blended Finance: Climate Finance Partnership	• First-of-its-kind partnership between leading global philanthropies, governments, institutional investors, and the world's largest asset manager. • Proof-of-concept focus on catalysing institutional investors into the climate investment space.	• Finalising the structure and key terms of this unique vehicle.
Agriculture and Land Use	• Conscious effort to identify common ground and frame a joint approach between government and philanthropy.	• Further dialogue to work toward an action plan. • Share concept notes and invite other philanthropists to enter this space with governments.

5. Task Force on Philanthropic Innovation: Lessons Learned

A number of lessons from the Task Force effort were captured through a series of structured interviews with Task Force members. Although this list is not exhaustive, it elaborates on key lessons to help inform future collaborations. In no particular order, the lessons learned are listed below.

Partnership Composition and Roles and Responsibilities

1. **Trusted facilitators and co-chairs are paramount.** The Task Force's four working groups were each headed by two co-chairs, one each from government and philanthropy. This was by design. In certain cases, the secretariat provided additional facilitation support, either on an ongoing or more ad-hoc basis. The approach to collaboration taken by the various co-chairs varied, with some giving more space for exploratory conversations and others limiting the interactions to more required, transactional discussions. This was generally driven by the substantive starting point of each working group, the extent to which the partners involved were already familiar with one another, and the desired output or outcome of the engagement. In most cases, the importance of the co-chairs and facilitators in directing the effort was abundantly clear. In one case, however, when the co-chairs did not seem to sufficiently own or champion the effort, little progress was ultimately made. Although the co-chair model may not work in all instances, in the case of the Task Force it proved to be an essential element to success. When identifying working group facilitators, chairs, and co-chairs, it is critical to select not only the right institutions but also the right individuals. Ideally, those in the driving seats feel passionate about the issue in question but can also allow space for the broader group to contribute and add value, and can allocate sufficient bandwidth to guide the collaboration from start to finish.

2. **Secretariats and intermediaries play instrumental roles.** Large-scale collaborations such as the Task Force generally require one central, coordinating body to keep everything moving, resolve issues that may arise, and maintain a focus on the bigger picture and longer-term goals. The Task Force secretariat served as the central point of contact for the more than 130 individuals involved across the various working groups, and helped to ensure collective commitment to the original goals. While it provided a high degree of thought leadership and administrative support throughout the process, it also provided substantive input to or more directed support for specific working groups, including the CFP. To realise complex multi-stakeholder partnerships, it may be necessary (but not sufficient) to assign and resource a trusted intermediary with the relevant skill sets. Overall, there were times when the secretariat should have stepped in more, and other times when perhaps they could have taken a more hands-off approach. Whether a secretariat provides more administrative or substantive support to some extent depends on the priorities of those funding the effort. Provided that sufficient resources can be made available, the incremental cost of including both administrative and substantive expertise can go a long way in expediting and encouraging the progress of the broader effort.

3. **The partner specifics matter — governments are not monolithic and philanthropy structures vary.** The Task Force included governments from several countries, and most were represented by more than one ministry or entity. Philanthropies also brought in experts from different groups within their organisations. Depending on the input or funding required to move ahead with each of the working groups, Task Force members had to determine the most appropriate entities, sub-groups, and/or individuals to involve. In some cases, the scope of engagement evolved over the course of partnership. In other words, one entity took the lead for the first part, and then another stepped in for the remainder. Internal coordination within a given Task Force

member organisation is critical, and it is also necessary to ensure that other partners are clear on the correct point(s) of contact and breakdowns of roles. At the outset of the partnership and then over its life cycle, it is necessary to ensure that the right entities are at the table, and to understand which are responsible for substantive input, funding decisions, etc. Ultimately, it is the responsibility of partnership members to be as thoughtful and transparent as possible on these issues.

4. **Diversity is important.** The intent was that the Task Force would serve as a proof-of-concept for future collaborative efforts. As a result, the Secretariat tended to target members with whom it already had some degree of relation to or shared a common vision with, and who showed early enthusiasm or interest in the concept. For example, it focused on the large U.S. and European foundations already engaged — at least accordingly to public perception and awareness — in supporting climate action, and governments with close relationships with France, the anchor government. As the working groups move to engage more deliberately with recipient countries, the overall level of interaction with recipient country governments, non-profits, and others, was low during the pilot phase. It is important for partnerships to integrate recipient country involvement as early as possible and also expand beyond the usual philanthropic circles to capture the growing philanthropic community in emerging economies.

Enabling Factors Before and at the Outset of Partnerships

1. **Defining success and objectives at the outset of the collaboration requires setting aside individual priorities.** From the outset, the Task Force was guided by a simple question: "What can we accomplish together that we cannot achieve on our own?". It was from here that the four working group areas and eventually specifics were developed. However, some partners came with very strong ideas about what they wanted, or did not want, from the initiative. The implication of these priorities varied from working group to working group. Some working groups had more outspoken partners than others; some pushed to prioritise areas of particular interest or importance to their entities; some struggled to coalesce around a shared objective. It is often challenging to set aside individual priorities, but it is also important that partnerships cultivate shared objectives that allow each partner to feel like they are adding value and are a part of something.

2. **It is necessary to define clear roles and responsibilities at the beginning of the partnership.** While trusted facilitators and co-chairs, as well as a robust secretariat, are necessary ingredients to a successful partnership, it is absolutely critical that the roles and responsibilities of the various actors are clear. In the case of the Task Force, the division of responsibility across the facilitators and co-chairs and the secretariat in terms of the coordination and substantive functions was not always clear or consistent across the working groups. In some ways, it makes sense for working groups to naturally evolve and develop, even when that means operating largely outside of the secretariat's view. There is no one-size-fits-all in terms of the structure of roles and responsibilities, but is important for all of those involved to be on the same page regarding, for example, how the secretariat interacts with the co-chairs, the roles that the co-chairs are playing, and the implications of being a member or co-chair of a working group.

3. **Earlier due diligence efforts and the presence of existing relationships help to expedite collaborative progress.** Some of the working groups chose to focus on issues that several of the members had already engaged in some degree of exploration or due diligence. At the same time, some of the working groups included members with existing relationships or previous

experience working together. On the one hand, this tended to expedite collective progress, an important feature considering the short-term, time-bound nature of the Task Force. On the other hand, one could argue that the focus on already identified issue areas with largely existing relationships was not ambitious enough for the Task Force. When selecting issues and partners for potential collaboration, it is important to reflect on the trade-off between venturing into a new area with new partners, which would come with additional upfront time and resource requirements but potentially catalyse additional outcomes, and choosing to collaborate on a specific, known issue with existing partners, which would likely allow for faster wins.

During the Partnership

1. **Political will and support must be coupled with strong working-level execution.** The Task Force was first conceived of and launched by President Macron, who met with most of the Task Force principals from philanthropy. The political signal was strong. It was the Task Force members, and their working-level technical experts, who were primarily responsible for agreeing to and executing on the working group plans. Partnerships that are the product of a political announcement often struggle to achieve and/or maintain the buy-in of the teams that are actually responsible for executing on the commitment. While the strength of the top-down political will provided a certain degree of momentum and support for those involved, it also created potentially unrealistic or challenging expectations in certain instances. Throughout the Task Force process, some working groups had to grapple with how to best deliver on the political-level vision while also managing the practical realities of doing so. Ongoing engagement between the political level and working level, as well as within the various other levels, can help to mitigate issues and overcome roadblocks.

2. **Timebound exercises with interim forcing events present benefits and challenges.** While timebound exercises with interim pre-defined forcing events ensure that the effort remain focused and on track, it also means that expectations must be managed on multiple fronts. For example, the political level should be realistic about what can be achieved during the lifecycle of the initiative, and also should continue to highlight the effort and its progress during the interim events. The technical level, responsible for achieving the outcomes and outputs, must see sufficient value in these events in order to remain motivated. In the case of the Task Force, there was a feeling by some that the One Planet Summit, as an event and as a platform for the work, ultimately did not add enough value to the effort. When collaborations originate from a largely top-down, highly visible event or platform, it is especially important that the political level maintain visibility of and support for the collaboration after the initial announcement.

3. **Some processes cannot be expedited or changed (e.g., budget cycles), and these realities should be understood by all parties as early as possible.** The Task Force was structured as a timebound and fairly short collaborative effort with ambitious goals. While political will can certainly help to expedite progress, it alone is insufficient to achieve certain things. For example, it is the underlying budget cycle or strategic plan or board meeting that dictates the timing of certain decisions. Some of the working groups encountered situations where the timing of these decisions, or the availability of funds, did not align with other partners and/or the timeline of the Task Force – one of the realities of government-philanthropic partnership that the Task Force was set up to explore and push in the first place. The Task Force model and its ambitious timeline was meant to expedite funding or other decisions, which is possible to a point. In cases where partners will be pooling or even aligning funds, it is important to understand the practical realities of each partner so as to manage expectations, which the Task Force model elucidated.

4. **There is no one-size-fits-all funding model — aligning funding may make more sense than pooling resources in some situations.** Blended finance, most commonly associated with a structured layering of finance by various public and potentially private entities with a view to mobilising additional investment, has been deployed for a range of development challenges in the last several decades. In more recent years, it has gained traction in the climate community as a way of addressing some of the barriers associated with scaling up private climate finance. Although it can be a powerful instrument, it is certainly not the only way to ensure that finance from various sources is working to reinforce, complement, or at a minimum not detract from one another. The alignment of finance is one such approach. Aligning finance requires that partners communicate and collaborate closely, but allows each to maintain autonomy regarding funding decisions. When exploring funding models, partnerships must bear in mind the barriers they intend to address as well as the practicalities of the individual partners involved (e.g., budget timelines and processes). The Southeast Asia Renewables working group in particular designed a structure that included aligned finance in addition to pooled.

5. **The intangible benefits of collaboration are often as important as the tangible ones.** The Task Force set out to achieve tangible outcomes in four working groups and also to serve as a proof-of-concept for collaboration between philanthropy and government. While the overall success of the Task Force may be measured in terms of what these groups achieve, the softer, more intangible benefits of the overall effort should not be discounted. For many of these entities, the experience exposed them to new partners and allowed them to both better understand the inner-workings of their category of entity and also to gain an appreciation for that of "the other side". In turn, this has yielded further bilateral or multilateral collaborations beyond those within the Task Force. The experience has also exposed entities to new ways of thinking and potentially doing business. For example, AFD was so convinced by the importance of tackling air pollution issues that they are now in the process of developing a new internal strategy. This is unlikely to have happened in the absence of participation in the Air Quality working group. Having tangible goals in mind is always useful in terms of focusing efforts, but the more intangible outcomes or other co-benefits associated with partnerships should also be recognized.

Blended Finance Vehicles

1. **Maintain focus on main vehicle objective.** In complex multi-party structures like the CFP, it is critical to maintain a focus on the primary issue the vehicle was designed to address — in this case, maximizing private capital mobilisation. That means that other important issues such as target geographies, target country income levels, development impact, etc., will be important but secondary to capital mobilisation considerations.

2. **Institutional investors value concessional funder's ability to protect downside.** The CFP design process has confirmed that institutional investors currently place a much higher degree of importance on downside protection than on upside enhancement. In other words, institutional investors value the first loss or guarantee role that concessional funders can often play. In return, the concessional funders can be rewarded for their downside protection services with a disproportionate share of upside beyond a negotiated threshold.

3. **1+1 = 3.** Each new player introduced to a blended finance partnership structure increases the complexity of negotiations exponentially as opposed to linearly. New parties should only be added if they help satisfy the programmatic or financial needs of the vehicle; they should not be added simply for the sake of adding partners.

6. Conclusion

The Task Force accomplished a great deal in a short period of time. It served as a useful pilot and demonstrated that government and philanthropy, when working in partnership, can indeed achieve more together than individually.

It has set the stage for accelerated, collective efforts, including:

- A significant coalition of governments and philanthropies committed to helping the energy transition in Southeast Asia is gaining momentum and building operations;
- Health-oriented philanthropic organisations and government funds that may not have previously focused on or prioritised climate are now aligning around the mutual co-benefits and opportunities to tackle air pollution and climate change; and
- The world's largest asset manager is working with leading global philanthropies, governments and institutional investors to finalize the structure and key terms of the Climate Finance Partnership.

The Task Force has also served as a helpful reminder of the respective comparative advantages that each actor possesses and the ways in which these can be maximised. Governments set the overarching public policy framework; can mobilise significantly greater financial and technical resources than philanthropy in absolute terms; and have diplomatic networks across the world. Philanthropy has the ability to mobilise citizens and encourage progressive actors, and flexible resources that can be deployed quickly and that can help leverage and steer much greater amounts of public and private finance towards innovative climate-friendly investments.

Looking ahead, the lessons learned from the Task Force effort can and must be integrated into efforts to achieve the goals of the Paris Agreement. Accomplishing systemic, transformational change necessitates strong political will and commitment, as well as effective execution by all actors. It is not easy. Governments and philanthropies need to support the networks of organisations, institutions, and individuals who are arguing and making the case for such transformation.

Future collaborations will benefit from allowing time and investment in due diligence in order to:

1. Understand the landscape of the issue, map entities involved, and identify gaps;
2. Identify potential issues, geographies, and/or sectors to focus on; and
3. Identify an initial core group of partners to target for the collaboration.

Every effort should be made to expand beyond traditional "developed country" governments and philanthropies to include emerging economy governments and donors. This will help to balance the composition of partnerships and ensure that climate-friendly actions are targeted and country-driven.

Once partnerships are formed, philanthropy and government are well placed to deploy a diverse suite of tools. The following is an illustrative, rather than exhaustive list:

Philanthropy can:

- Support progressive actors that want to make the case for climate action in their own countries;
- Trigger and assist policy dialogues;
- Build and support civil society constituencies to address various climate challenges;

- Provide grants and other support to those on the ground working to execute various climate projects and programs;
- Provide start-up project financing to help reach bankability and unlock multiples more in public and private finance; and
- Provide financial support for Secretariats and partnership meetings and events.

At the same time, government can:

- Provide concessional support and technical assistance to strengthen enabling environments necessary for transformational change;
- Provide policy loans; and
- Provide large-scale, long-tenor, low-interest-rate finance to scale and replicate promising technologies and infrastructure investments.

Joint efforts between governments and philanthropy should support the actors — in a range of different geographical areas with varying economic development profiles—who have a shared vision for and commitment to the radical, transformational change required.

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Annex 1. Primer on Philanthropy

Philanthropy, from the Greek ***philanthropia***, translates as "love of humanity." Although business endeavours are private initiatives for private good and government endeavours are public initiatives for public good, philanthropic endeavours are "private initiatives for the public good, focusing on quality of life."

Philanthropic foundations differ in terms of type, purpose, sources of funding, thematic areas of focus, geographic scope, priorities, approaches, and political orientation. Although there is no single definition of a philanthropic foundation, four criteria are used in most definitions. Specifically, the organisation must be:

1. Non-governmental;
2. Non-profit;
3. Self-managed by its own trustees and directors; and
4. Promoting charitable activities serving the common good.

Foundations can be public or private. Public foundations, often referred to as public charities, receive support from multiple sources, including public contributions, while private foundations have their own resources, and often endowments, provided by individual donors or families.

There are further classifications within private foundations. For example, private foundations can be operating or non-operating foundations. Operating foundations predominantly undertake charitable activities and must be significantly involved in its own projects in an ongoing manner. On the other hand, non-operating foundations typically make grants to external organisations and individuals and generally do not run their own programs and projects. These foundations are often further classified by type: independent foundations, corporate foundations, and community foundations.

Philanthropy of course extends beyond foundations. In the U.S., for example, this can include individual giving and other models such as Donor-Advised Funds (DAFs) and Limited Liability Companies (LLCs). DAFs are charitable investment accounts administered by a public charity. These allow donors to make tax-deductible contributions that are then controlled by the public charity. LLCs are often setup to allow for impact investing.

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Annex 2. List of Task Force Members

Principal philanthropists:

- Bill and Melinda Gates Foundation: Bill Gates
- Bloomberg Philanthropies: Michael Bloomberg
- Children's Investment Fund Foundation (CIFF): Chris Hohn
- Craig and Susan McCaw Foundation: Craig McCaw
- Grantham Foundation: Jeremy Grantham
- Growald Family Fund: Eileen and Paul Growald
- Hewlett Foundation: Larry Kramer
- IKEA Foundation: Per Heggenes
- McCall MacBain Foundation: John McCall MacBain
- Oak Foundation: Kristian Parker
- Overlook International Foundation: Richard H. Lawrence Jr. and Dee Lawrence
- Sea Change Foundation: Nat Simons and Laura Baxter-Simons
- Virgin Unite: Richard Branson
- Willows Investment: Stephen Brenninkmeijer

Government, bilateral and multilateral agencies:

- France: Cabinets of the President, Ministries of the Environment, Foreign Affairs and Finance Agence Française de Développement (French Development Agency)
- UK: Ministry of State, Department for Business, Energy and Industrial Strategy
- Canada: Department of Environment and Climate Change
- Germany: Federal Ministry for the Environment, Building, Nature Protection and Nuclear Safety
- Organisation for Economic Co-operation and Development (OECD): NetFWD, Development Directorate

European
Climate
Foundation

The Task Force on Philanthropic Innovation secretariat was hosted by the European Climate Foundation under the direction of Laurence Tubiana. For further information, please contact Ida Kenny Le Duc at ida.kennyleduc@europeanclimate.org