

The Role of Philanthropy in Mobilizing Financing for Biodiversity and Climate Change

Questions are being asked more and more frequently about how philanthropic capital can add value to the international community's efforts to accelerate climate and biodiversity action. More and more initiatives are emerging with value propositions geared toward systemic transformation that addresses the root causes of the global climate crisis. If initiatives are implemented in a collaborative manner and with a systems perspective, the chances for leading transformative change are higher. But coordination is often challenging and practitioners and funders have only a fraction of information of what is happening in their ecosystems. How much of philanthropic efforts for nature are carried out in a coordinated way? Where are the synergies and the gaps in collaboration and financing? And, more importantly, how can philanthropic collaboration for nature effectively respond to local needs?

During the 4th annual Semana de Financiamiento Climático y Sostenible (Climate and Sustainable Finance Week), organized by Grupo de Financiamiento Climático para América Latina y el Caribe (GFLAC), Fundación Avina addressed some of these questions in the Workshop on Solutions Around the Role of Philanthropy in Mobilizing Financing for Biodiversity and Climate Change. The workshop brought together different philanthropic organizations focused on channeling resources to the global South to share ideas and identify gaps, as well as pinpoint opportunities for collaboration within the philanthropic ecosystem when it comes to the climate and biodiversity agenda.

Paula Ellinger, Climate Action Director at Fundación Avina working on climate issues in Latin America and the Caribbean for over fifteen years, opened up the conversation. Reflecting on the organization's trajectory over the past decade and a half, Ellinger provided context about the philanthropic sector's traditionally low level of involvement in the climate change and biodiversity agendas. She emphasized that the available financing for these challenges in Latin America is far from sufficient in terms of scale, velocity, and focus on innovation. She pointed out that philanthropy has the potential to be a catalyzing force for mobilizing the necessary financial resources, given its capacity to take on risks, flexibility, and focus on systemic change. Despite this potential, current data reveal that philanthropic investment in climate protection and biodiversity remains limited, with only a small percentage (2% for mitigation and even less for adaptation) of grants awarded to these ends.

There is also unequal access to climate finance; for funding to reach the local level, we must understand the particularities of local contexts

Ellinger also underlined that there is a marked inequality in access to international financing directed at Latin America and the Caribbean, particularly for local communities. Financing this agenda requires deep and honest reflection about which actors are involved in the true causes of the crisis. This was echoed by David Rothschild, senior director of partnerships at Nia Tero, a civil society organization that works with indigenous communities to protect their territories, natural resources, and traditional knowledge. David pointed out that there is

clear evidence supporting the importance of indigenous peoples in protecting the climate and biodiversity. In spite of this, these communities lack access to the necessary financing, particularly that of philanthropic institutions, to be able to face the challenges of climate change. David shared some figures from the Research and rainforest foundation Norway and Indufor (2021) that showed how indigenous communities have received only a fraction of the climate aid between 2011-2020, less than 0.13%, despite the fact that they often live in regions rich in biodiversity.

This means that, despite the urgent need for resources to deal with the effects of climate change and to stem the loss of biodiversity, most international funds do not reach local territories. If we cannot manage to more efficiently direct financing to these areas and ensure that local communities can lead projects and initiatives that are tailored to their needs and specific contexts, it will be impossible to achieve a just transition. Direct investment in local territories is crucial for making a lasting and sustainable impact.

David shared about the work Nia Tero is doing in the Amazon region to change this by awarding grants of varying sizes about \$20 million in grants each year in the Amazon, the vast majority to Indigenous peoples organization and their chosen partners.. The strength of this initiative lies in long-term relationship building with indigenous communities. The focus is on providing direct financing to these communities to avoid additional administrative costs.

Similarly, Vanessa Purper, manager at Fundo Casa observed that resources are not being placed directly in the hands of the indigenous guardians that play a pivotal role in maintaining the stability of biomes. Vanessa mentioned that According to BURs and reported by UNFCCC less than 10% of available funds reach ecosystem guardians, despite their importance. Fundo Casa has a collaborative and empowering approach, working with groups seeking to develop their financial capacities and skills to influence policies at the local and regional level.

They have found that indigenous and Afro-descendant groups are better prepared to take on financing when they receive adequate support, especially those that are located in close proximity to areas affected by forest fires.

The participation of stakeholders from the private and philanthropic sectors in climate action must be attached to accountability mechanisms

Natasha Matic, Executive Director of the Accountability Accelerator of the Global Commons Alliance, a coalition of scientists, philanthropists, private companies, and innovators that work to protect global commons such as the freshwater, land, biodiversity, and the oceans, noted that we need to stop working in silos and instead promote collaboration among diverse stakeholders so we can take more risks, invest in innovation, and effect systemic changes.

To address this need, initiatives like the Accountability Accelerator work to improve corporations' accountability when it comes to their impact on nature and the climate. It uses

different tools, such as incentives, awareness, capacity building, as well as legal and finance tools to push financial institutions and companies into action on nature.

Matic also emphasized the importance of bridging the local and international arenas, establishing connections between grassroots efforts and spaces for global dialogue.

Focus on flexibility and local reach and mobilizing more stakeholders to play a part

One of the main themes that emerged in the workshop was the importance of the philanthropic sector adopting a focus on flexibility and local reach. This entails the capacity to adapt to changing needs and local contexts as well as the willingness and ability to directly invest in local territories. Flexible financing is essential to addressing complex and evolving problems, and on-the-ground reach requires a direct commitment to local communities and their specific challenges.

Jonah Wittkamper, founder of the Amazon Investor Coalition, spoke about the important role philanthropy can play in improving ecosystems and the climate. To fulfill this role, the sector must involve more high-income families and activate their philanthropic spirit. We must find strategies to motivate these actors to offer support through grantmaking mechanisms.

Matic also highlighted the importance of regranteeing organizations as catalysts for mobilizing resources from individual donors and large foundations through regranteeing. This type of mechanism stands out for its efficiency, since it allows for a more agile and effective response to the needs of local geographic areas and communities, while connecting philanthropic actors to people and organizations on the ground.

The panelists were in agreement that philanthropy has huge potential to serve as a catalyst in this endeavor and that it needs to do much more in the nature and climate space. Its capacity to take on risks, flexibility in financing, and focus on systemic changes and equity make philanthropy a valuable partner in addressing these challenges. By the same token, philanthropy needs to more deeply examine its role and significantly increase its level of participation.

During the question-and-answer session with the audience, the panelists pointed out that the role of philanthropy must go beyond granting financial resources. Philanthropic organizations must become actively involved in the agenda, exploring how different areas for impact can contribute to climate resilience. The education and support of champions and guiding leaders is essential for mobilizing and coordinating efforts.

This discussion, which took place a month and a half prior to COP28, has a counterpart in the high-level agendas that will be negotiated during the two-week conference. In order for philanthropy to be a catalyzing force in the mobilizing and channeling of resources toward the global South, the sector must establish coordinated strategies within the framework of global governance processes. Philanthropic institutions focused on the global South must be especially clear about the most important issues to bring before parties and advocate for agreements that will impact, in a differentiated way, countries in the global South, such as

the establishment of the Loss and Damage Facility with a floor funding, the definition of a global adaptation goal, the replenishment of the Green Climate Fund and establishment of a new collective notified goal on climate finance.

Furthermore, COP28 will be a key moment to consolidate a vision that underpinned this panel: that climate action and biodiversity and ecosystem integrity go hand-in-hand in halting the global crisis, and that a holistic, integrative and collaborative approach to nature is the only way to go.

This event was part of Fundación Avina's Philanthropic Engagement and Advocacy Learning Initiative. As such, the workshop was designed to be a space for dialogue to enable philanthropic actors—especially those focused on the global South—to understand and reflect on their role in climate governance arenas like COP28 and as a catalyzing force to generate best practices in the mobilization of resources tailored to local needs and contexts. To learn more about this initiative and participate in upcoming programming, visit: <https://www.avina.net/en/advancing-global-climate-action/>