



How Donors Can Achieve Outsized Impact on the Environment with Non-Endowed Funds

STRATEGIC DONORS often use a range of grant-making tools to strengthen the environmental movement's infrastructure, from the community to national level, to better protect communities, species, and the planet. Many donors run into challenges along the way, often because they are relatively removed from work on the ground, lack staff capacity, and need to operate within traditional grant-making cycles. One way they can overcome these challenges is to support grant-making vehicles, such as non-endowed funds, that effectively move resources to organizations that donors either may not be aware of or have traditionally found it challenging to fund. Non-endowed funds (also known as

intermediaries or pooled funds) allow donors to extend the impact of their core grant-making activities and to get closer to organizations and leaders in the field that are addressing the issues they care about. In partnership with The JPB Foundation, the Windward Fund commissioned Arabella Advisors to provide convening support to five non-endowed funds whose primary lens is to support grassroots equity- and justice-focused nonprofits. We profile them here to exemplify the power of using these grant-making vehicles to build a stronger environmental movement and to help funders better understand how they might use such vehicles to complement their existing grant-making tools.



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OVER THE PAST few years, we have seen an unprecedented swell of populist energy surge from people wanting to know that their voices matter and that they still have agency in their government and in their communities. At the same time, our planet faces one of its greatest threats: catastrophic climate change, which through its adverse impacts on weather, sea-level rise, and resultant global socio-political instability, will significantly impact every person and ecosystem on the planet unless we can urgently address its root causes. The scale of this threat demands bold, collective action from philanthropy and partners in the field to sustain a livable, just, and equitable future for all communities.

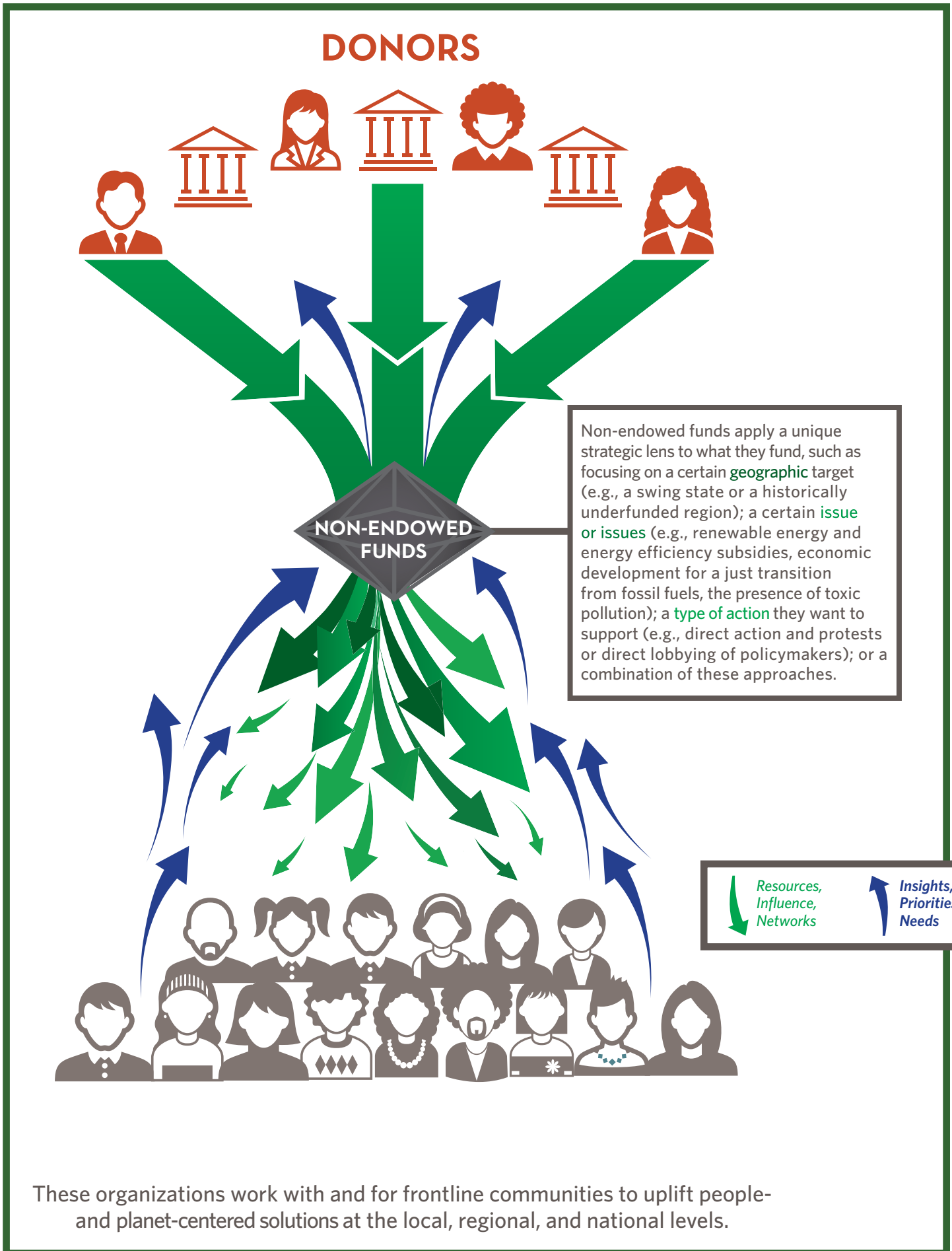
These five environmental non-endowed funds are harnessing communities' demand for people-centered approaches to address the environmental concerns of our time. They are making strategic investments in grassroots organizations that understand the nuanced challenges in their local communities and can amplify their organizing and base-building capabilities to rally intersectional movements that build tangible progress at local, state, and national levels. Grassroots advocates have spent decades

organizing and building their bases to form coalitions and national movements that are elevating the climate crisis in the public consciousness and landing it on politicians' agendas. For example, organizations supported by non-endowed funds are raising awareness of the climate crisis through national demonstrations, campaigning to advance clean and renewable energy solutions through state legislatures, and expanding economic opportunities in coal-impacted counties to enable an equitable transition to more sustainable livelihoods.

Philanthropic investments in these organizations can yield high returns for donors. When funding makes its way to the community level, through infrastructure such as non-endowed funds, grassroots advocates can grow their work to achieve broader and sustained impact at scale, strengthening not just their own communities, but broader society and our planet.

NON-ENDOWED FUNDS play an important role in getting more funding to the grassroots and helping to lift the needs of those who have been historically suppressed and under-invested, giving donors an on-the-ground perspective that may otherwise be hard to gain. They also provide flexibility by allowing donors with varied interests and commitments to partner in funding efforts. Non-endowed funds adapt to the different regions where they fund by supporting movement building and maintaining connections with leaders from frontline communities. This approach reinforces grassroots organizations' work, leading to impressive victories such as bringing solar power facilities to indigenous communities in the Southwest or mobilizing dozens of community organizers in the Midwest to build political power that centers on perspectives from black, indigenous, and communities of color.

Figure 1. Non-Endowed Funds Help Funders Channel Resources to Meet the Needs of Frontline Communities



These funds elevate the voices of frontline communities on a range of issues that matter most to those communities.

THE NON-ENDOWED FUNDS profiled in this report are supporting the causes and initiatives, often in areas historically overlooked by philanthropy, that will strengthen the broader environmental movement and bolster the future of our communities and planet. These funds serve a diversity of niches in philanthropy, shifting more resources to a grassroots level, while simultaneously educating donors about emerging on-the-ground needs. While these five funds have very few grantees in common, they do share a broad strategic imperative: seek outsized impact by supporting organizations, regardless of the core issues they work on, that elevate the voices of frontline communities on a range of issues that matter most to those communities. The funds' approach to this support takes on many strategies across different geographies to achieve the needs of place-based and regional organizations. For example, these funds support organizations that work on municipal Green Zone policies to ensure equitable and sustainable development practices, advance state-based campaigns to drive clean energy legislation, and mobilize through the *Equitable & Just National Climate Platform* to identify priorities for a national climate policy agenda. The funds also use their organizational capacity to complement grant making by supporting grantees through media and communications campaigns that highlight the impacts of grassroots efforts or by providing technical assistance and capacity-building support.

On the one hand, the funds are a bridge for philanthropists to reach frontline communities effectively, and on the other, the funds also bring a wealth of services to help philanthropic institutions respond to emerging threats and opportunities and pursue long-term movement building. These services range from using the funds'



organizational infrastructure and established relationships to more flexibly move funding immediately to grassroots organizations—as was the case with the Solutions Project, which used culture influencers and provided narrative capacity to grassroots organizations at Standing Rock in 2016—to opening capacity for engaging in political and advocacy efforts by giving restricted grants to 501(c)(4) sister organizations that operate in tandem with their 501(c)(3) counterparts. Non-endowed funds bring strong expertise, rooted in close relationships with communities, to help funders right-size their due diligence on recipients of funding. They also deploy place-based strategies and culturally informed approaches to grant making in communities with longstanding racial and economic disparities in ways that large institutional foundations and individual donors may not, making them powerful tools for funders looking to make lasting change.

SNAPSHOT OF THE NON-ENDOWED FUNDS

The group of non-endowed funds featured in this report bring distinct yet complementary approaches to supporting grassroots environmental organizations. Each of the funds represented here is moving resources through different focus areas and in select geographies, helping donors achieve outsized impact through their investments while using a funding lens centered in equity.

Non-Endowed Funds:

Re-grant to provide general operating, multi-year, and rapid-response grants to address unmet funding needs

Strengthen relationships across geographies

Build power through organizing for policy change

Engage in participatory grant making

Respond to emerging on-the-ground needs (e.g., communications support, media exposure, capacity building)



The Building Equity and Alignment for Impact (BEA-I) Fund is spearheading a grassroots-led grant-making approach to lift up frontline communities. It supports community-based organizations nationally and in Puerto Rico that are addressing environmental and climate justice challenges, broadly defined by grantees themselves who recognize the interconnectedness across social justice, climate, health, economies, and the intersections of these areas. The BEA-I Fund centers its grant-making approach on the Jemez Principles of Democratic Organizing, and its advisory board ensures equitable distribution based on recommendations from groups that work on a wide range of issues, such as eliminating longstanding polluting entities, advocating for food sovereignty, fighting for indigenous territory rights, building solidarity economies, and others. The BEA-I Fund provides general operating, rapid-response, and capacity-building grants, and prioritizes funding to base- and movement-building organizations with smaller budgets, intentionally supporting under-funded geographies such as Hawaii, Alaska, the Southwest, and Puerto Rico. General operating support from the BEA-I Fund has gone to several prominent environmental justice organizations, such as the Southwest

Workers Union (SWU) in San Antonio, Texas. SWU has been an instrumental force in holding polluting industries accountable by fighting for local policies that improve air quality in low-income, frontline communities, and it established a local utility rate-payers union.



The Climate and Clean Energy Equity Fund (Equity Fund) is building power to stop climate change and create an equitable clean energy future. It does so through a multi-state initiative that invests in the leadership and organizing of diverse communities (people of color, indigenous people, and those most impacted by climate change); wins equitable climate and clean energy campaigns; and educates and turns out voters. The fund supports grassroots organizing and nonpartisan civic engagement efforts in eight states (Florida, Georgia, Minnesota, Nevada, New Mexico, North Carolina, Pennsylvania, and Virginia) and plans on supporting others in the future. It also supports the capacity of grantee organizations through its Equity Policy and Communications Accelerator programs. Founded in 2016, along with its sister 501(c)(4) organization, the Climate Equity Action Fund, the Equity Fund's strategic investments in highly skilled organizations have resulted in powerful grassroots bases in diverse

communities, new state-level coalitions, and the passage of historic policies. In New Mexico, for example, organizations it supported passed the Energy Transition Act in 2019, which will help the state achieve 100 percent carbon-free electricity by 2045 and create a path to clean energy jobs for rural and impacted communities, including indigenous and Latinx communities.



Energy Efficiency for All (EEFA) is a partnership of Elevate Energy, the Energy Foundation, the National Housing Trust, and the Natural Resources Defense Council. It aims to improve the home environments of people living in affordable multi-family housing. EEFA's strategic investments have generated \$500 million in new utility and government funding to make housing affordable, reduce the energy-cost burden for low-income households, and cut carbon pollution. EEFA's partners work in collaboration with the Network for Energy, Water and Health in Affordable Buildings (NEWHAB)—EEFA's social impact and learning network that, together with the Energy Foundation, convenes coalition and sector leaders to learn from one another and develop collaborative solutions. EEFA partners, NEWHAB, and coalitions in 12 states work together to support EEFA grantees from diverse sectors and backgrounds including: 1) housing, environmental, workforce, and resident rights advocates; 2) consumer protection, resident-led, and environmental justice organizations; and 3) organizations working at the intersection of energy efficiency, clean energy, and health. The state coalitions work in utility, regulatory, state legislative, and other venues to ensure decision makers invest in

underserved and disadvantaged communities and that these communities participate in and benefit from energy efficiency, clean energy, and technology transitions. EEFA's support for the California Environmental Justice Alliance enabled the alliance to co-sponsor and help establish the Solar On Multifamily Affordable Housing program in California, which will channel funds saved through solar energy grids into the utility bills for low-income renters throughout the state.



The Just Transition Fund is advancing solutions that tackle the root of inequities in communities that are hardest hit by the transition away from coal. While the fund initially started in 2015 to support federal initiatives that spurred economic development in former coal communities, it now focuses on predominately rural areas in 10 states where coal plants and mines have closed: Arizona, Colorado, Illinois, Kentucky, Minnesota, Montana, Ohio, Pennsylvania, Virginia, and West Virginia. The Just Transition Fund believes these states are critical to supporting the broader just transition movement based on its rigorous analysis of the level of economic distress, organizational and movement-building capacity, and opportunity for policy change in each area. Recognizing that the needs in former coal communities extend beyond philanthropic giving, the Just Transition Fund employs a hybrid approach by making grants and providing technical assistance to support community workforce development, drive policy change that will lead to more stability in the transition away from coal, and sustain economic development over the long term. With support from the

Just Transition Fund, Native Renewables is using its Navajo Clean Energy Program to give Navajo families access to off-grid solar systems through low-interest loans, helping families own their power. Workforce development is also included in the program, which trains Native American solar installers to build and maintain the systems. This training creates solar jobs in the community and helps to build a regional solar workforce.

THE SOLUTIONS PROJECT

The Solutions Project accelerates the transition to 100 percent clean energy for 100 percent of the people. It works at a movement level to build a culture and narrative that is more inclusive, celebratory, and collaborative. The Solutions Project invests in frontline women and leaders of color who are best positioned for impact, helping to amplify their stories and scale their clean energy solutions toward a just transition. Founded in 2012 by actor Mark Ruffalo, it supports place-based organizations across select states by drawing upon cultural influence through media platforms, such as Marvel Studios, to lift up grassroots leadership and community solutions. Its recent 100 Percent Commitment to Justice program commits 95 percent of its philanthropic dollars to organizations led by people of color and women. In addition, its Fighter Fund makes a variety of risk-tolerant investments, such as grants to UPROSE and PUSH Buffalo, which focus on bringing locally owned community solar to communities of color in Brooklyn and Buffalo, respectively. It also invests to seed emergent community groups such

as the Miami Climate Alliance and New Alpha Community Development Corporation, which provide crucial coalition support and movement-building opportunities in Florida and South Carolina, respectively.

The Fund to Build Grassroots Power

The Fund to Build Grassroots Power (FBGP) is strengthening, growing, and supporting the members and affiliates of four national grassroots networks. The FBGP awards capacity-building grants to members and affiliates of the Climate Justice Alliance, Partnership for Working Families, People's Action, and the Environmental Justice Forum (coordinated by WE ACT for Environmental Justice), with the goal of advancing environmental and climate justice in the United States. The FBGP supports the capacity-building needs of organizations, as articulated by the organizations themselves, whether those are for enhancing the quality of their work, the financial stability of their organization, or to grow the organization. As a participatory fund, leaders from these national networks serve on an advisory board to provide strategic guidance and input on grant-making priorities and decisions to ensure that the FBGP is responsive to the member organizations' needs. The FBGP aims to support organizations that are led by constituencies who have been historically suppressed, who work on a variety of issues—such as environmental and climate justice, farmworker rights, and economic security, to name a few—and serve communities and regions that have historically lacked adequate investment. The FBGP is a fiscally sponsored project of the Windward Fund.