

A conversation with Shirley Rodrigues on September 24, 2013

Participants

- Shirley Rodrigues — Portfolio Manager, Climate Change, Children's Investment Fund Foundation (CIFF)
- Alexander Berger — Senior Research Analyst, GiveWell
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Note: This set of notes was compiled by GiveWell and gives an overview of the major points made by Shirley Rodrigues.

Summary

GiveWell spoke with Shirley Rodrigues of the Children's Investment Fund Foundation (CIFF) about CIFF's climate program. Conversation topics included: how CIFF chose focus areas for its climate program, CIFF's early investments in this space, and how CIFF will measure the impact of its investments.

Background on CIFF's climate program

CIFF pursued a climate change special initiative because CIFF's founders recognized that climate change posed a significant threat to children's futures and could impact on the effectiveness of the CIFF's other investments to improve the lives of children (e.g. nutrition). Though CIFF's programs typically focus on supporting children, climate program investments are not assessed from that perspective.

How CIFF chose focus areas

The CIFF climate program's focus areas are climate-smart urbanization, energy transformation, and land use. These focus areas were chosen in 2009, before Ms. Rodrigues began working at CIFF in 2011. Ms. Rodrigues believes that CIFF chose these focus areas because it wanted to invest in areas where systemic change was possible and where a new funder could have a significant impact.

Climate program spending

CIFF's climate program has spent about \$80 million since it began in 2008-09. CIFF is still in the process of scaling up the climate program, and it does not yet have an expectation of what this program's spending will be in a typical year. Last year, the climate program was 26% of CIFF's spending. In 2012, CIFF's spending on the climate program was at a similar level at \$27 million. All of the spending in 2012-13 was mainly in two focus areas, smart urbanization and energy transformation, and also on a campaign to eliminate HFCs. Spending will increase as and when CIFF begins making investments in its third focus area, land use.

Investments in smart urbanization

CIFF has made 2 major investments in its smart urbanization focus area:

1. C40 Cities Climate Leadership Group. C40, currently chaired by New York City mayor Michael Bloomberg, is a network of the world's megacities. It works to reduce cities' emissions of greenhouse gases and vulnerability to climate change by sharing best practices and supporting cities carrying out demonstration projects through peer-learning networks. CIFF co-funded part of C40's strategy and business plan. CIFF will be funding a second phase of the grant.

2. Energy Foundation China. CIFF invested in the Sustainable Cities program at Energy Foundation China. China is the most rapidly urbanizing country in the world; many new cities are being created and existing cities are expanding quickly. Chinese cities typically have low density and high emissions. The China Sustainable Cities program is assisting China's government in learning about and implementing climate-smart low-carbon development projects. The Sustainable Cities program facilitates the implementation of demonstration projects in Chinese cities and works with the relevant national government ministries to help provide the evidence base to support the adoption of climate-smart principles in city planning. CIFF is investing in Sustainable Cities in order to scale it up. The long-term success of the Sustainable Cities program depends on successful outreach and advocacy efforts, to take advantage of the learnings from the demonstration projects in order to help institutionalize these climate-smart approaches

Climate-smart urbanization projects typically have a long time horizon; infrastructure takes at least 5-10 years to build, not including planning and financing, so the impact on greenhouse gas emissions abatement is difficult to measure.

Investments in energy transformation

CIFF's energy transformation investments include grants related to carbon pricing, renewable energy, development of the conditions to support the decarbonisation of the EU power sector, and low-carbon development strategies.

Examples of energy transformation investments include:

1. Mitigation Action Plans and Scenarios (MAPS). MAPS is a stakeholder-driven scenario-building process to establish an evidence base supporting countries to transition to robust economies that are also carbon efficient.. MAPS is primarily active in Latin American countries such as Brazil, Chile, Peru, and Colombia. The MAPS program helps country leaders understand their countries' likely future emissions scenarios, and reconcile climate change mitigation, economic growth and poverty alleviation objectives.. CIFF has funded MAPS for the past several years.
2. Campaign to eliminate HFCs. CIFF funded work to eliminate (production and consumption) hydrofluorocarbons (HFCs). A recent achievement is the increase in the number of countries signing on to the Montreal Protocol amendment to phase out HFCs. Ms. Rodrigues believes that CIFF and ClimateWorks are the only major funders of this project.
3. European Climate Foundation (ECF). CIFF co-funds ECF, a grant-making organisation in the EU which provides a strategic overview and funding of advocacy efforts for robust climate mitigation action.
4. Latin America Regional Climate Initiative. This initiative is based on the ECF model and works mainly in Brazil and Mexico on climate, waste, and energy issues.
5. Environmental Defense Fund (EDF). CIFF is co-funding EDF to provide technical support for the Chinese government's work on carbon trading. . It will support pilot carbon trading programmes to demonstrate and test different approaches to increase government and business capacity and encourage the adoption of high quality design principles.

Evaluating impact

Short-term

One way that CIFF assesses the short-term impact of its projects is by analyzing case studies. For example,

to evaluate the impact of the Sustainable Cities program, CIFF locates cities where the government had development plans before the Energy Foundation entered. Then, it determines if a city and its major developers committed to implementing climate-smart principles after the Energy Foundation entered, and it studies how and why the original plans were altered to see if the changes were due to the Energy Foundation.

Ms. Rodrigues recently returned from a visit to China where she saw some of the changes that are being implemented in Chinese cities as a result of the Sustainable Cities program. For example, in late 2011, Chenggong had planned to develop infrastructure for carbon-inefficient road transportation to support low-density sprawl. Now, Chenggong is planning mixed-use development, improved walking and cycling infrastructure, and improved high-density community planning. Chenggong's development policy has become more climate-friendly and its developers have been able to realize higher rental values, so the Sustainable Cities program led to both environmental and economic improvements.

Long-term

CIFF is looking for large, transformational impacts from its climate projects, but it recognizes that these impacts will likely occur far in the future. CIFF plans to measure its projects' long-term impacts in terms of metric tons of CO₂ reduction. CIFF aims to select projects that can produce at least 100 million metric tons of CO₂ emissions reductions.

Encouraging government adoption of climate-smart policies is the key to long-term, large-scale impact; CIFF and other funders do not have enough funding to directly implement climate-smart infrastructure at the national level.

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