

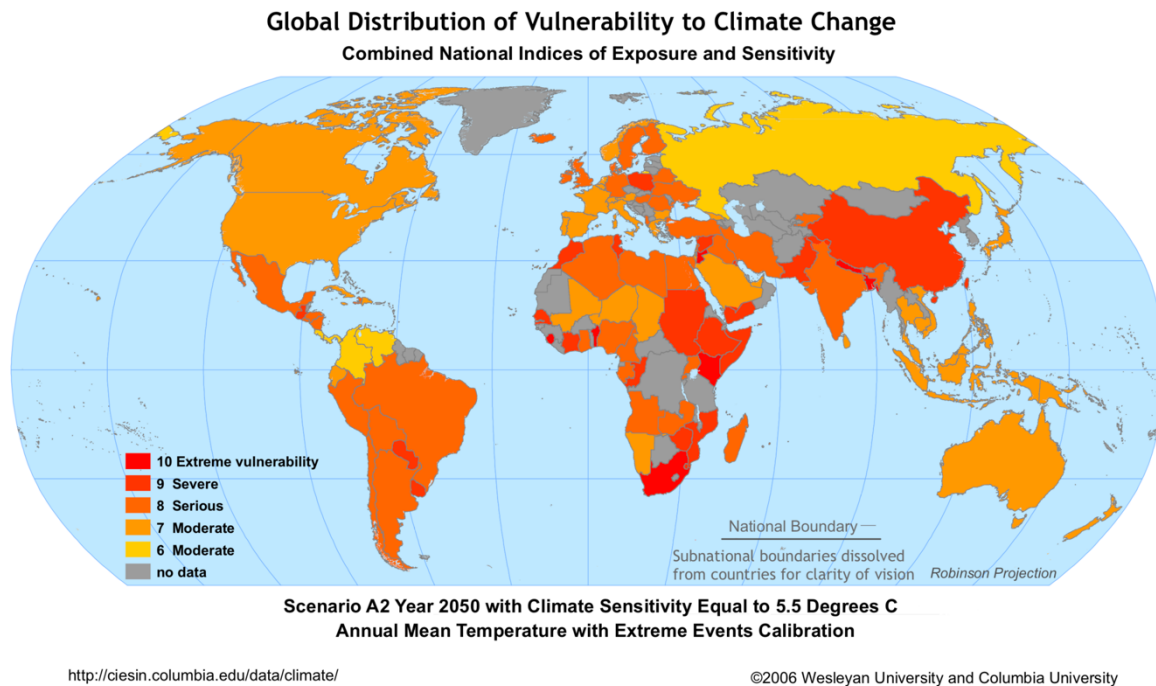


BUILDING CLIMATE RESILIENCE OUR STRATEGY

BACKGROUND

Climate change is one of humanity's greatest existential threats. It is already resulting in more extreme weather patterns, fewer water resources, lower crop yields, and weakening marine ecosystems. Although climate change will affect all regions of the world, it will have the greatest impact on those least responsible for the greenhouse gas emissions that drive climate change, populations living in low- income countries in the Global South (see Global Distribution of Vulnerability to Climate Change map below). These communities will have the additional burden of fewer resources to cope with increased droughts, flooding, deforestation, diminished agricultural crops, lack of access to potable water, and the spread of diseases. While climate mitigation is necessary to arrest and reverse climate change, a necessary complementary strategy is to implement adaptive actions to create a climate resilient future.

Figure 1. From the Socioeconomic Data and Applications Center (SEDAC)



CLIMATE ADAPTATION AND RESILIENCE

Climate adaptation is defined as “adjustments in ecological, social, or economic systems in response to actual or expected climatic stimuli and their effects or impacts.”ⁱ Climate resilience is a closely related concept. According to the UN’s Intergovernmental Panel on Climate Change, resilience is defined as “the capacity of social, economic, and environmental systems to cope with a hazardous event or trend or disturbance...” While adaptation focuses on the actions taken in response to climate change, resilience is a result of adaptive actions.

According to the Global Commission on Adaptation, in the absence of adaptive actions, climate change could decrease growth in global agriculture yields up to 30 percent by 2050, affecting primarily the 500 million small farms around the world. In addition, the number of people who lack sufficient water at least one month per year, will increase from 3.6 billion today to more than 5 billion by 2050. Rising seas and greater storm surges could force hundreds of millions of people in coastal cities from their homes, with a total cost to coastal urban areas of more than \$1 trillion each year by 2050.ⁱⁱ And climate change could push more than 100 million people within developing countries below the poverty line by 2030.ⁱⁱⁱ The Global Commission on Adaptation goes further, stating that “Adaptive actions can provide a triple dividend: they avoid economic losses, bring positive gains, and deliver additional social and environmental benefits.”

Despite the need for funding climate adaptation and resilience measures and the triple dividend of employing such action, there is insufficient funding. An OECD analysis found that only 19% of

climate finance mobilized in 2017 went to projects that helped communities adapt to climate change and of that 19%, half of that was dual mitigation-adaptation.

OUR VISION

The Shockwave Foundation envisions a world where communities and ecosystems are resilient in the face of climate change. We invest in frontline communities so that they can manage climate shocks, rebound and continue on a progressive pathway to sustainable development. We incorporate in this work lenses on environmental justice, equity, and strive for community-first solutions.

OUR APPROACH

Climate change adaptation efforts are beginning to prepare for rising seas, higher temperatures, worsening droughts, and other impacts. This action is urgent and necessary to address the needs of the most vulnerable and to protect development gains. This work is particularly important in countries that depend heavily on climate-sensitive natural resources and traditional agricultural practices for subsistence, and among women whose livelihoods rely on the natural resources threatened by climate change.

We believe adaptive efforts must work with the economy and resilience can be strengthened through improving economic livelihood in combination with bolstering community infrastructure. **We fund work in the systems most affected by climate change: systems that produce food, protect and manage water and the natural environment, and plan and build our infrastructure, and we focus our efforts on building climate resilience in the Global South.**

When funding organizations and initiatives, we look for:

- Economic development and uplift
- Environmental justice and equity
- Community-led approaches with ground-up stakeholder buy-in
- Lasting and sustainable solutions
- Systems strengthening approaches
- Projects requiring pivotal and catalytic funding
- Impact that can be defined and demonstrated
- Ideas that can either scale and/or replicate to serve the greater good
- Hidden multi-stakeholder benefits
- Visionary leaders who strive to develop their skills and learn from others
- Strong management, financial sustainability, and a culture of learning
- Opportunities to build collaborations between organizations

We embrace both nonprofit and for-profit models and utilize grants and impact investment structures to align incentives for scale.

PRIORITY AREAS

The Shockwave Foundation focuses on a specific set of priorities where we feel we can provide the greatest additionality and impact:



For each of these funding areas, we apply an **influencing lens that favors sustainable solutions, economic development, equity, community voices, and gender.**

TYPE OF WORK WE FUND

The urgency of climate change requires a multi-pronged approach, including investing in good ideas that need to be scaled, new ideas that need to be tested, and fostering supportive policies.

We fund:

- **Adaptation Initiatives & Implementation.** We support projects that can serve as models for improving the outcomes of vulnerable communities and look for ideas that can either scale or be replicated.
- **Advocacy & Policy.** We promote policies that support community adaptive solutions and build resilience in a changing climate.
- **Research & Technology.** We support experiential learning, innovations in science and technology, climate modelling, and sharing solutions.

THE WAY WE WORK

We are guided by a core set of principles:

- We use seed funding to initiate organizational momentum
- We act as a convener, catalyst, and enabler
- We prioritize low-resource and high-impact solutions.
- We focus our partnerships on those most affected by climate
- We operate globally
- We value patience and long-term relationships
- We support fairness and transparency
- We promote diverse viewpoints
- We prioritize listening and learning

OUR NEXT STEPS

Over the next five years, we aim to deepen our learning, strengthen our grantmaking and investment strategies, and raise our visibility and the work of our partners within the climate change resilience space. To achieve this vision, we will sharpen our grantmaking focus within WASH, agriculture, infrastructure, and other climate resilience areas. We will also foster collaborative partnerships with our partners, and co-funders. We will strive for cross-sector collaboration to drive systemic change to achieve a shared vision of impact. And most importantly, we will advocate for the work of our partners and raise their visibility.

ⁱ The UN Framework Convention on Climate Change.

ⁱⁱ Global Commission on Adaptation. 2019. *Adapt Now : A Global Call for Leadership on Climate Resilience*. Washington, DC: World Resources Institute. © Global Commission on Adaptation. <https://openknowledge.worldbank.org/handle/10986/32362> License: CC BY 4.0 International.

ⁱⁱⁱ Hallegatte, Stephane, Mook Bangalore, Laura Bonzanigo, Marianne Fay, Tamaro Kane, Ulf Narloch, Julie Rozenberg, David Treguer, and Adrien Vogt-Schilb. 2016. *Shock Waves: Managing the Impacts of Climate Change on Poverty*. Climate Change and Development Series. Washington, DC: World Bank. doi:10.1596/978-1-4648-0673-5. License: Creative Commons Attribution CC BY 3.0 IGO).