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Climate Action Response

To:

From:

Date:

For: Discussion and Decision

Purpose

This paper:

* summarises key information regarding the need for a collective climate action response.
* Seeks Board agreement that [organisation name] become a signatory of the Funders Climate Action Commitment.

Key Points

* In October 2016, the New Zealand government ratified the 2015 Paris Agreement, which provides a framework for the global response to climate change. By ratifying the agreement, New Zealand committed to having an emissions reduction target and regularly updating it.
* The Combined Community Trusts of Aotearoa[[1]](#footnote-1) Chief Executives have established a Climate Change Working Group (CCWG), chaired by Linn Araboglos, and supported by The Centre of Social Impact.
* The group’s role is to explore ways philanthropic funders can work together on climate change issues including how we can support a just transition to a net zero world.
* The working group met for the first time in October 2021. It was decided that our initial work would be a pledge that Community Trusts and other philanthropic funders can sign, committing funders to certain actions. It was agreed that the pledge would be launched around time of COP 26.
* The report recommends trustees agree to [organisation name] becoming a signatory of “The Funders Commitment on Climate Action.”

Background

* In 2015, the United Nations Climate Change Conference (COP 21) was held in Paris, France, where world leaders negotiated the Paris Agreement.
* The purpose of the Paris Agreement is to:
  + keep the global average temperature well below 2° C above pre-industrial levels, while pursuing efforts to limit the temperature increase to 1.5° C
  + strengthen the ability of countries to deal with the impacts of climate change
  + make sure that financial flows support the development of low-carbon and climate-resilient economies.
* In October 2016, New Zealand ratified the agreement, which committed New Zealand to reporting on our emissions and how we are tracking towards meeting New Zealand’s target.
* [Insert example of work your own organisation has done in the Climate Action space here e.g. This year Wellington Community Trust also incorporated a Responsible Investment Policy into the SIPO which contains the following commitment: *“incorporation of Ethical consideration by embedding Environmental, Social and Governance (ESG) factors into the investment process…”* (pg 19, WCT SIPO).]

Logo

Description automatically generated with medium confidenceLaunch of Climate Action Aotearoa: The Funders Commitment on Climate Action

* The CCWG launched the commitment on Friday, 10 December 2021. This has included the creation of Climate Action Aotearoa as the “brand name” for The Funders Commitment on Climate Action.
* The website outlines the commitment and invites other funders to sign up. It includes a list of signatories, resources for download, FAQ and a sign-up form. Criteria to sign up has been agreed upon and registrations will be manually vetted prior to official approval.
* The website is [www.climateactionaotearoa.co.nz](http://www.climateactionaotearoa.co.nz) and social media pages have been created on [Facebook](https://www.facebook.com/climateactionaotearoa) and [LinkedIn](https://www.linkedin.com/company/77677230/). The social media pages will post relevant content from the collated resources and showcasing the ‘good stuff’ being done in this space by signatories. Signatories are encouraged to share these with their own networks.

Climate Change – Areas of Focus

* To assist in developing a climate action response we can consider four areas of potential action.
* Provide support to organisations we grant to so they can develop their own response to climate change.
* Develop a commitment to climate change and communicate its intentions, targets, and commitments.

Grantmaking

Climate

Action

Commitment

Investments

Operations

* Understand the climate change implications generated by our investment portfolio and actions required.
* Understand the carbon emissions generated by our own operations, and identify any

action required to reduce emissions.

* A clear intention to act on climate change through a statement of climate action commitment and intentions would be a good first step for [organisation name].

Trustees Climate Change Responsibilities

* [The Aotearoa Circle](https://www.theaotearoacircle.nz/)[[2]](#footnote-2) has sought advice from [Chapman Tripp](https://chapmantripp.com/about-us/) as to [the legal duties of New Zealand trustees to manage climate change related risk to trust investments](https://static1.squarespace.com/static/5bb6cb19c2ff61422a0d7b17/t/610889fbcafd097facb54923/1627949567186/climate-change-risk-trustees-legal-opinion-2021.pdf). Chapman Tripp released their report in October 2021. The report concluded:

*Trustees’ duties of prudent investment, to act for the benefit of beneficiaries, and of impartiality, all align when considering their ability and obligation to consider climate-related financial risk to trust investments. In light of the increasing understanding and awareness of climate-related risk in New Zealand in 2021, trustees will be expected to identify and assess climate-related financial risk to determine whether that risk is likely to be material.*

*While ever context-dependent, trustees should actively consider whether trust investments are at risk of material financial impact as a result of physical impacts or regulatory, market or legal developments connected to climate change. If so, then those trustees should appropriately manage that risk over the mid to long term, including by diversification and/or divestment of certain investments if appropriate. These assessments are not easy, but they are important for trustees to work through to properly discharge their duties to present and future beneficiaries.*

Examples of Climate Action Initiatives already underway

* Funders have already undertaken significant work relating to climate change and net zero emissions. Actions include:
  + Wellington Community Trust instigated a [Climate Action Fund](https://wct.org.nz/climate-action-fund-recipients-project-overviews/) supporting climate action groups for local initiatives that move the Wellington region towards carbon neutrality.
  + Bay Trust and Trust Waikato embarked on a pilot programme with [Toitū](file://C:\Users\DanielleLorberbaum\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\X4MDCAYU\intent%20of%20this%20playbook%20is%20to%20outline%20the%20landscape%20of%20potential%20actions%20for%20funders,%20either%20individually%20or%20collectively,%20to%20accelerate%20the%20move%20to%20a%20carbon%20neutral%20society,%20with%20a%20just%20transition%20and%20communities%20that%20are%20resilient%20in%20the%20face%20of%20climate%20change%20that%20is%20already%20‘baked-in’.) to better understand the impact of attributable emissions stemming from grantmaking activities. Results will be available in November 2021.
  + Foundation North via The Centre for Social Impact (CSI) commissioned a report on Climate and Community Research to further understand community organisation needs relating to climate change. CSI also produced the Funders Climate Playbook. The intent of the Playbook is to outline the landscape of potential actions for funders, either individually or collectively, to accelerate the move to a carbon neutral society, with a just transition and communities that are resilient in the face of climate change that is already ‘baked-in’.

The Centre for Social Impact Funders Playbook is shared as a resource on the *Climate Action Aotearoa – Funders Commitment on Climate Action* website. The research recommendations represent three key objectives:

|  |  |  |
| --- | --- | --- |
| Leadership & Acceleration | Action in Community | Targeted Support to Reduce Emissions |
| The key aim being to take a collective leadership role and respond to the hope of community organisations. This includes:   * Māori engagement to understand Te Ao Māori on climate and develop practice. * A public commitment to demonstrate leadership and provide accountability. * Shared resource for intelligence, policy, and implementation support. * A Climate Champion Network. | Philanthropy can collaborate with community organisations to support better outcomes for community in mitigation and adaptation by:   * Supporting more effective public participation and amplifying the voices of marginalised groups. * Support action for just transitions, improves outcomes, and reduces risk of great inequality. | Prioritise the ‘Motivated’ cluster of community organisations that also have higher emissions, to prototype support for emissions reduction efforts.  Support should focus on making measurement easy (and tools free), with expert advice for implementation. |

Climate Change Commitment

* To demonstrate philanthropic funders collaboration, it is recommended that trustees adopt the Funders Commitment on Climate Action (see website [Climate Action Aotearoa New Zealand | The Funders Commitment](https://www.climateactionaotearoa.co.nz/) also available in a text version in Appendix 1).
* The commitment contains 7 key focus areas, including a specific commitment to climate action responses guided by Te Tiriti o Waitangi, recognising mātauranga Māori in climate action, respecting whakapapa, tino rangatiratanga, rite tahi (equity) and kaitiakitanga.
* The CAWG are developing a work plan to catalyze Climate Action in Aotearoa.

Recommendations

It is recommended that the Board:

* **AGREE** to sign and commit [organisation name] to the Funders Commitment on Climate Action.

# Appendix 1.

# Funders Commitment on Climate Action

We, the undersigned Community Trusts of Aotearoa New Zealand and other funders, recognise that the growing climate emergency is a grave risk to our communities and planet. The scale of the climate threat and solutions needed reflect this critical issue facing every community. Community funders, whose assets are held for the public good, play an important role. The way we invest and partner with communities to support a just transition to a low carbon society, with increased equity, climate resilient communities and better outcomes for our environment is a critical responsibility.

We aim to accelerate effective responses to climate change to ensure that everyone has access to opportunities arising from the transition to a low carbon economy. We recognise the costs and impacts of the shift to a low carbon society may be unfairly borne by already vulnerable communities.

Guided by Te Tiriti o Waitangi, including values of kaitiakitanga and kotahitanga, we will apply an inter-generational mindset to how we commit our resources. We will identify and prioritise opportunities for collective action on climate change so that we can contribute to greater equity, and community and environmental resilience, health and wellbeing.

We invite other funders to join us in this vital mahi.

# We, the undersigned commit to:

**Reflecting Te Tiriti o Waitangi and supporting Māori aspirations regarding climate action**

We commit to the spirit of partnership with Iwi, Hapū / Māori to address the causes and impacts of climate change. We will seek to enable Māori aspirations and recognise mātauranga Māori in climate action, respecting whakapapa, tino rangatiratanga, rite tahi (equity) and kaitiakitanga.

**An equitable transition**

We will take action on how we invest and fund, to enable greater equity in the transition to a low carbon society. We will support initiatives that foster equitable transition, and we will support vulnerable communities burdened by the impacts arising from the transition.

**Enable leadership**

We will support and grow the leadership in our communities, especially in tangata whenua, rangatahi and marginalised communities to accelerate an equitable transition. We will actively support community-led action and systems change to enable an equitable transition.

**Commit and share resources**

We will take opportunities to contribute to and support mitigation and adaptation to climate change impacts. We will commit resources to accelerate work addressing the causes and impacts of climate change and identify opportunities to co-fund initiatives.

**Learn and grow**

We will create opportunities for our trustees, staff and communities to learn more about climate change causes, impacts and solutions, including through mātauranga Māori. We will share opportunities to develop the knowledge and skills needed to act.

**Decarbonise our investments and operations**

We will take action to minimise the carbon footprint of our own operations. We will proactively address the risks and opportunities of the transition to a low carbon society in our investment strategies.

**Report on progress**

We will report annually on our progress against the commitments listed above. We will continue to develop our practice, to learn from others, and to share our learning.

**Please join us in this collaborative effort**

Ki te kotahi te kākaho, ka whati; ki te kāpuia, e kore e whati.

If a reed stands alone, it can be broken; if it is in a group, it cannot.

When we stand alone we are vulnerable, but together we are unbreakable.

Kingi Pōtatau Te Wherowhero Tāwhiao

1. *These trusts were set up when the regional Savings Banks were sold in the 1980s and 1990s. The proceeds of these sales were invested, and the annual income generated is given as grants to communities, with each Community Trust focusing on the region in which their Trust bank operated. There are twelve community trusts operating across Aotearoa, including* [*Foundation North*](https://www.foundationnorth.org.nz/)*,*[*Rata Foundation*](https://www.ratafoundation.org.nz/)*and*[*Wellington Community Trust*](https://wct.org.nz/) *for example.* [↑](#footnote-ref-1)
2. ## [*www.theaotearoacircle.nz*](http://www.theaotearoacircle.nz) *The Aotearoa Circle is a partnership of public and private sector leaders, unified and committed to the pursuit of sustainable prosperity and reversing the decline of New Zealand’s natural resources.*

   [↑](#footnote-ref-2)