ClimateWorks FOUNDATION

2011 Annual Report

The ClimateWorks Foundation supports public policies that prevent dangerous climate change and promote global prosperity.

ClimateWorks collaborates with others to limit annual global greenhouse gas emissions to 44 billion metric tons by the year 2020 (25 percent below business-as-usual projections) and 35 billion metric tons by 2030 (50 percent below projections).

These ambitious targets require the immediate and widespread adoption of smart energy and land use policies. ClimateWorks and its network of affiliated organizations promote these policies in the regions and sectors responsible for most greenhouse gas emissions.

Contents

Welcome letter

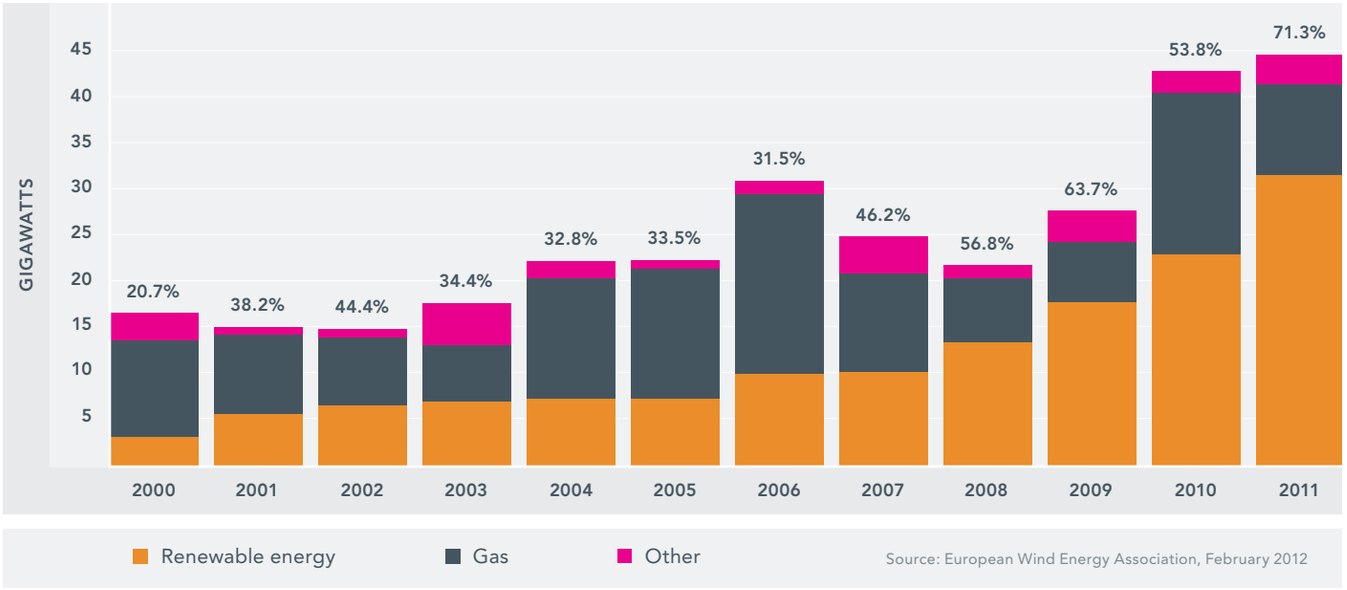
A record $237 billion was invested worldwide in new, non-hydro renewable energy in 2011, outpacing net investment in new fossil fuel generation.

We are living in a time of rapid and transformative change in climate policies and energy markets. In recent years, high oil prices, low natural gas prices, and steep cost reductions in renewable technologies have set the stage for progress. Rapid expansion of renewable energy production, the defeat of dozens of proposed coal-fired power plants, and stronger vehicle fuel efficiency standards are helping to put many nations on track for significant, long-term reductions in their greenhouse gas emissions.

In 2011 the deforestation rate in Brazil was down by 75 percent from its peak in 2004; in Europe more than 70 percent of new power plant capacity added in 2011 was from renewable resources. As next-generation power plants increasingly become low- or zero-carbon emitters, retirements of high-emitting power plants are accelerating. Utilities across the United States have announced that they will retire 68 coal-fired power plants (25 gigawatts of capacity) through 2015,[1] acknowledging that upgrading old power plants will be more expensive than other options when natural gas and renewable power offer affordable alternatives. Supporting this transformation, a record $237 billion was invested worldwide in new renewable energy (excluding large hydro projects) in 2011, outpacing net investment in new fossil fuel generation. And after a

[1] Sierra Club carbon database.

New energy capacity installed in the E.U.



Since 2008, more than half of the E.U.'s new power generation capacity has come from renewable sources, including solar, wind, hydro, and biomass.

75 percent decline in the price of solar panels over the past three years,[2] in 2012 China quadrupled its 2015 solar target and India doubled its 2016 renewable energy targets.

This success demonstrates that countries can reduce their greenhouse gas emissions while growing their economies. However, such progress often requires years of work; much like turning an ocean liner, it takes time to shift the course of the world's economies to a low-carbon future. In fact, global emissions of greenhouse gases continue to climb, rising 3 percent in 2011, driven largely by expanded fossil fuel use in the fastest-growing nations.[3]

According to the International Energy Agency's 2011 World Energy Outlook, the world will need to invest $38 trillion in energy infrastructure by 2035, nearly half of that for electric power. How do we ensure that these investments are focused on the low-carbon

[2] "Reconsidering the Economics of Photovoltaic Power," Bloomberg New Energy Finance, May 2012, *www.bnef.com/PressReleases/view/216*

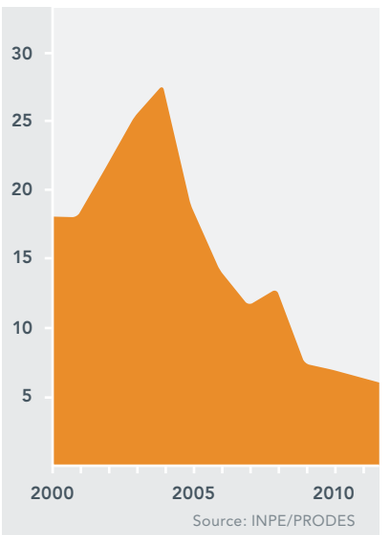
[3] J.G.J. Oliver, G. Janssens-Maenhout, and J.A.H.W. Peters, "Trends in Global CO_2 Emissions, 2012 Report," The Hague: PBL Netherlands Environmental Assessment Agency, Ispra: Joint Research Centre (2012).

technologies that can stave off dangerous climate change?[4] How do we help governments adjust policy to reflect ever-changing conditions in energy markets? As many countries, notably China and India, continue to experience a massive urban population boom, how do we ensure that burgeoning new cities are efficient and healthy? How do we support land use practices that preserve tropical forests, reduce related emissions, and grow local economies?

The ClimateWorks Network explores questions like these as we develop and pursue strategies to address the global challenge of climate change. Our Network includes Regional Climate Foundations and Best Practice Networks that focus on the regions and sectors that have the greatest potential to reduce greenhouse gas emissions. Since 2008 the Network has made more than 2,500 grants in China, the United States, India, the European Union, Latin America, and Indonesia; these grants support thousands of climate, energy, transportation, and land use policy experts and advocates.

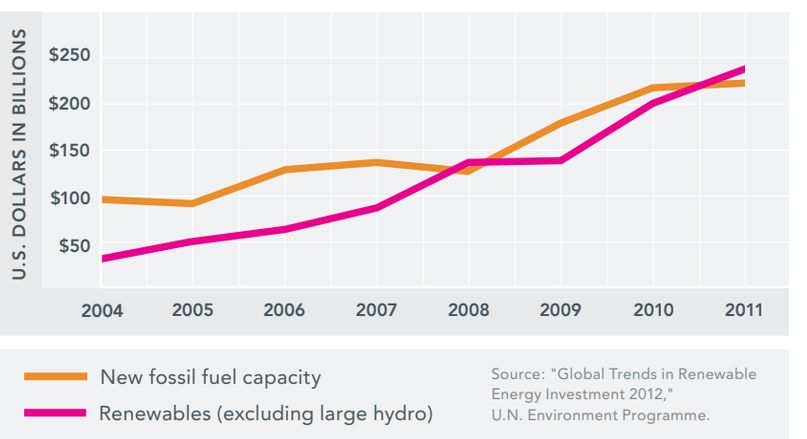
Brazilian deforestation rates

Measured in thousands of km^2



Deforestation in Brazil was down 75 percent in 2011 from its 2004 peak.

Investment in clean energy vs. conventional capacity



Worldwide investment in renewable energy outpaced spending on new fossil fuel capacity in 2011, reaching a record $237 billion (not including large hydro projects).

[4] The Intergovernmental Panel on Climate Change defines dangerous climate change as an increase in average global surface temperatures of 2° C or more from the preindustrial average. To limit the increase to 2° C by 2100, atmospheric CO_2 concentrations must stabilize at or below 450 parts per million (ppm) (IPCC, 2007).

Renewable energy standards reduce air pollution, boost innovation, create jobs, and help build a low-carbon future.

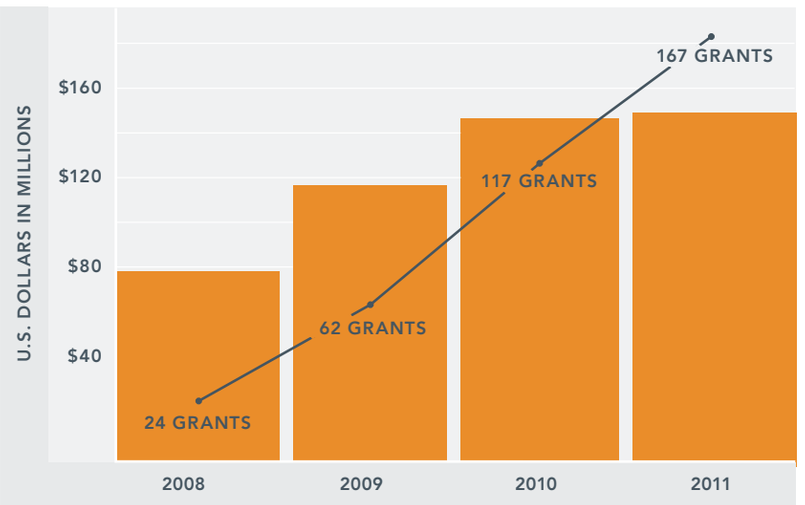
"When the winds of change blow, some people build walls; others build windmills."

—Chinese proverb

As the hub of the Network, the ClimateWorks Foundation coordinates and funds Network strategies. We help incubate and expand the capacity of Network organizations, spot global trends, and facilitate connections throughout the Network to speed dissemination of lessons and best practices. The Foundation also monitors and evaluates our Network's results to improve our effectiveness over time.

ClimateWorks' approach is working: An external review recently affirmed that our Network contributed to the adoption of a suite of new policies that, if fully implemented, will reduce annual greenhouse gas emissions by approximately 3 gigatonnes (Gt), or billion metric tons, in 2020.[5] Looking ahead, the ClimateWorks Network is pursuing more than 100 strategic initiatives to reduce annual greenhouse gas emissions by up to 6 Gt by 2020 and as much as 11 Gt by 2030. This 11 Gt goal targets approximately one-third of the total global reduction required in 2030 to limit atmospheric CO_2 concentrations to 450 parts per million. While we are proud

ClimateWorks Foundation grants & program investment



ClimateWorks' centralized grantmaking allows us to support a growing number of grantees—and to redeploy funds between regions and sectors as conditions change—without increasing our overhead costs.

[5] David Gardiner & Associates, LLC, "Retrospective Review of Emissions Reductions Claimed by the ClimateWorks Foundation," commissioned by the Hewlett Foundation, February 2012.

Right: More than 70 percent of new generators built in the E.U. in 2011 were wind, solar, or biomass plants.

of our progress, ClimateWorks recognizes that to avert dangerous climate change we must redouble our efforts and work with our grantees and other allies to expand our impact.

I am deeply honored to be leading the ClimateWorks Foundation. I've worked for more than 20 years to reduce conventional air pollution and greenhouse gas emissions. After working for the Energy Foundation in the U.S. and China, and helping to launch two other Network organizations—the International Council for Clean Transportation and the European Climate Foundation—I've developed a great appreciation for what strategic philanthropic investment can accomplish. I've also seen firsthand the power of deep collaboration among networks of organizations and people who are committed to a mission as profoundly important as preventing dangerous climate change.

The ClimateWorks Network, working with partners around the world, has a strong track record of helping governments design and implement policies that lead to large reductions in greenhouse gas emissions. Collectively, we share a vision for our children and the world: a sustainable climate system, affordable clean energy, thriving economies, clean air and water, and healthy forests and ecosystems.

We look forward to continuing to work with all of our partners and allies on behalf of this vision.

Charlotte Pera
President and Chief Executive Officer

The ClimateWorks Network

Promoting regional expertise

In the highest-emitting regions, ClimateWorks supports Regional Climate Foundations that focus on national and local priorities. Staffed predominantly by in-country political experts, these foundations fund a wide range of grantees, analyze policies, organize coalitions, and develop advocacy campaigns to support effective climate policy solutions that benefit people.

2011 Highlights

United States

The **Energy Foundation** promotes the transition to a sustainable energy future by advancing energy efficiency and renewable energy in the U.S.

No new coal plants approved in U.S. or E.U.
p. 24 & 32

Mexico passes climate bill
p. 38

U.S. passes vehicle fuel economy standards
p. 24

Brazil & Mexico

In collaboration with the William and Flora Hewlett Foundation and other organizations, ClimateWorks' **Latin America Program** provides analytical support to help Latin American officials create sector-specific policies that grow their economies while reducing greenhouse gas emissions.

Brazil reduces deforestation by 75% from its 2004 peak
p. 36

European Union

The **European Climate Foundation** promotes climate and energy policies that greatly reduce Europe's greenhouse gas emissions and help Europe play an even stronger international leadership role in mitigating climate change.

E.U. commits to decarbonize its economy by 2050
p. 32

E.U. regulates diesel emissions
p. 41

India

The **Shakti Sustainable Energy Foundation** helps to resolve India's energy crisis by supporting policies that promote the efficient use of existing resources and the development of clean energy alternatives.

India boosts investment in renewable energy 50% to $10 billion
p. 31

China

The **China Sustainable Energy Program** supports China's transition to a sustainable energy future by promoting energy efficiency and renewable energy.

China expands its Top 1,000 Program to cover >10,000 industrial enterprises
p. 21

China raises its targets for public transit
p. 23

Indonesia signs compact to protect natural resources
p. 37

Indonesia & Latin America Forests & land use

The **Climate and Land Use Alliance** (CLUA) is a collaborative initiative of the ClimateWorks, Ford, Gordon and Betty Moore, and David and Lucile Packard Foundations. CLUA works to catalyze the potential of forests and agricultural land to mitigate climate change, benefit people, and protect the environment.

Spreading best practices

For the highest-emitting sectors, ClimateWorks supports Best Practice Networks that focus on the technical details of smart policies. Their policy analysts and technical experts—many of them former regulators—help legislators and regulators design cost-effective rules that reduce greenhouse gas emissions while encouraging innovation, job creation, and economic growth.

POWER

The **Regulatory Assistance Project** (RAP) focuses on the long-term economic and environmental sustainability of the power sector; its global team of experts provides technical and policy assistance to government officials on a broad range of energy and environmental issues.

BUILDINGS & APPLIANCES

The **Collaborative Labeling and Appliance Standards Program** (CLASP) serves as the primary resource and voice for appliance, lighting, and equipment energy efficiency worldwide.

The **Global Buildings Performance Network** (GBPN) works to significantly reduce the greenhouse gas emissions associated with buildings' energy use.

INDUSTRY

The **Institute for Industrial Productivity** (IIP) provides companies and governments with the best energy efficiency practices to reduce industry's energy costs and prepare for a low-carbon future.

TRANSPORT

The **International Council on Clean Transportation** (ICCT) provides regulators with unbiased research and technical analysis to improve the environmental performance and energy efficiency of road, marine, and air transportation.

The **Institute for Transportation and Development Policy** (ITDP) works with cities worldwide to develop sustainable transport solutions that cut greenhouse gas emissions, reduce poverty, and improve the quality of urban life.

The ClimateWorks Network: Global collaboration for a stable climate

China's new "feed-in tariff" is projected to expand its solar generating capacity and reduce CO_2 emissions by 100 Mt per year by 2020.

Efficient equipment like LED lighting saves money and enhances energy security.

Introduction

Since the industrial revolution, human activities have released as much greenhouse gases as were sequestered in the ground, the oceans, and plants over millions of years. This relatively recent burst of emissions has caused atmospheric carbon dioxide concentrations to surge 40 percent—from preindustrial levels of about 280 parts per million to almost 400 ppm now, the highest level in 800,000 years.

The Intergovernmental Panel on Climate Change has established that, to prevent dangerous climate change, atmospheric concentrations of carbon dioxide and equivalent gases (CO_2e) must stabilize at 450 ppm. This means the world must reduce annual emissions from the business-as-usual case by approximately 14 gigatonnes (Gt), or billions of metric tons, in 2020 and 31 Gt in 2030.[6] If the world overshoots these limits, average global temperatures are expected to rise more than 2° C—a dangerous tipping point that could accelerate disruptive changes in our climate system.

We have analyzed the estimated technical potential to reduce CO_2e emissions by region and sector through the year 2030; these annual potential emissions reductions are presented graphically in the "ClimateWorks Sudoku" on page 16. Each row of the Sudoku shows the technical potential for emissions reductions by country or region; each column total shows potential reductions by sector. (All figures are presented in Gt of CO_2e.)

[6] McKinsey & Co., global greenhouse gas abatement cost curve version 2.1.

Left: Smart urban planning reduces congestion and pollution and makes cities more livable.

Right: Transitioning to a low-carbon future requires massive deployment of clean energy sources such as solar photovoltaics.

To help the world transition to a prosperous, low-carbon future, ClimateWorks focuses on the largest pieces of the puzzle. We fund a global network of affiliated organizations in the regions and sectors that have the greatest potential to reduce greenhouse gas emissions: China, the United States, India, the European Union, Latin America, and Indonesia; and the power, industry, forests and land use, vehicles and fuels, buildings, appliances, and transportation systems sectors. These organizations—the ClimateWorks Network—support policies that promote clean, efficient energy technologies and sustainable land use practices. Anything that reduces combustion makes the air healthier to breathe and slows the threat of climate change. Many of these policies offer additional benefits to people:

- Renewable energy standards reduce air pollution and boost innovation and job growth.
- Building codes ensure occupants are safe and comfortable while reducing energy costs.
- Smart urban planning and convenient transit options reduce congestion and pollution and make cities more pleasant.
- Efficiency standards for appliances, vehicles, and other equipment save consumers money and enhance energy security.

India's investment in renewable energy grew more than 50 percent in 2011.

The ClimateWorks Sudoku

Greenhouse gas abatement potential, 2030

	POWER	BUILDINGS	APPLIANCES	INDUSTRY	VEHICLES & FUELS	TRANSPORT SYSTEMS	FORESTS	TOTALS	CLIMATE POLICY+
UNITED STATES	1.5	0.4	0.2	0.5	0.8	*	0.2	3.4 / 3.6	+
EUROPEAN UNION	0.7	0.3	0.1	0.5	0.4	*	0.2	1.5 / 2.2	+
CHINA	3.6	0.4	0.3	3.7	0.7	0.6	0.3	9.3 / 9.6	+
INDIA	1.2	0.1	0.1	0.7	0.1	0.1	0.1	2.3 / 2.4	+
BRAZIL & MEXICO	0.1	0.0	0.0	0.2	0.1	0.1	2.0	2.2 / 2.5	+
INDONESIA	0.2	0.0	0.0	0.1	0.1	*	1.8	1.8 / 2.2	+
REST OF WORLD	2.8	0.6	0.5	1.9	0.6	*	3.9	1.1 / 10.3	+
TOTALS	7.0 / 10.1	1.2 / 1.8	1.2 / 1.2	4.9 / 7.6	2.7 / 2.8	0.8 / 0.8	3.8 / 8.5	21.6 / 32.8	+

CLIMATEWORKS SUBTOTAL 21.6 / 32.8 TOTAL

Areas where we do not focus are shown in gray.

The Sudoku shows the emissions reductions that are technically feasible in the world's highest-emitting nations, regions, and economic sectors in the year 2030. The total for each row shows the technical potential for emissions reductions by country or region; each column total shows potential emissions reductions by sector. The ClimateWorks Network focuses on the regions and sectors with the greatest potential to reduce greenhouse gas emissions.

Figures are presented in gigatonnes (Gt), or billions of metric tons, of CO_2e that could be avoided per year in 2030. The Sudoku is based on ClimateWorks analysis of the McKinsey Global Cost Curve version 2.1, supplemented with consistent analysis of transportation systems.

* Current estimates not available.

\+ In addition to our work in the world's top-emitting regions and sectors, ClimateWorks supports national and multilateral climate policies such as a cap on greenhouse gas emissions. While such policies can achieve substantial reductions in CO_2 emissions, we do not list the abatement potential in this column because it would double-count some of the tons identified in the sectors.

Technical expertise matched with political and policymaking savvy

Designing and implementing effective climate and energy policies requires a combination of skills: deep technical expertise in each economic sector plus extensive knowledge of local conditions and politics. The ClimateWorks Network is built on this premise: First, identify the regions and sectors with the greatest potential to reduce greenhouse gas emissions; second, tap the top experts in those regions and sectors to collaborate and drive adoption of the proven, cost-effective policies that reduce emissions while encouraging economic growth, protecting public health, and strengthening national security.

- Regional Climate Foundations focus on national and local priorities in China, the United States, India, the European Union, Latin America, and Indonesia. Staffed predominantly by in-country political experts, these foundations fund a wide range of grantees, analyze policies, organize coalitions, and develop advocacy campaigns to support effective policy solutions.

- Best Practice Networks focus on the technical details of smart policies in the power, industry, vehicles and fuels, buildings, appliances, and transportation system sectors. Their policy analysts and technical experts—many of them former regulators—help legislators and regulators design stringent, cost-effective rules that reduce greenhouse gas emissions and benefit people.

By bringing together experts from both realms—politics and technology—ClimateWorks helps leaders worldwide identify best practices, speed knowledge transfer, and foster the political will for change. Our Network also reaches out to other funders and NGOs to reduce duplicated efforts.

How our Network accelerates change

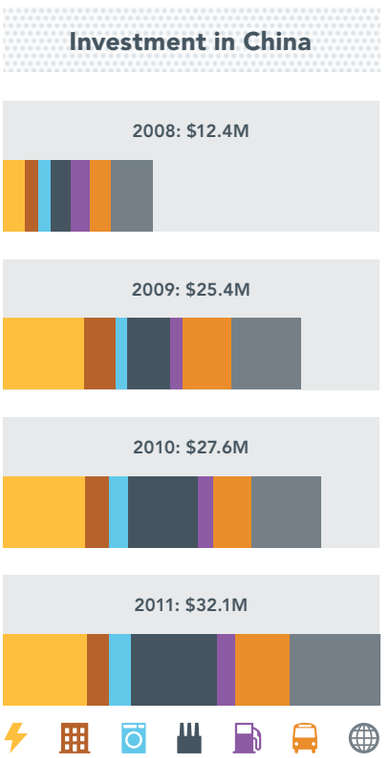
In every region where we work, our local partners can tap the expertise of other ClimateWorks Network members that focus on particular issues. By sharing information and disseminating best practices, we expedite solutions to the world's energy challenges.

The European Climate Foundation (ECF), for example, has teamed with the Global Buildings Performance Network and the Regulatory Assistance Project (RAP), ClimateWorks' Best Practice Networks for the buildings and power sectors, respectively, to ensure effective implementation of the E.U. Energy Performance of Buildings Directive and building retrofits in Europe.

The ECF and RAP also collaborated in 2010 and 2011 to develop Roadmap 2050 and Power Perspectives 2030, in-depth analyses of the steps needed to decarbonize Europe's power sector. Now, in 2012, the China Sustainable Energy Program is leveraging that work to conduct a similar study. Working with RAP and local experts, they are examining what it will take to achieve a high level of renewable energy market penetration in China.

The ECF is also building on U.S. efforts to improve vehicle efficiency (described on page 24). Armed with analysis that the International Council on Clean Transportation (ICCT), ClimateWorks' Best Practice Network for vehicles and fuels, originally did for the U.S. market and then adapted for the E.U., the ECF was able to effectively combat industry's false claims that improving fuel efficiency is too costly. This team effort led to an ambitious legal proposal: In mid-2012 the European Commission proposed mandatory 2020 emissions targets for new passenger vehicles (95 grams of CO_2 per kilometer) and light commercial vehicles (147 g/km).

The ClimateWorks Network expedites solutions to the world's energy challenges, from expanding renewable energy to boosting vehicle efficiency.



Sector legend is on page 16.

China

To raise living standards and moderate and sustain the country's economic growth, China's leaders are charting a course to low-carbon prosperity and improved quality of life for its 1.3 billion citizens through the 12th Five-Year Plan for Economic and Social Development. The plan, which covers the years 2011–2015, formally incorporates mitigating climate change into China's core economic strategy. The goals outlined in the 12th Five-Year Plan lay the foundation for specific action now, plus more-robust policies in the future.

The China Sustainable Energy Program (CSEP), ClimateWorks' Regional Climate Foundation in China, works with Chinese authorities to develop needed tools, research, and analysis to support China in its efforts to transition to a low-carbon future. CSEP's all-Chinese staff collaborates with other members of the ClimateWorks Network to provide technical support, expand local capacity, and convene international experts to disseminate global best practices. They issued almost 200 grants to local experts in 2011.

For example, China has set ambitious clean energy targets: Renewable energy must supply 11.4 percent of its power within five years, and solar power must grow to 21 gigawatts by 2015 and 50 GW by 2020. While Chinese manufacturers have almost halved the price of solar panels over the past two years, the nation's installed solar capacity pales compared with other nations, such as Germany. In August 2011, China adopted a "feed-in tariff" to guarantee that solar-generated electricity will be sold to utilities at a set price—in this case, RMB 1.00 to 1.15 per kilowatt-hour ($0.16 to $0.18)—and greatly increase China's solar generating capacity. This policy is projected to reduce CO_2 emissions in the year 2020 by 100 megatonnes (Mt), or million metric tons—equivalent to the annual emissions of about two dozen coal-fired power plants. To support this policy, CSEP tapped the expertise of the Regulatory Assistance Project (RAP), ClimateWorks' Best Practice Network for the power sector, to share lessons learned from other countries' experiences with feed-in tariffs.

China's leaders have also directed large utilities to help cut CO_2 emissions by investing in large-scale energy efficiency programs and demand-side management. These regulations will cut energy use by approximately 11 billion kilowatt-hours and CO_2 emissions

A cement factory in Shandong, China, uses new technologies to save money and dramatically reduce CO_2 emissions.

by 10 Mt per year by 2020. CSEP and RAP have supported such programs for years; they are now working with the utilities to train staff to manage the programs.

China has also committed to reducing its carbon intensity, a measure of CO_2 emissions per unit of GDP, by 17 percent by 2015. One of the top approaches to meeting this goal is the Top 10,000 Enterprises Energy Efficiency Program, which expands the successful Top 1,000 Program to include the midsize enterprises that account for more than 60 percent of China's energy use. Starting with the pilot projects that led to the current program, CSEP has worked for years to support these efforts to reduce energy waste and CO_2 emissions from China's industrial sector. In coordination with Lawrence Berkeley National Laboratory, other Network grantees, and aligned organizations, CSEP provided technical support to help develop energy efficiency targets, technology road maps, and other policy tools. The program is expected to account for 38 percent of the reduction required by China's 12th Five-Year Plan.

China is the largest manufacturer of wind turbines and the fastest-growing wind market measured by annual capacity additions.

Well-designed cities prioritize people over cars and offer convenient transit, walking, and biking options.

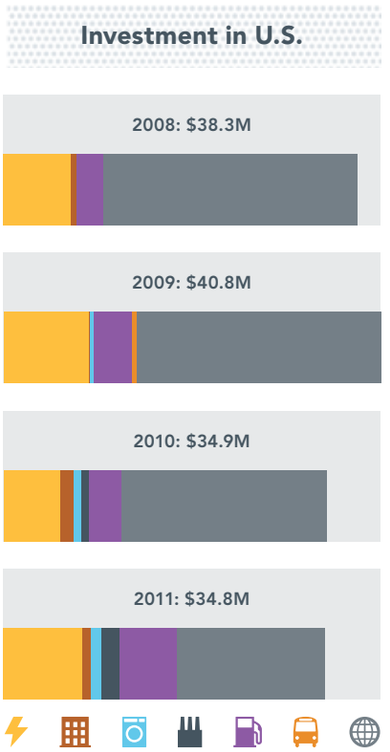
Bus rapid transit systems combine the efficiency of metros with the flexibility and relatively low cost of buses.

The Top 10,000 Program is slashing energy demand at the industrial enterprises that account for more than 60 percent of China's energy use.

China is also beginning to internalize the full costs of coal, significantly tightening power plant emissions of pollutants including sulfur dioxide, nitrogen oxides, particulate matter, and mercury. More stringent than those of many developed countries, the new standards will increase the cost of coal-fired power plants, making energy efficiency and renewable energy more competitive. CSEP and RAP have worked for many years to support such standards; they have also collaborated with the International Council on Clean Transportation, ClimateWorks' Best Practice Network for vehicles and fuels, to provide technical support for Beijing's air quality standards.

Several of China's largest cities, including Kunming, Chongqing, and Guangzhou, have also adopted the Eight Principles of Urban Design developed by the Institute for Transportation and Development Policy, ClimateWorks' Best Practice Network for transport systems, and CSEP. These principles promote walking, biking, public transit, and smart design elements that reduce congestion and greenhouse gas emissions, improve air quality, boost economic activity, and enhance people's health and lifestyles.

In China as in many other countries, significant effort is needed to implement such policies effectively. The central government's efforts to redirect China's economy must be implemented effectively at the local and sector levels, but local and regional resistance is often strong, given the drive for continued economic growth and a relatively weak enforcement system. In addition, state-owned energy companies often wield as much decision-making authority as government ministries; this can limit the effectiveness of regulations.



Sector legend is on page 16.

United States

One of the top success stories of 2011 comes from the United States, where in July President Obama announced strong new vehicle fuel efficiency and greenhouse gas standards. By 2025, cars and light trucks sold in the U.S. will have to achieve an average of 54.5 miles per gallon, about double today's fuel economy. These standards will save approximately 4 billion barrels of oil over the life of the vehicles and cut CO_2 emissions by about 340 Mt per year by 2030. The U.S. made more progress toward clean air and enhanced national security when the Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration finalized the country's first fuel efficiency standards for medium- and heavy-duty trucks. These rules are expected to reduce CO_2 emissions by about 60 Mt per year in 2030.

Led by the Energy Foundation, our Regional Climate Foundation in the U.S., ClimateWorks Network organizations helped push these successes and others over the finish line. Through a mix of direct programs and grants, the Energy Foundation builds broad coalitions of diverse stakeholders to transform the power and vehicles markets and boost energy efficiency across the economy. Extensive analysis by the International Council on Clean Transportation, ClimateWorks' Best Practice Network for vehicles and fuels, for example, supported adoption of the most stringent, technologically achievable standards possible.

The Energy Foundation also collaborated with other ClimateWorks Network partners—including the Regulatory Assistance Project, ClimateWorks' Best Practice Network for the power sector—and many other aligned organizations to defend the EPA's authority to protect the air Americans breathe. This broad coalition helped block new or retire existing coal-fired power plants with a combined estimated annual CO_2 output of more than 77 million metric tons, equal to the annual greenhouse gas emissions from 13 million passenger vehicles.

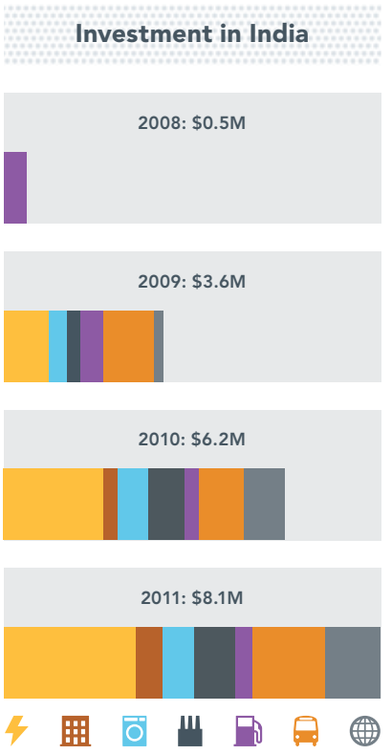
Strong new U.S. rules on vehicle fuel efficiency and power plant emissions will drastically reduce oil and coal use, cut emissions of CO_2 and toxic air pollutants, and protect the air Americans breathe.

The U.S. issued new efficiency standards for appliances and medium- and heavy-duty trucks that will save consumers money, reduce pollution, and boost energy security.

New U.S. vehicle and truck standards will cut CO_2 emissions by about 400 Mt per year by 2030.

Fans of clean air celebrated again when the EPA issued the first national U.S. standard to reduce power plant emissions of mercury and other toxic air pollutants. These rules will reap significant health benefits and accelerate closures of dirty coal-fired power plants, reducing emissions of sulfur oxides and nitrogen oxides by over a billion metric tons by 2020. Our Network continues its national and state-based efforts to replace coal with renewable energy and improved energy efficiency. The U.S. Department of Energy made strides in the right direction by issuing performance standards for several appliances, including freezers, furnaces, air conditioners, and clothes dryers. And the Federal Energy Regulatory Commission established regional planning as a first step toward a more integrated electrical grid that can accommodate even greater percentages of renewable energy.

California finalized the design of its cap-and-trade program, which will account for 20 percent of the emissions reductions required by the state's landmark global warming law. Despite gridlock in the U.S. Congress, new energy efficiency standards in coal-dependent Missouri and utility regulators' commitment of almost $30 million to energy efficiency programs in Arkansas show that significant progress is possible outside Washington, D.C. According to Bloomberg New Energy Finance, U.S. investment in clean energy reached a record level in 2011, rising by a third from 2010 to almost $56 billion, surpassing China's 1 percent gain to $47 billion.



Sector legend is on page 16.

India

India's economy is rebounding from the global financial crisis; its GDP grew approximately 10 percent in 2010 and 7 percent in 2011. As the country expands its industries, infrastructure, and power plants, however, India is struggling to keep up with the rising demand for electricity.

Recent studies supported by the Shakti Sustainable Energy Foundation, ClimateWorks' Regional Climate Foundation in India, unearthed several tremendous opportunities to expand renewable energy, reduce energy waste, and close the gap in India's energy supply.

A recent reassessment of India's wind power potential, conducted by Lawrence Berkeley National Laboratory (LBNL), identified approximately 750-1,550 GW of wind power potential,[7] compared with the official estimate of about 50 GW. The new assessment—at least 15 times higher than the government's earlier estimate—is based on current technology, including high-efficiency, 80- to 120-meter turbine hub heights and up-to-date GIS data that more accurately determine where wind turbines can feasibly be installed. Shakti and the Regulatory Assistance Project (RAP), ClimateWorks' Best Practice Network for power, are working with the Ministry of New and Renewable Energy to help India take advantage of this valuable resource.

Another Shakti-supported study found substantial opportunity to cut energy use and reduce unhealthy air pollution by modernizing India's brick industry. Shifting to more efficient firing methods such as zigzag brick kilns can save 2.5 million to 5 million tons of coal annually and slash CO_2 emissions by 4.5 million to 9 million tons—equivalent to taking some 800,000 to 1.6 million cars off the road.[8] Brick makers will save money by using less fuel; millions of workers employed in this industry will enjoy more humane working conditions; and many more Indians will benefit from reduced exposure to air pollution, particularly fine particulates. The study results suggest that modernization of India's vast, labor-intensive brick industry is one of its most promising opportunities for low-carbon growth.

[7] A. Phadke, R. Bharvirkar, and J. Khangura, "Reassessing Wind Potential Estimates for India: Economic and Policy Implications," September 2011.

[8] "Brick Kilns Performance Assessment," April 2012. *www.shaktifoundation.in/Reports_Details.asp?mnu=x_resources_Reports&rid=86*

India has tremendous opportunities to make appliances and equipment more efficient, expand renewable energy, and solve its energy supply challenge.

Left: Efficient brick kilns can save money, reduce air pollution, and slash CO_2 emissions by up to 9 Mt per year.

Below: A recent reassessment identified 750 to 1,550 GW of wind power potential in India, at least 15 times higher than the earlier estimate.

Shakti-supported studies have shown significant opportunities to expand India's wind power and cut CO_2 emissions from its brick industry.

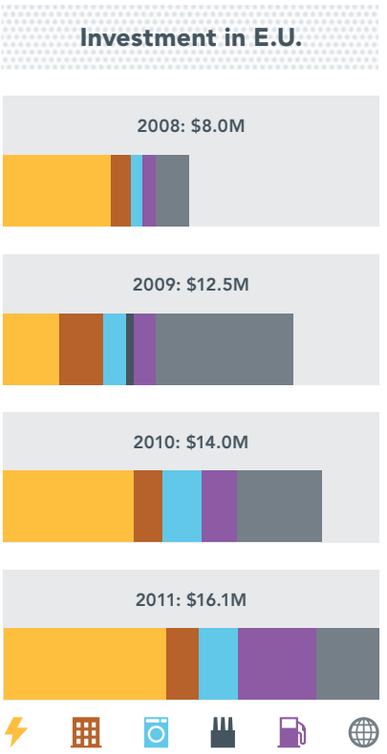
India's leaders are taking other steps to expand the country's power supply and reduce emissions of greenhouse gases and pollutants that damage health. Investment in renewable energy grew more than 50 percent in 2011 to almost 560 billion rupees ($10 billion).

Shakti works with a broad range of Network organizations, grantees, and Indian partners, including RAP, LBNL, and Prayas Energy Group, to support such achievements. They provide critical input on design framework, stringency of standards, and best practices. Dovetailing these national efforts, several Indian states have kick-started their own efforts to deploy solar power. In Gujarat, for example, Shakti works with The Energy & Resources Institute to support the state's ambitious solar policy and other renewable initiatives.

India is also moving to reduce the energy wasted by inefficient appliances and equipment. In August 2011, comprehensive energy performance standards were issued for light-emitting diodes (LEDs), a superefficient lighting technology. Formally approved in February 2012, these standards make India the world leader for LED performance

India is also advancing its innovative Super Efficient Equipment Program (SEEP), which uses market incentives to promote domestic manufacturing of appliances that are more efficient than five-star labeled models. By shifting sales of several commonly used appliances—lighting, fans, and TVs—to the most efficient commercially available options, SEEP can drastically cut energy use and CO_2 emissions. India's Bureau of Energy Efficiency kicked off the SEEP initiative by investing almost 3 billion rupees ($50 million) in incentives in 2011 and asked RAP and LBNL to provide ongoing technical support.

SEEP is part of India's National Mission on Enhanced Energy Efficiency. Launched in 2010, the mission aims to save approximately 5 percent of India's annual energy consumption. The mission's flagship Perform, Achieve, Trade (PAT) program is a market-based mechanism that assigns energy efficiency improvement targets to the country's most energy-intensive industrial units, allowing them to retain any improvements in excess of their target in the form of energy savings certificates. In 2011, the first phase of the PAT program set mandatory efficiency targets for about 500 of the top energy-consuming enterprises in India. Shakti, in collaboration with the Institute for Industrial Productivity, ClimateWorks' Best Practice Network for the industry sector, plans to support expansion of the PAT program—much as China expanded its Top 1,000 Energy-Consuming Enterprises Program to a Top 10,000 Program.



Sector legend is on page 16.

European Union

Europe continues to evolve as a strong leader on energy and climate change policies. In 2011—despite the challenges posed by ongoing economic crises—the E.U. made several vital reforms to its energy markets, Member States cancelled several proposed coal-fired power plants, and more than 70 percent of new generators built in the E.U. were wind, solar, or biomass plants. Perhaps most significant is the European Commission's adoption of a multi-decade plan to decarbonize its economy.

The European Climate Foundation (ECF), ClimateWorks' Regional Climate Foundation in Europe, has played a key role in many of these advances. ECF's program staff collaborates with grantees and other experts in power markets, economics, renewable energy, and other technologies.

The ECF has contributed to a paradigm shift in the European power sector and regional politics. After the E.U. agreed in 2009 to slash its greenhouse gases by 80 percent from 1990 levels by 2050, the ECF launched an intense study of how to achieve this ambitious goal. ECF worked closely with the Regulatory Assistance Project, ClimateWorks' Best Practice Network for the power sector, along with other organizations, utility companies, transmission system operators, and manufacturers, to analyze how the E.U. can reduce emissions from the power sector to nearly zero and dramatically scale up energy efficiency. ECF published the analysis in "Roadmap 2050" in 2010, then followed up in 2011 with "Power Perspectives 2030," which identifies the interim steps—including challenges and solutions—needed to remain on a path to a decarbonized power sector by 2050.

Expanded transmission capacity and renewable energy generation, such as wind power, are crucial for Europe's transition to a zero-carbon power sector.

Increased reliance on wind power and other renewable sources reduces pollution and enhances energy security.

The European Climate Foundation has contributed to a paradigm shift in the E.U. by identifying the steps needed to decarbonize the power sector by 2050.

These efforts paid off in 2011 when the European Commission published its own 2050 Roadmaps on Climate and Energy, which incorporate much of the findings of ECF's Roadmap 2050. To accommodate the rapid shift to clean renewable energy needed to transition to a zero-carbon power sector, the European Commission also identified 10 priority corridors for expansion of the electric grid and a funding mechanism to pay for the expansion.

In the wake of the Fukushima nuclear plant disaster, Germany decided to accelerate the retirement of its nuclear power plants. Many clean air advocates feared this would trigger a massive switch to coal power. But Germany's forward-thinking leaders are scaling up investments in wind and solar power, supported by the ECF's and allied organizations' efforts to block new coal-fired power plants and advance clean renewable energy alternatives. Germany now plans to get 35 percent of its power from renewables by 2020 and has committed to reaching 80 percent by 2050.

ECF grantees were also instrumental in tightening the offset provisions of the E.U. Emissions Trading System. In May 2011, the European Parliament also adopted the first E.U. CO_2 emissions targets for new light-duty commercial vehicles: 175 grams per kilometer, starting in 2017; the 2020 target was set at 147 g/km. The U.K. took innovative steps to finance energy efficiency and reform its electricity market, including providing for long-term contracts with stable financial incentives, setting a minimum price on carbon, and establishing an emissions performance standard for new coal-fired power plants that essentially prevents any new coal plants from being built (without the ability to capture and store their carbon emissions).

The E.U.'s progress offers significant potential to reduce carbon emissions, but substantial risks—including the threat of new coal-fired power plants—remain.

CLUA grantees host workshops on collaborative land use planning in Papua.

Forests—Indonesia & Latin America

About one-quarter of the world's potential to reduce greenhouse gas emissions by 2030—8.5 Gt—comes from changes in forestry and land management. ClimateWorks focuses primarily on two regions with the greatest opportunities to realize these emissions reductions while benefitting local economies: Latin America and Indonesia.

To efficiently coordinate the efforts of several organizations working to reduce greenhouse gas emissions from deforestation and land use, the ClimateWorks Foundation partnered with the Ford Foundation, the Gordon and Betty Moore Foundation, and the David and Lucile Packard Foundation to form the Climate and Land Use Alliance (CLUA). This unique funding model allows CLUA to leverage these organizations' experience in its focus regions, and to tap the ClimateWorks Network's global expertise on climate policy and finance.

CLUA works to maximize the potential of forested and agricultural landscapes to mitigate climate change, benefit people, and protect the environment.

In Brazil, CLUA supports the National Climate Change Law, particularly the commitment to reduce the deforestation rate in the Amazon region by 80 percent by 2020, which CLUA partners and grantees helped craft. Deforestation has dropped recently—to less than one-third of its long-term average in 2011—but in 2012 the Brazilian Congress passed, and President Dilma Rousseff ultimately approved, a revision of Brazil's Forest Code that weakened some important constraints on land clearing by private landowners. Additional threats to Brazil's forest-friendly policies are pending, and early data suggest that next year's deforestation rate may increase.

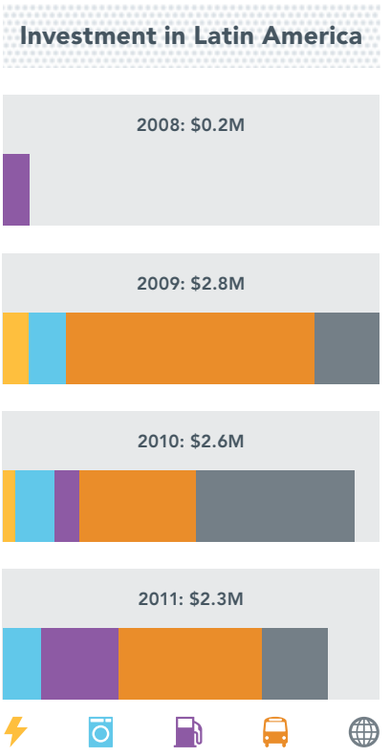
In Indonesia, CLUA promotes public and private sector reforms that meet or exceed the national government's targets to reduce greenhouse gas emissions, while protecting the rights of traditional peoples and rural communities. Indonesia is the world's fourth-largest emitter of greenhouse gases, after China, the U.S., and India. The vast majority of Indonesia's emissions come from the clearing and burning of millions of hectares of forests and peatlands. The draining and agricultural development of peatlands alone accounts for almost half of Indonesia's greenhouse gas emissions but provides only 1 percent of its GDP.

While millions of Indonesians depend on the country's forests for their livelihoods, the oil palm and pulp and paper industries that are the principal drivers of deforestation provide them with few benefits, and conflicts over land and resource rights are common. However, the Indonesian government has committed to reduce deforestation, recognize the collective land rights of rural villages, and pursue low-carbon development strategies. CLUA works with the government, civil society, and the private sector to assist in these efforts.

Two recent successes are formal approval of the Low-Emissions Spatial Plan for Papua Province, which protects 5 million hectares of forest from clearing for plantations, and the five-year, $600 million compact between Indonesia and the U.S. Millennium Challenge Corporation, which promotes expanded renewable energy and improved management of natural resources.

CLUA also works in Mexico and Central America, which offer opportunities to disseminate model strategies to other regions. CLUA has collaborated with the Mexican government to design an effective plan to reduce emissions from land use, and has supported successful efforts to boost participation of indigenous and other local communities. Recent progress includes a well-designed, $350 million loan and grant package from the World Bank to reduce deforestation and land use emissions in Mexico.

Healthy forests like this one in West Kalimantan, Indonesia, absorb CO_2 and support local communities.



Sector legend is on page 16.

Latin America

ClimateWorks' Latin America Program focuses on Brazil and Mexico. Combined, the two countries account for almost 60 percent of the region's greenhouse gas emissions (excluding forestry and agriculture, which are addressed by the Climate and Land Use Alliance as described on page 36).

Our Latin America Program funds local grantees to support Brazil's and Mexico's strong commitments to trim their CO_2 emissions, boost economic growth, and improve public health by reducing conventional pollution. To boost collaboration and ensure effective and coordinated grantmaking, ClimateWorks aligns its funding in the region with the William and Flora Hewlett Foundation, the Oak Foundation, and the Children's Investment Fund Foundation.

In collaboration with these organizations, our Latin America Program supports Mexico's landmark climate bill, which calls for Mexico to cut carbon emissions by 30 percent from business as usual by 2020 and 50 percent by 2050. Passed by the Mexican Senate in late 2011, the bill was signed into law in 2012. ClimateWorks' Latin America Program also taps the expertise of several ClimateWorks Network organizations to provide analysis and technical design support. For example, the Institute for Transportation and Development Policy, our Best Practice Network for transportation systems, supported Mexico's and Brazil's efforts to revitalize their cities and expand their bus rapid transit systems. And the International Council on Clean Transportation, our Best Practice Network for vehicles and fuels, supported Mexico's work to adopt light- and heavy-duty vehicle standards.

Bus rapid transit (BRT) systems like this one in Curitiba, Brazil, provide convenient, fast transit options for commuters.

Climate policy, global initiatives, and research

In addition to our work in the world's highest-emitting regions and sectors, ClimateWorks also supports several global efforts that require coordinated action across multiple venues, regions, or sectors. We sponsor in-depth research and nonpartisan policy analysis; we also support our Best Practice Networks' efforts to research and share global best practices in their areas of expertise.

The ClimateWorks Foundation provides direct support to several global initiatives, including:

- Efforts to secure international funding for mitigation of aviation and shipping emissions, to promote international green growth best practices, to hold nations accountable and increase ambition on climate by tracking and comparing nations' efforts to cut carbon emissions and meet climate finance commitments, and to maintain a presence in international fora such as the United Nations Framework Convention on Climate Change.

- C-ROADS, a global climate policy modeling tool that allows policymakers, climate negotiators, and business leaders to quickly calculate the impact of major government policy decisions on the climate.

- Accurate media coverage of climate science, through grants to the Energy Foundation, European Climate Foundation, and others.

The international policy experts in the ClimateWorks Network collaborate to advance policies that cut CO_2 emissions, boost economic growth, and protect public health.

The ClimateWorks Network and its grantees are also the leading proponents of controls on emissions of short-lived climate forcers. These non-CO_2 forcers include black carbon, hydrofluorocarbons ("f-gases"), methane, and other gases that intensify the rate and degree of climate change. These non-CO_2 pollutants are responsible for nearly half of the warming observed since the industrial revolution, and many are very damaging to human health. ClimateWorks and its grantees support extensive research and education on these emissions. In 2011 these efforts reaped significant progress:

- The E.U. called for fast action to limit emissions from diesel engines and to regulate black carbon, ozone precursors, and f-gases. The International Marine Organization is considering black carbon controls in the Arctic.
- The U.N. Environment Programme issued an analysis showing that reducing emissions of non-CO_2 climate forcers could save millions of lives and avoid millions of tons of crop losses each year—and reduce near-term average global temperature increases by about one-half degree C by 2040.
- Prompted by that report, in early 2012 the U.S. State Department announced the Climate and Clean Air Coalition, a multi-country initiative to curtail emissions of short-lived forcers.

By sharing information and best practices, the ClimateWorks Network expedites solutions to the world's energy challenges.

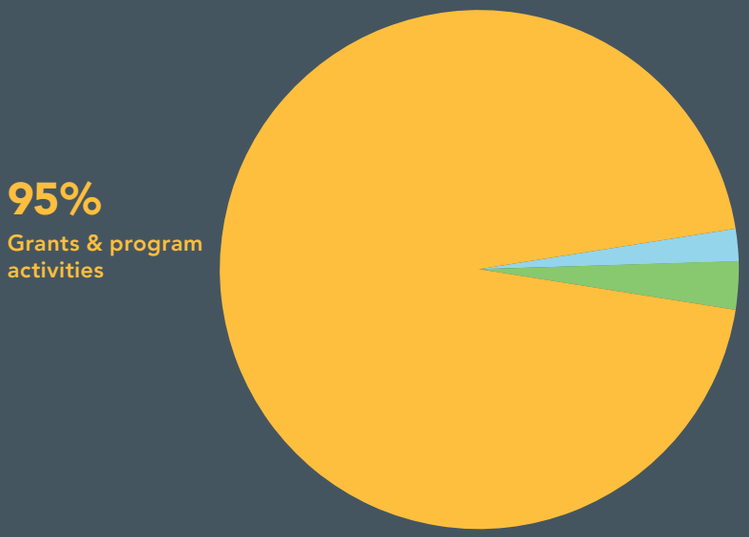
Financial statements

The ClimateWorks Foundation acts primarily as a wholesale grantmaker, distributing funds to other grantmaking organizations. We also provide direct support for global climate policy and communications initiatives, research, and nonpartisan analysis.

The ClimateWorks Foundation makes grants to the affiliated organizations in the ClimateWorks Network based on an analysis of the expected reductions in greenhouse gas emissions achievable through policy reforms and the probability of achieving these reforms. By coordinating our Network's efforts to prevent dangerous climate change, we strive to ensure that the impact of our work is greater than the sum of our partners' individual efforts.

Part of ClimateWorks' overall strategy is to expand our Network's capacity to support effective climate and energy policies—and to incubate organizations in targeted regions and sectors where no such capacity exists. In 2011, ClimateWorks provided seed funding and support for a new partner organization, the Global Buildings Performance Network. We also conducted significant grantmaking on behalf of the Shakti Sustainable Energy Foundation and the Climate and Land Use Alliance.

Our 2011 grants are listed following the financial statements. The vast majority—95 percent—of our expenditures supported our programs and grantees.



Statements of financial position

(U.S. dollars in thousands)
December 31,

	2011	2010
Assets		
Current assets		
Cash and cash equivalents	$68,406	$40,635
Contributions receivable, net	150,578	157,193
Prepaid expenses and other current assets	1,388	1,363
Total current assets	**220,372**	**199,191**
Long-term assets		
Property and equipment, net	4,504	5,284
Contributions receivable, net	1,211	96,362
Deposits and other assets	366	401
Total long-term assets	**6,081**	**102,047**
Total assets	**$226,453**	**$301,238**
Liabilities and net assets		
Current liabilities	$9,775	$10,318
Long-term liabilities	1,429	1,682
Total liabilities	**11,204**	**12,000**
Net assets	**215,249**	**289,238**
Total liabilities and net assets	**$226,453**	**$301,238**

Statements of activities and changes in net assets

(U.S. dollars in thousands)
For the years ending December 31,

	2011	2010
Support and revenue		
Contributions and contracts	$82,855	$93,158
Interest and other income	149	210
Total support and revenue	**83,004**	**93,368**
Expenses		
Grants awarded	128,022	120,501
Program activities	20,818	25,887
Management and administrative	4,939	4,222
Fundraising	3,214	2,239
Total expenses	**156,993**	**152,849**
Change in net assets	**(73,989)**	**(59,481)**
Net assets		
Beginning of period	**289,238**	**348,719**
End of period	**$215,249**	**$289,238**

This condensed financial information has been summarized from the ClimateWorks Foundation's audited financial statements. To obtain copies of the complete audited financial statements, please contact the ClimateWorks Foundation.

2011 Grant awards

Regional Climate Foundations

Region / Grantee	Purpose	Amount
China: Energy Foundation	To support the China Sustainable Energy Program	$27,815,000
United States: Energy Foundation	To support U.S. programs	26,396,390
European Climate Foundation	To support E.U. programs	13,632,557
Brazil and Indonesia (Climate and Land Use Alliance)	See detail on pages 47–49	10,732,267
India	See detail on pages 49–51	4,063,540
Latin America (non-forests work)	See detail on page 51	806,762
Regional Climate Foundations total		**$83,446,516**

Best Practice Networks

Grantee	Purpose	Amount
Regulatory Assistance Project (RAP)	To support RAP's work	$6,840,000
International Council on Clean Transportation (ICCT)	To support ICCT's work	6,544,000
Institute for Transportation and Development Policy (ITDP)	To support ITDP's work	5,900,001
Collaborative Labeling and Appliance Standards Project (CLASP)	To support CLASP's work	5,298,385
Institute for Industrial Productivity (IIP)	To support IIP's work	3,729,008
Buildings Performance Institute Europe	To support the European hub of the Global Buildings Performance Network	780,000
Global Buildings Performance Network (GBPN)	To support the start-up of the GBPN	30,080
Best Practice Networks total		**$29,121,474**

Climate policy, global initiatives, and research

	See detail on pages 51–53	**$15,453,661**

Total 2011 grants	**$128,021,651**

Brazil and Indonesia—Climate and Land Use Alliance (CLUA)

CLUA is a collaborative initiative of the ClimateWorks, Ford, Gordon and Betty Moore, and David and Lucile Packard Foundations. CLUA's unique funding model allows its member foundations to coordinate their grantmaking to reduce greenhouse gas emissions from tropical deforestation and other land use changes. All CLUA grants are made by the member foundations. CLUA grants from all of its member foundations, including ClimateWorks, totaled $32.7 million in 2011.

Grantee	Purpose	Amount
Instituto de Pesquisa Ambiental de Amazonia	To help achieve the goals of Brazil's National Climate Change Plan	$1,906,948
Tebtebba Foundation	To enable indigenous peoples' effective participation in various global, national, and local REDD+ processes	600,000
Instituto do Homen e Meio Ambiente da Amazonia	To support the Deforestation Alert System and training to use the system for law enforcement, and to analyze the changed relationship between revenue from agricultural commodities and Amazon deforestation	580,225
Union of Concerned Scientists	To support the Tropical Forest and Climate Initiative	550,000
Forest Peoples Programme	To use legal and policy instruments to recognize the rights of local communities in Indonesia and to harmonize international and national REDD+ standards	535,000
Fauna and Flora International	To reduce forest loss and degradation in Jambi through community-based forest tenure and sustainable forest management, and to help involve local communities in implementing REDD+ in Indonesia	449,218
University of Colorado at Boulder	To support the Governors' Climate and Forests Task Force	425,000
Instituto Centro de Vida	To promote implementation of Mato Grosso's state plan to control deforestation and support development of its REDD program	420,000
Fundación Intereclesiástica Para La Cooperación Al Desarrollo	To strengthen the Mesoamerican Alliance for Peoples and Forests	400,000
Bank Information Center	To strengthen safeguards, accountability, and informed civil society engagement in multilateral REDD initiatives	350,000
Rainforest Action Network	To increase supply chain transparency and reshape international demand for Indonesian pulp and paper to improve forest management	275,000
World Resources Institute	To help ensure that forest governance is integrated into REDD+ strategies, and to build capacity for a rapid deforestation alert system in Indonesia	275,000

Brazil and Indonesia—Climate and Land Use Alliance (continued)

Grantee	Purpose	Amount
Global Canopy Foundation	To support the Forest Footprint Disclosure Project and the REDD Desk	250,000
Kemitraan Partnership	To intensify stakeholders' engagement in the implementation of REDD+ and low-carbon development in Central Kalimantan	250,000
Stichting Aidenvironment	To examine and communicate the public costs and challenge the legality of palm oil expansion in West and Central Kalimantan	249,880
Woods & Wayside International	For research and analysis on Indonesia's pulp and paper industry to support equitable, sustainable development	219,478
Overseas Development Institute	To increase transparency and accountability for fast-start REDD+ financing	209,001
Komunitas Konservasi Indonesia WARSI	To support policy changes and spatial planning based on low-carbon development strategies in Jambi	200,347
Environmental Investigation Agency	To reduce illegal logging through trade-related policy instruments including the Lacey Act	200,000
LifeMosaic	To strengthen local communities' ability to address the expansion of timber plantations into high-carbon landscapes in Indonesia	200,000
Samdhana Institute	To support the Papua Low-Carbon Development Taskforce	200,000
Universidad Nacional Autónoma de México	For research and analysis on forest degradation in Mexico	200,000
Meridian Institute	To produce an options assessment report on agriculture and climate change	193,600
Forest Trends Association	To support dialogues to develop scalable private-public REDD co-investment opportunities in Brazil	170,660
ANDI	To expand journalists' access to high-quality information and analyze media coverage about the Brazilian Forest Code	155,169
Center for International Policy	To help Avoided Deforestation build support for forest conservation and U.S. finance for REDD+	150,000
Fundación PRISMA	To document, analyze, and disseminate the results of community-based REDD activities in Central America	150,000
Instituto de Manejo e Certificação Florestal e Agrícola	To increase awareness of and engagement in revisions to the Brazilian Forest Code, especially among Brazilian youth	150,000
Indonesian Center for Environmental Law	To support legal strategies to prevent illegal peat and forest clearing, defend local rights, and promote low-emissions rural development	150,000

Grantee	Purpose	Amount
Germanwatch	To promote support for REDD+ financing by Germany	115,233
Fundação Avina	To research and analyze Brazil's national climate change policy, emphasizing opportunities to reduce land use emissions, for the Ministry of Environment	103,500
Lembaga Gemawan	To facilitate community-driven spatial planning in three provinces of West Kalimantan	100,000
Burung Indonesia	To publish an analysis of REDD+ opportunities and constraints under Indonesia's new Ecosystem Restoration Concessions	90,000
Ulu Foundation	To support research, analysis, and education on the use of secrecy jurisdictions to hide the proceeds of illegal logging in Indonesia	80,000
GRET	To track and analyze REDD+ climate financing from France	54,000
Consejo Civil Mexicano para la Silvicultura Sostenible	To conduct a pre-feasibility study of using World Bank forest bonds to fund independently certified community forestry enterprises in Mexico	50,000
Organization for Tropical Studies	To help the Alliance for Global REDD+ Capacity conduct an inventory of REDD+ training in representative countries	35,008
Center for International Forestry Research	To support Forest Day at the COP17 climate conference in Durban, South Africa	20,000
Yale University	To support The Forest Dialogue's Free Prior and Informed Consent Initiative	20,000
CLUA total		**$10,732,267**

India

In India we made grants directly to local grantees because our Regional Climate Foundation was not fully established in 2011.

Grantee	Purpose	Amount
The BBC World Service Trust	To help raise the profile of climate change in the Indian media	$549,621
Centre for Science and Environment	To support sustainable urban mobility including clean air, vehicles, and fuel	441,334
Prayas Energy Group	To facilitate rapid, large-scale implementation of energy efficiency	331,000
The Energy and Resources Institute	To support energy efficiency, including efficient industrial pumps and public works, and to study large-scale integration of renewable energy	264,000

India (continued)

Grantee	Purpose	Amount
Clean Air Initiative for Asian Cities	To support nonmotorized transport infrastructure, clean bus fleets, and workshops on urban air pollution	212,100
Centre for Study of Science, Technology and Policy	To support wind energy	193,993
Alliance to Save Energy	To support the Energy Conservation Building Code	179,140
Natural Resources Defense Council	To analyze progress of the National Solar Mission, support energy-efficient buildings, and implement an Indo-U.S. Clean Energy Research and Development Center	170,000
World Institute for Sustainable Energy	To support renewable energy development	169,000
Urban Management Centre	To assess city managers' transportation training needs and support the Energy Conservation Building Code	162,000
Society for Development Alternatives	To accelerate clean, low-carbon brick technologies	145,000
World Wide Fund for Nature—India	To support a climate policy tracker for Indian states	139,000
World Resources Institute	To support research on appliance efficiency, standards and labeling, and urban transport programs	129,418
Greenpeace India Society	To ensure energy access through decentralized renewable energy	124,000
Alliance for an Energy Efficient Economy	To help build capacity in demand-side management and energy efficiency	98,000
International Institute for Energy Conservation	To develop specifications to boost end-use pumping efficiency	94,630
Institute for Financial Management and Research	To help the Centre for Development Research create report cards for the National Action Plan on Climate Change	91,000
Administrative Staff College of India	To support energy-efficient buildings and the Indo-U.S. Clean Energy Research and Development Center	88,000
Federation of Indian Chambers of Commerce and Industries	To support sector-specific capacity-building workshops on energy-efficient technologies	85,000
Focus on the Global South, India Programme	To help analyze non-CO_2 climate forcers	59,000
Clean Air Task Force	To support conversion to cleaner, more-efficient brick kilns	56,500
Centre for Environmental Planning and Technology	To support models, assessment, and guidelines for the Energy Conservation Building Code	51,500

Grantee	Purpose	Amount
Bharathiya Vikas Trust	To help build capacity of financial institutions to support solar energy	48,303
Integrated Research and Action for Development	To assess alternative ways to reform petroleum prices	48,000
Centre for Environment Education	To build a coalition of nongovernmental organizations to promote energy efficient appliances	47,249
Aravali Foundation for Education	To build awareness, acceptance, and adoption of cool roofs to save energy in urban areas	41,303
Centre for Budget and Governance Accountability	To help assess union expenditure priorities for a low-carbon economy	37,000
Other		8,449
India total		**$4,063,540**

Latin America (non-forests work)

In Latin America we made grants directly to local grantees because our Regional Climate Foundation was not fully established in 2011.

Grantee	Purpose	Amount
Instituto de Energia e Meio Ambiente	To support Brazil's transport sector climate plan and mandatory fuel standards	$438,420
Instituto Brasileiro de Defesa do Consumidor	To support a fuel standards campaign in Brazil	300,342
Health Effects Institute	To begin to estimate health benefits of reduced CO_2 and conventional pollutants in Latin American cities	68,000
Latin America total		**$806,762**

Climate policy, global initiatives, and research

Climate policy

Grantee	Purpose	Amount
Bipartisan Policy Center	To support U.S. climate policy programs, including the American Energy Innovation Council	$6,800,000
European Climate Foundation	To support global climate policy initiatives and diplomacy, and to track, assess, and compare national carbon mitigation actions	2,190,000
Green Tech Action Fund	To defend EPA authority to regulate greenhouse gases and other pollutants under the Clean Air Act, and to support a ballot initiative to increase Michigan's Renewable Energy Standard	740,000

Climate policy, global initiatives, and research (continued)

Climate policy (continued)

Grantee	Purpose	Amount
Bipartisan Policy Center Advocacy Network	To support the American Energy Innovation Council's efforts to preserve support for public clean energy investments	500,000
New Venture Fund	To further develop the C-ROADS climate simulation tool	133,039
Bank Information Center	To support reform of the World Bank's energy lending	75,000
President and Fellows of Harvard College	To support professor Robert N. Stavins's participation in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change	61,233
Climate policy total		**$10,499,272**

Short-lived forcers

Grantee	Purpose	Amount
Clean Air Task Force	To help reduce black carbon emissions	$905,000
European Climate Foundation	To support the Deutsche Umwelthilfe "Soot-Free for the Climate" European diesel filter campaign	775,000
Institute for Governance and Sustainable Development	To reduce hydrofluourocarbon emissions under the Montreal Protocol and promote international policies to reduce emissions of black carbon and other short-lived climate forcers	445,000
European Federation for Transport and Environment	To help reduce black carbon emissions from marine vessels, and to conduct a feasibility study on marine speed limits to reduce emissions of black carbon, greenhouse gases, and local air pollutants	250,000
Environmental Investigation Agency	To reduce F-gas emissions in Europe and reduce hydrofluourocarbon emissions under the Montreal Protocol	234,210
International Council on Clean Transportation	To support best practices to control F-gas emissions in the world's largest vehicle markets	100,000
NABU	To help reduce cruise ship emissions	92,550
Bund für Umwelt und Naturschutz	To support the "Soot-Free for the Climate" European diesel filter campaign	87,552
Deutsche Umwelthilfe	To support the "Soot-Free for the Climate" European diesel filter campaign	61,000
Short-lived forcers total		**$2,950,312**

Climate science communications

Grantee	Purpose	Amount
European Climate Foundation	To support the CarbonBrief.org website and the communications capacity of the Intergovernmental Panel on Climate Change	$600,000
Energy Foundation	To help re-establish the scientific basis for U.S. action on climate change	400,000
Aspen Global Change Institute	To expand public and policymaker understanding of climate change and improve climate scientists' communications capacity	275,000
Rockefeller Philanthropy Advisors	To advance public understanding of climate change	250,000
Energy Strategy Centre	To support the communications capacity of the Intergovernmental Panel on Climate Change	100,000
Natural Resources Defense Council	To help collect and disseminate high-quality scientific research and information in the U.S.	43,977
Fresh Energy	To support RE-AMP Media Center's polling of trusted messengers on climate and energy issues in the Midwestern U.S.	30,000
Climate science communications total		**$1,698,977**

Education and other

Grantee	Purpose	Amount
Commonwealth Club	To support the Climate One program	$100,000
Columbia University	To support James Hansen's climate change research	100,000
American Associates of the STS Forum	To sponsor the Science and Technology in Society Forum	50,000
Miscellaneous	Employee matching gifts	50,100
University of California Center for Nonprofit and Public Leadership	Gift to sponsor a dinner in honor of Bertrand Collomb	5,000
Education and other total		**$305,100**

Climate policy, global initiatives, and research total	**$15,453,661**

Who we are

The ClimateWorks Foundation advances public policies that can prevent dangerous climate change and promote global prosperity. ClimateWorks partners with an international network of affiliated organizations—the ClimateWorks Network—to promote these policies in the geographic regions and economic sectors that have the greatest potential for reducing greenhouse gas emissions. Our Network partners include:

- China Sustainable Energy Program
- Climate and Land Use Alliance
- Collaborative Labeling and Appliance Standards Program
- Energy Foundation
- European Climate Foundation
- Global Buildings Performance Network
- Institute for Industrial Productivity
- Institute for Transportation and Development Policy
- International Council on Clean Transportation
- Latin America Program
- Regulatory Assistance Project
- Shakti Sustainable Energy Foundation

Our funders

ClimateWorks was launched in 2008 with the vision and support of three foundations: the William and Flora Hewlett Foundation, the David and Lucile Packard Foundation, and the McKnight Foundation.

We are grateful to our three founding donors for their generous gifts, which enabled ClimateWorks to build the ClimateWorks Network. Their contributions include support for the ClimateWorks Foundation as well as direct gifts to the affiliated organizations in our Network.

We also thank the other forward-thinking donors whose philanthropy helps expand the capacity of organizations across the global ClimateWorks Network. These donors include the Arcadia Fund, the Children's Investment Fund Foundation, Dutch Postcode Lottery, the Ford Foundation, the Pirojsha Godrej Foundation, the Grantham Foundation for the Protection of the Environment, the Grousbeck Family Foundation, the Heising-Simons Foundation, the Kresge Foundation, the McCall MacBain Foundation, Stiftung Mercator, the Gordon and Betty Moore Foundation, the Oak Foundation, the Pisces Foundation, Meher Pudumjee, the Robertson Foundation, the Rockefeller Foundation, the Schmidt Family Foundation, the Stordalen Foundation, the Tilia Fund, the TomKat Charitable Trust, the TOSA Foundation, and the United Nations Environment Programme—Global Environment Facility.

Our board of directors

William K. Reilly
Chair
United States

Richard C. Levin
Vice Chair
United States

Madam Chen Zhili
China

Bertrand Collomb
France

Jamshyd N. Godrej
India

Charles O. Holliday Jr.
United States

Pamela Matson
United States

Mario Molina
Mexico

Charlotte Pera
United States

Our management council

Krishan Dhawan
Chief Executive Officer
Shakti Sustainable
Energy Foundation

Christine Egan
Executive Director
Collaborative Labeling and
Appliance Standards Program

Chris Elliott
Executive Director
Climate and Land Use Alliance

Peter Graham
Executive Director
Global Buildings
Performance Network

Eric Heitz
President
Energy Foundation

Walter Hook
Executive Director
Institute for Transportation
and Development Policy

Drew Kodjak
Executive Director
International Council on
Clean Transportation

Jiang Lin
Director
China Sustainable Energy Program
Senior Vice President
Energy Foundation

Johannes Meier
Chief Executive Officer
European Climate Foundation

Charlotte Pera
President and Chief
Executive Officer
ClimateWorks Foundation

Joseph Ryan
Vice President
Latin America Program
ClimateWorks Foundation

Christine Salembier
Chief Operating Officer
Regulatory Assistance Project

Jigar Shah
Executive Director
Institute for Industrial Productivity

ClimateWorks Foundation team

Nelsa Avallon
Philanthropy Associate

Jessica Brown
Accounts Payable Specialist

Makeeba Browne
Operations Associate

Ann Cleaveland
Senior Planning Associate

Casey Cronin
Senior Global Research Manager

Dana Cunningham
Administrative Assistant

Mirka della Cava
Program Officer, Efficiency

Elizabeth Hood
Human Resources and Operations Associate

Eric Hulburd
Content Curator

Ruoting Jiang
Global Research Associate

Debra Jones
Associate Director of Communications

Colin Kelly
Senior Program Associate

James Kleven
Director of Human Resources and Operations

Jessica Leas
Director of External Affairs

Zack Macdonald
Director of Philanthropy

Brian McCracken
Senior Director of Finance

Charles McElwee
Vice President, Programs

Laurie McManus
Executive Assistant, Program Team

Surabi Menon
Director of Research

Kelley Nelson
External Affairs Project Manager

Sarah Nichols
Director of Knowledge Management

Melissa Nunan-Lew
Executive Assistant to the Vice President of Programs

Seema Paul
Vice President and Director India Partnerships and Programs

Andrew Pear
Interim Desktop Support Administrator

Charlotte Pera
President and Chief Executive Officer

Chaquita Perkins
Operations Assistant

Gavin Purchas
Program Officer, Power

Mark Quinn
Executive Assistant to the CEO

Gretchen Rau
Associate Director of the Executive Office

Catherine Rondinaro
Associate Director of Philanthropy

Prodipto Roy
Program Assistant

Joseph Ryan
Vice President, Latin America and Program Officer, Transportation

Sean Scanlon
Accounting Manager

Laura Segafredo
Senior Global Research Associate

Kathy Tryce
Interim Grants and Contracts Manager

Travis Uhrig
System Administrator

Clara Vondrich
Director of Leadership Initiatives

Zachary Warnow
Communications Associate

Brad Weinrieb
Communications Manager External Affairs and Philanthropy

Kelly Young
Director of Information Systems and Technology

To learn more about the ClimateWorks Network's efforts to rapidly improve energy efficiency, scale up deployment of clean energy technologies, and dramatically slow the destruction of tropical forests, please visit www.climateworks.org.

If you'd like to be added to our mailing list, please contact us at info@climateworks.org.

Photo credits

Page 3: top, *Mark Gamba/Gallery Stock*
bottom, *Paul Langrock/Zenit/laif/Redux*

Page 6: top, *Zheng Xianlie/Color China Photo/AP Images*
bottom, *Suzanne Lee*

Page 9: *Paul Langrock/Zenit/laif/Redux*

Page 13: top, *Xinhua/eyevine/Redux*
bottom, *Jeffrey Sauger*

Page 14: top, *Institute for Transportation and Development Policy*
bottom, *Toby Smith*

Page 15: Toby Smith

Page 19: top, *Xie Zhengyi/Imaginechina/AP Images;* middle, *Chuck Young/Mira Images*
bottom, *David Rose/Panos*

Page 21: top, *Stephen McGee*
bottom, *Ryan Pyle/Corbis*

Pages 22–23: *Institute for Transportation and Development Policy*

Page 25: top, *Mike Kahn/Green Stock Media*
bottom, *Nancy Pierce*

Page 26: top, *Tom Strickland/Bloomberg/Getty Images*
bottom, *Damian Dovarganes/AP Images*

Page 29: top, *Namas Bhojani/Bloomberg/Getty Images*
bottom, *Joerg Boethling/StillPictures/Aurora Photos*

Page 33: top, *Wolfgang Simlinger/Anzenberger/Redux*
bottom, *Jorgen Schytte/StillPictures/Aurora Photos*

Page 34: *Martin Kirchner/laif/Redux*

Pages 36–37: *Center for International Forestry Research*

Page 39: top, *Xinhua/eyevine/Redux*
bottom, *Carlos Cazalis/Corbis*

Pages 40–41: *Margot Duane Images*

Design

Hyperakt
www.hyperakt.com

ClimateWorks Foundation
235 Montgomery Street, Suite 1300
San Francisco, CA 94104
www.climateworks.org