

# Climate: Possible

A bold campaign to build lasting climate resilience

> March 2022, KilKiley, Kenya. Munina Jele, 30, narvests the few remaining greens from her field.

# Around the world, people are facing a climate emergency, and the people least responsible for it are the ones most harmed by its impacts.

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While innovative, effective solutions exist, too often, the people who need them most aren't benefiting because of inadequate investment in scaling programs and bringing them to hard-hit and hard-to-reach communities.

#### Mercy Corps launched the \$250 million Climate: Possible campaign because we not only know what climate resilience looks like we understand what it takes to get there.

#### **FULLY FUNDED**

#### **Our vision**

**12.5+ MILLION** people reached with climatesmart solutions so they can cope, adapt, and thrive into the future.

**20 MILLION** people reached by the resiliencebuilding innovations of high-impact startups.

Climate: Possible will test new ideas and develop the evidence needed to catalyze private investment to reach millions more people. We've spent four decades working with communities to meet complex challenges with comprehensive solutions. In 2023, **Mercy Corps reached 5.9 million people through our climate-related work.** In more than 40 countries, we work alongside communities affected by conflict, climate change, and humanitarian emergencies to meet urgent needs and develop long-term solutions to make lasting change possible.



May 2023, Caserío Vasconcelos, Guatemala. Miguel 'ablo, 34, hoes his field in preparation for planting peas March 2019, Ale, Ethiopia. Manase, 40, works in her fields.

# Mercy Corps is a leading global organization powered by the belief that a better world is possible.

The Climate: Possible campaign builds on our decades of experience partnering with communities to solve urgent challenges while creating transformative opportunities.

#### **COMPREHENSIVE, MARKET-BASED PROGRAMMING**

We work within local economies and strengthen them by developing selfsustaining, market-based programming that creates new opportunities, expands access for people who have been excluded in the past, and builds resilience to climate shocks in the process. Our investment arm, Mercy Corps Ventures, advances high-potential businesses that solve climate adaptation needs.

#### **EVIDENCE-BASED, TECH-DRIVEN SOLUTIONS**

We apply and expand on proven solutions with demonstrated results, harnessing the power of digital technology to inform and advance each community's journey to climate resilience. We leverage the digital capabilities of climate information services, anticipatory cash payments, clean energy solutions, and financial services to create robust and meaningful impact. Through a range of public and private partnerships, we identify technology solutions and ensure they are adapted at the community and household levels.

#### LOCALLY LED, INCLUSIVE PROBLEM-SOLVING

We partner with community members to identify the solutions they believe can address their challenges and tailor them to meet their specific needs. We work to bring marginalized voices to the table, including women and girls, who we know are powerful agents of change. Mercy Corps starts locally in everything we do, engaging diverse perspectives with a particular focus on individual communities, civil society organizations, and local government institutions. Though often overlooked in climate action, local-level institutions are a primary focus for Mercy Corps, as they are crucial to ensuring that any climate change adaptations are effective, efficient, responsive, and just.

# **Campaign pillars**

Climate: Possible will help Mercy Corps innovate and test promising ideas and scale proven climate solutions across two pillars:



#### **RAPID DISASTER RESPONSE**



A better way to support humanitarian response in the face of changing weather patterns and increased humanitarian needs

The most significant challenge facing humanitarian responders is knowing when and where a disaster will occur and having access to the life-saving resources needed to respond as quickly as possible. While some emergencies remain unpredictable, Mercy Corps' humanitarian teams-aided by timely data points and predictive modeling—can forecast rapid-onset crises, such as flooding due to erratic monsoons. Even with this technology, delayed distribution of finite resources can prevent immediate response. Similarly, slow-onset emergencies—such as droughts—can build for months, if not years, before the worst-case scenario happens. Mercy Corps is positioned to support those who need it most as they prepare for and respond to climate-induced emergencies. Our newly launched Rapid Response Fund pre-positions critical resources for overlooked and underfunded emergencies, allowing us to act fast in the face of emerging crises. Through an emergency "drawdown" fund, Mercy Corps can allocate funding to enable quick and decisive delivery of support where it is most needed during moments of crisis or natural disaster.

#### HOW WE WILL SCALE

We will build up our Rapid Response Fund over the next three years to expand our capacity to respond to the growing number of climate-related disasters and humanitarian emergencies. Through our Rapid Response Fund, Mercy Corps will reach more than 1 million people with lifesaving support, respond to more emergencies, speed up response time, and invest in our emergency response capacity, including building our pool of trained and deployable emergency responders.

> November 2020, Alta Verapaz, Guatemala. A Mercy Corps team member unloads hygiene supplies.



# CASE STUDY

# Filling emergency response gaps in Guatemala

In 2020, Guatemala's national disaster response agency asked Mercy Corps to identify recovery gaps after back-to-back hurricanes caused massive displacement and devastation. Together with local partners, Mercy Corps upgraded emergency shelters with critical infrastructure improvements and trained community members to maintain water purification systems.



#### **CASE STUDY**

# Anticipatory action in Guatemala

In Guatemala, hurricanes, flooding, and tropical storms continue to devastate communities, destroying critical infrastructure and cutting families off from key resources. Mercy Corps has partnered with a mobile cash transfer company to develop a financial distribution service that notifies friends. families, and donors of forecasted extreme weather events. Upon alert, they can send cash assistance to local communities for people to purchase necessities before disaster strikes. During the 2022 hurricane season, we reached 5.000 remittance senders, getting money into the hands of families sooner and enabling households to take early actions like evacuating, strengthening infrastructures, and stocking up on essential supplies.

#### **PREPAREDNESS AND ANTICIPATORY ACTION**



Helping communities better prepare for and take action in advance of climate emergencies

Global humanitarian crises are increasing in number, duration, and complexity. To avoid crisis, communities need actionable information and resources before a disaster hits. Now we can more accurately predict climate-induced crises than ever before. Mercy Corps' teams and our partners use technological developments like early warning systems and predictive modeling to put actionable information—combined with funding and other resources—in the hands of people who need it most. This helps communities access the resources they need to take action in advance of a disaster to protect themselves, their families, and their communities. Our approach to anticipatory action interventions combines sophisticated climate, weather, and disaster models and cutting-edge technologies with longstanding private sector and local partnerships to help communities better prepare, respond, and rebuild so they can break the disasterrecovery cycle.

#### HOW WE WILL SCALE

Our future lies in anticipating—not just responding to – climate emergencies. Mercy Corps has committed to raising significant funds to assist communities in protecting themselves and their assets before the next climate-induced crisis hits. Under Climate: Possible, funding for anticipatory action and preparedness will

support replicating innovative solutions, testing new ideas, and building the evidence base to unlock resources for millions more people.

May 2019, Acul, Guatemala. Anna Sanchez de León with her 7-monthold nephew, Juan.

#### CLIMATE-RESILIENT AGRICULTURE



Supporting small-scale farmers and pastoralists with information, tools and resources to build lasting climate resilience

As the climate crisis becomes more intense, food becomes more difficult to grow—and hunger becomes more prevalent. Smallholder farmers produce one-third of the world's food and play a pivotal role in ensuring sustainable, equitable global food security in the face of climate change. Farmers can't change the weather, but they can change how they prepare for and respond to it. Last year, Mercy Corps connected over 5.7 million farmers and pastoralists to the skills, knowledge, and resources needed to increase production, feed families, and boost livelihood opportunities and incomes. We promote a holistic approach that improves the ecological foundation, stimulates the agriculture economy to drive benefits for small-scale producers, and leverages climate-smart technology to advance innovation and change. Together, this approach creates climateresilient, nutritious and income-generating farming and livestock systems.

#### HOW WE WILL SCALE

Mercy Corps will significantly invest in regenerative, climate-smart agriculture that builds resilience and sparks additional community and environmental benefits. If fully funded, we will replicate our climateresilient approach in agriculture and pastoralist communities in five new regions globally, refining our approach for new contexts—and proving what is possible in challenging environments. We will also build internal capacity to holistically integrate climateresilient agricultural considerations throughout our global footprint. Climate: Possible funds will allow us to leverage existing multi-country programming to support pastoralists and livestock markets to explore the best methods to reduce emissions.



#### **CASE STUDY**

# Restoring farmland in the Democratic Republic of the Congo

In the Democratic Republic of the Congo, the steep slopes of South Kivu are prone to erosion, which displaces topsoil nutrients, rendering much of the hilly landscape untenable for agricultural production. Mercy Corps is helping improve farmland damaged by severe erosion and nutrient loss through restorative farming practices, including soil and water conservation techniques, which increase income for farmers while providing more nutritious food for livestock and communities. This includes the cultivation of manioc. a local substitute for flour, a commodity in increasingly short supply due to the war in Ukraine.

August 2022, Lulenga, Democratic Republic of the Congo. Imaculee Vumulia works alongside her neighbors to clear a hillside.

#### ENERGY



Envisioning a world where universal access to renewable energy builds climate resilience and shapes a thriving economic future

675 million people still lack access to basic energy services to light their homes, limiting their ability to earn a sufficient income or connect with the outside world.



#### **CASE STUDY**

### Bringing affordable energy to East Africa

Only 10% of refugees in camp settings have access to energy. Mercy Corps' Enter Energy program in East Africa brings affordable, sustainable, and easily accessible power to displaced and host communities so they can adapt and thrive amidst current and future challenges. Through this program, Mercy Corps also helps humanitarian agencies reduce their emissions and environmental footprint.

May 2016, Homabay, Kenya. A farmer carries a solar-powered water pump used for irrigation.

Climate change is widening these inequities—hitting the communities least responsible for global carbon emissions the hardest. Today, access to energy is a basic requirement for overcoming poverty, and yet the most marginalized communities are often left out of the global renewable energy revolution driven by the private sector.

Mercy Corps has nearly two decades of experience designing and delivering renewable energy innovation and technology programs, working to build sustainable and climate-smart market-based solutions on both the supply and demand sides. We have successfully connected people to renewable energy products and services that aid food preservation, irrigation, agriculture, and transportation. Our solutions promote a just and inclusive energy transition. Higher demand for sustainable energy reduces reliance on non-renewable and carbon-emitting energy sources, creates new employment opportunities across a range of green value chains, and promotes worldwide low-carbon development.

#### **HOW WE WILL SCALE**

Mercy Corps will partner with communities, local utilities, energy innovators, and businesses to bring energy to people while growing jobs and avoiding CO2 emissions. Fully funded, we will replicate our Enter Energy program to displaced and host communities in four of the most displacement-affected countries in the world: Ethiopia, Uganda, Somalia, and Jordan, to reach 1.8M people and support 16,000 small businesses. Climate: Possible funds will allow Mercy Corps to bring low-carbon energy technologies to more fragile contexts, test different financing and service models, and build up surrounding markets for long-term success and scale.

#### MERCY CORPS VENTURES



Supporting visionary entrepreneurs to build climate-resilient communities at scale

Innovative and high-impact entrepreneurs are developing scalable solutions to help communities adapt to climate change—solutions that will support people through financial volatility and climate shocks. To date, these solutions have not received sufficient financial or technical support from global climate finance, particularly in the places we work.

Mercy Corps Ventures (MCV), our impact investing arm, is uniquely positioned and designed to fill this early-stage capital gap by investing in and supporting these entrepreneurs to accelerate their growth and impact. With a strong track record of 47 investments, over 200 post-investment support engagements, and 13 pilots over the last eight years, MCV is a leader in impact investing and climate finance and is a respected early-stage investor and thought leader. Through capital and post-investment support, piloting new approaches, action-oriented insights, and managing impact, we aim to catalyze the next wave of transformative climate resilience solutions in emerging markets.

#### HOW WE WILL SCALE

We are significantly ramping up support of early-stage innovation. Fully funded, we will provide seed and early-stage equity investments to 60+ early-stage startups, test the impact, feasibility, and scalability of 50+ frontier innovations, and provide rigorous, tailored impact evaluation and monitoring to collaboratively share learnings. These activities will reach 20M+ people with resilience-building products and services through venture partners, catalyze upwards of \$400M in co-investment contributing to closing the funding gap, and reach upwards of 100,000 other investors with our insights content.



# case study Improving forest data collection

One of the most promising ways to mitigate climate change is forestation. However, the measurement, reporting, and verification (MRV) of forest data for carbon credits relies on a legacy system which is expensive, inaccessible, and often excludes small and medium-sized projects. Open Forest Protocol joined the Mercy Corps Ventures portfolio in May 2022. Their product uses mobile and web applications for field data uploads and is a transparent and secure platform for the verification of environmental data. Through this investment, we are helping create a new market for small and medium-sized forestation projects, supporting the environment and community.

March 2019, Konso, Ethiopia. Beyene, 42, holds eucalyptus seedlings at his nursery.



# With your support, Mercy Corps can:

#### **TEST NEW IDEAS**

To address the complexity of the climate crisis, we urgently need to surface new, scalable ideas. Private philanthropy can help us forge new paths, take risks, and innovate while creating the evidence base needed to attract further support from donors and governments. From testing the next generation of distributed energy products to piloting AI-supported climate information services for farmers to developing and testing new methodologies for carbon finance, your gift can help Mercy Corps uncover new scalable solutions.

#### **REPLICATE INNOVATIVE SOLUTIONS**

Many promising climate-smart solutions have never been implemented in fragile contexts. With 6,000 team members across 40+ countries, Mercy Corps is already on the ground, partnering with communities facing conflict and disaster. Working with local partners, we will expand our efforts to design, adapt, and test innovative solutions in new contexts, ensuring the communities least responsible for the climate crisis—but most devastated by it today—benefit from new solutions. For example, last year, Mercy Corps helped 1.3 million smallholder farmers in nine countries access bundled digital climate-smart products and solutions. With further support, we can expand our reach and bring these services to new geographies.

#### **REACH MILLIONS MORE PEOPLE**

The lack of evidence for what works at scale and the subsequent lack of global climate funding creates a vicious cycle where innovation is stunted, and progress is continually outpaced by the impacts of climate change. With further private investment support, Mercy Corps will leverage our existing innovation platforms, research teams, and advocacy efforts to help develop the evidence base to attract the climate financing needed to create lasting change.

#### SUPPORT HIGH-IMPACT CLIMATE STARTUPS

Mercy Corps' impact investment arm, Mercy Corps Ventures, invests in and supports high-impact seed and early-stage startups developing climate adaptation solutions for people living in climate-vulnerable communities in frontier markets. Startups and venture capital play a key role in increasing climate resilience. Innovative and high-impact entrepreneurs are developing scalable solutions to help communities adapt to climate change. To date, these solutions have not received sufficient financial or technical support from global climate finance, particularly in the places Mercy Corps works. We see huge potential in commercial solutions to many specific adaptation challenges.



Identifying and funding solutions to help communities around the world cope, adapt, and thrive in the face of the climate crisis will require unprecedented commitment, creativity, and collaboration. Private philanthropy has a unique and crucial role to play in helping address the climate crisis by creating the flexibility needed to take bigger, bolder action, going beyond the limitations of government intervention and investment to test new ideas, replicate innovative solutions, and reach millions more people.

#### mercycorps.org/Climate-Possible



# Join us to help make a climateresilient future possible mercycorps.org/Climate-Possible



Dbdeidat, 69, in one of his greenhouse