

Turning up the heat.

Global climate change is one of the defining issues of our time, both for the potential calamity it portends and the opportunity for innovation it presents. Given the enormous stakes and staggering complexity involved, the question is, what role can a private foundation like Kresge most beneficially play?

There is an enormous disconnect between what scientists know to be true about climate change and what the public and many policymakers believe to be true. The data paint an urgent picture. Greenhouse gas emissions must be reduced as quickly and sustainably as possible. But the arc of public understanding lags behind.

Kresge is clearly in the camp of the scientific community. From the narrow but solid platform we have erected through our Green Building Initiative, which has promoted environmentally sustainable construction in the nonprofit sector since 2003, we are significantly expanding our involvement in this transformational challenge.

Our Environment Program represents an initial commitment to long-term, concerted action. We envision our future role as one of vigorous participant, in which we employ all the philanthropic tools at our disposal to advance strategies of promise that cut across sectors and disciplines.

OVERVIEW: ALIGNING POTENTIAL POINTS FOR INTERVENTION.

In 2007, the foundation formally made climate change a grant-making priority. To that end, we raised the bar substantially on eligibility for our Green Building Initiative—grantseekers must be pursuing historic preservation, renovation or new construction that meets the highest standards for sustainability—and made environmental conservation a top-of-mind consideration for grantmaking across all fields of interest.

We also launched an internal inquiry: If climate change is a priority, how and where can Kresge best add value? Months of investigative research and probing conversations with experts in the scientific, academic and philanthropic communities have followed. Out of this thoughtful (and ongoing) exercise, our Environment Program was born.

Our efforts are concentrated in three areas: reducing greenhouse gas emissions from the built or man-made environment, accelerating the adoption of renewable energy technologies, and developing strategies for helping society plan for and deal with the anticipated, negative aspects of climate change. In each arena we seek to shape new practice and influence new policy, always mindful that the poorest communities will suffer the greatest consequences of climate change.

Buildings and the activities that go on inside them account for more than 40 percent of the United States' greenhouse gas

emissions. Similarly, our nation's transportation sector emits another 30 percent of our total greenhouse gas emissions.

Kresge's historic role supporting new facilities and our endorsement of environmentally sustainable construction practices has led us to explore how we might push the envelope on efficiency improvements in the built environment.

Similarly, our location in Michigan provides an important perch from which to advance the national interest in renewable energy. Why? Because the Midwest, broadly defined, is considered one of the most crucial regions in the country for addressing climate change, because of its disproportionate contribution to the nation's total amount of carbon emissions. The Midwest has the manufacturing capacity and know-how to advance renewable energy technologies and other alternatives. It may lead the way in a new, green energy economy.

Adaptation to climate change is our third area of emphasis. Over the course of 2008 and beyond, our strategy in this area will gain greater definition as will our work in the built environment and renewable energy. Guiding us in our ongoing inquiry are partners of the highest caliber and our intent to adhere to Kresge's core values, particularly environmental conservation, innovation, collaboration, creating opportunity and diversity.

In the field: Linking environmental quality and economic revitalization in the Midwest.

A dedicated group of public-interest environmental entrepreneurs based in Chicago believes that environmental progress and economic development can be achieved in tandem. Since 1993, this brain-trust of public-interest attorneys, financial analysts, public-policy advocates and communications specialists has been working to identify opportunities for improving environmental quality in the Midwest while developing the environment-related economic potential of Midwestern communities.

Today, the Environmental Law & Policy Center is regarded as the region's leading public-interest environmental-advocacy organization. Through highly successful projects, such as the Midwest High-Speed Rail Network and the Recycled Paper Coalition, the organization has earned widespread recognition as a pioneer in promoting cleaner energy resources, sustainable energy strategies, more efficient transportation and land use, and sound environmental-management practices.

The center's effort to pursue environmental progress and economic development in the Midwest coincides closely with the priorities of our new Environment Program. To advance these joint objectives, Kresge awarded the Environmental Law & Policy Center a \$2.5 million grant that will accelerate its expansion into additional Midwest and Great Plains states, and increase its expert program-staff capacity in scientific and economic research, advocacy, public policy and other strategic areas.

Through this new partnership, Michigan, Ohio, Indiana and other neighboring states that have been hardest hit by the erosion of the Midwestern manufacturing base may once again emerge as leaders in a new economic order that is grounded in environmental sustainability, technological innovation and financial prosperity.

