



ICRC

The ICRC Climate and Environment Transition Fund

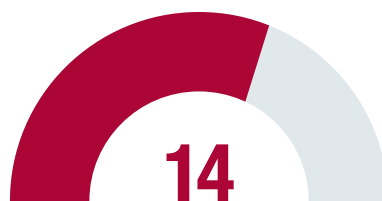


The ICRC Climate and Environment Transition Fund

For more than 150 years, the International Committee of the Red Cross (ICRC) has been protecting and assisting people affected by armed conflict. This document outlines the central funding mechanism in our transition to a climate-smart, adaptable and sustainable organization. The ICRC Climate and Environment Transition Fund will enable us to support the many initiatives needed to accelerate this transition while also making significant and measurable efficiency gains. Our ambition is clear: we will lead by example and support the evolution of the humanitarian sector for stronger climate action.

Why is the ICRC Engaged in the Climate and Environment Transition?

Climate change is costing lives, exacerbating vulnerabilities and sometimes acting as a driver of conflict. The convergence of climate risks and conflict exacerbates food and economic insecurity, widens health disparities and limits access to essential services, while weakening the capacity of governments, institutions and societies to provide support. The impact of this overlap is not only wide-ranging but also far-reaching. Ripple effects can shape mobility, patterns of transhumance or access to resources on a continental scale. Adapting to a changing climate can require major social, cultural or economic transformation. But ambitious, concerted and long-term efforts tend to be limited in times of war. Currently, 14 of the 25 countries considered to be most vulnerable to climate change by the ND-Gain Index are affected by armed conflict, and none of them were among the 20 highest per person recipients of adaptation funding.¹



OUT OF THE 25 COUNTRIES MOST VULNERABLE TO CLIMATE CHANGE ARE AFFECTED BY ARMED CONFLICT.

¹ ICRC, When Rain Turns to Dust: Understanding and Responding to the Combined Impact of Armed Conflicts and the Climate and Environment Crisis on People's Lives, 2020: <https://shop.icrc.org/when-rain-turns-to-dust-pdf-en>

Over the past ten years, 83% of all disasters triggered by natural hazards were caused by extreme weather and climate-related events (e.g. floods, storms and heatwaves),² affecting more than 1.7 billion people around the world.³ Without ambitious climate mitigation and adaptation measures, the number of people in need of humanitarian aid annually as a result of the climate crisis could double by 2050, with the financial costs ballooning to 20 billion US dollars a year.⁴ The situation is likely to put the lives of millions of people at risk, leading to massive consequences for the most vulnerable of them. As a global challenge, climate change is also leading to a net increase in the number of displaced people and causing rising levels of food insecurity and hunger.⁵ Humanitarian activities are increasingly under pressure because of more extreme weather, slow-onset events and natural disasters. In this context, the mission of humanitarians is even more important – and more difficult – than ever.

On the other hand, when humanitarian organizations deliver life-saving activities, they produce greenhouse gases, generate (sometimes hazardous) waste and consume natural resources, such as water, which add to climate and environmental problems. The ICRC aims to lead by example, limiting the damage we cause to the environment and maximizing the environmental sustainability of our operations.

Addressing the climate and environment crises is a high priority for the International Red Cross and Red Crescent Movement (The Movement). That is why in 2021, **the ICRC and the International Federation of Red Cross and Red Crescent Societies (IFRC) co-led a broad consultative process across the humanitarian sector to develop the Climate and Environment Charter for Humanitarian Organizations**,⁶ with the aim of galvanizing and guiding the humanitarian response to the climate and environment crises. It has now been signed by more than 200 organizations, including National Red Cross and Red Crescent Societies, international NGOs, local and national organizations and UN agencies.

It is clear that multisectoral partnerships within and beyond the humanitarian sector are essential if we are to develop appropriate responses that meet the urgent needs of people enduring conflict and if we are to help them adapt to future risks and to reduce our own environmental impact.

The ICRC's Climate and Environment strategy is composed of three pillars intended to enable us to: (i) adapt our programmes to factor in changing climate and environmental risks and help communities cope with and adapt to those risks; (ii) engage with relevant actors to mobilize urgent and ambitious climate action and funding in countries affected by armed conflict or other violence and improve the protection of the environment during armed conflict; and (iii) limit the environmental impact of operational programmes and reduce our environmental footprint.

The ICRC Climate and Environment Transition Fund will be key to enabling this transformation.

2 IFRC, *World Disaster Report 2020: Come Heat or High Water*, 2020: <https://www.ifrc.org/media/8968>.

3 *Ibid.*

4 IFRC, *The Cost of Doing Nothing: The Humanitarian Price of Climate Change and How it Can Be Avoided*, 2019: <https://www.ifrc.org/es/media/48881>

5 OCHA, *Global Humanitarian Overview 2021*, 2021: <https://www.unocha.org/global-humanitarian-overview-2021>.

6 ICRC, "ICRC and IFRC adopt the climate and environment charter for humanitarian organizations", 2021: <https://www.icrc.org/en/document/icrc-ifrc-climate-environment-charter>

Vision and Mission

The ICRC Climate and Environment Transition Fund will be launched in January 2022 to attract and mobilize additional funding to support the organization's ambitions as set out in the ICRC Institutional Strategy and the Climate and Environment Charter for Humanitarian Organizations.

The charter includes seven high-level commitments. The first two are the backbone of the text: (i) to step up our response to growing humanitarian needs and help people adapt to the impacts of the climate and environment crises, and (ii) to maximize the environmental sustainability of our work and rapidly reduce our greenhouse gas emissions. The next four commitments focus on how to achieve our ambitions, from embracing local leadership and leveraging our influence to building our knowledge and nurturing collective action.

The last commitment is about the adoption of specific targets by signatories that spell out how commitments are being implemented. In line with this, the ICRC has adopted a first set of three organizational targets:

- By 2025, climate and environmental risks will have been factored into all programmes.
- By 2025, awareness, understanding and implementation of international humanitarian law protecting the environment will have been strengthened among states and parties to conflict as a result of the ICRC's bilateral and multilateral engagement, publications and legal tools.
- By 2030, the ICRC's greenhouse gas emissions will have been reduced by at least 50% compared with 2018 levels.⁷

The fund will help us meet these commitments and targets and constitutes an essential part of the ICRC's plan of action in response to climate change and environmental sustainability, supporting our ambitious decarbonization plan, accelerating the transition to clean energy and adapting our programmes to prevent or respond to environmental and climate risks.

Scope

The ICRC Climate and Environment Transition Fund is designed to support climate and environment initiatives in our operations worldwide. This will take place in two complementary tracks: track 1 will focus on the decarbonization of ICRC premises; track 2 will include broader climate and environment activities.

TRACK 1: STARTING 2022

Track 1 will start in 2022. In track 1, the fund will support the decarbonization of ICRC premises through the adoption of clean energy and energy-efficiency measures across our global operations, improving access to safe, resilient and sustainable energy, and ultimately significantly reducing our CO₂ emissions (i.e. direct emissions) while generating substantial and measurable efficiency gains.

The initial focus will be on the highest fuel-consuming sites in seven countries: Afghanistan, the Central African Republic, the Democratic Republic of the Congo, Iraq, Nigeria, South Sudan and Yemen. This includes offices, residences, apartments, warehouses, workshops, etc.

According to our estimates,⁸ these seven countries account for approximately 45% of the ICRC's total generator-related costs and they consume about 4 million litres of diesel or petrol every year, leading to the annual emission of approximately 13,000 tonnes of CO₂. Moreover, on average, 88% of the electricity consumed in these premises is from fossil-fuel-powered generators.

⁷ Ibid.

⁸ ICRC, *ICRC Energy Transformation Project*, 2020

Although priority will be given to the highest fuel-consuming countries, any delegation where the ICRC operates can apply to the fund.

The roll-out of solar power in the seven highest fuel-consuming countries is scheduled to take place between 2022 and 2024.

The specific scope of the activities to be financed by the fund in track 1 will include:

- preliminary studies (e.g. energy assessments and audits, technical specifications, etc.)
- purchasing and installing devices and equipment (e.g. monitoring devices, solar panels, power transformers, etc.)
- establishing essential administrative services, human resources and technical capabilities to support selected initiatives.

TRACK 2: STARTING 2023

Track 2 will start in 2023 and will run in parallel with track 1. In this track, the fund will help to strengthen our capacity to improve the environmental sustainability of our operations, continue to adapt programmes to integrate climate and environmental risks and implement context-specific activities to help communities to strengthen their resilience to the combined effects of conflict and environmental and climate risks. Through strategic and operational partnership agreements, cross-learning and the sharing of best practice, the fund will support the transformation of the ICRC's operational partner National Red Cross and Red Crescent Societies and, more generally, will influence and promote greater climate and environmental action in humanitarian action.

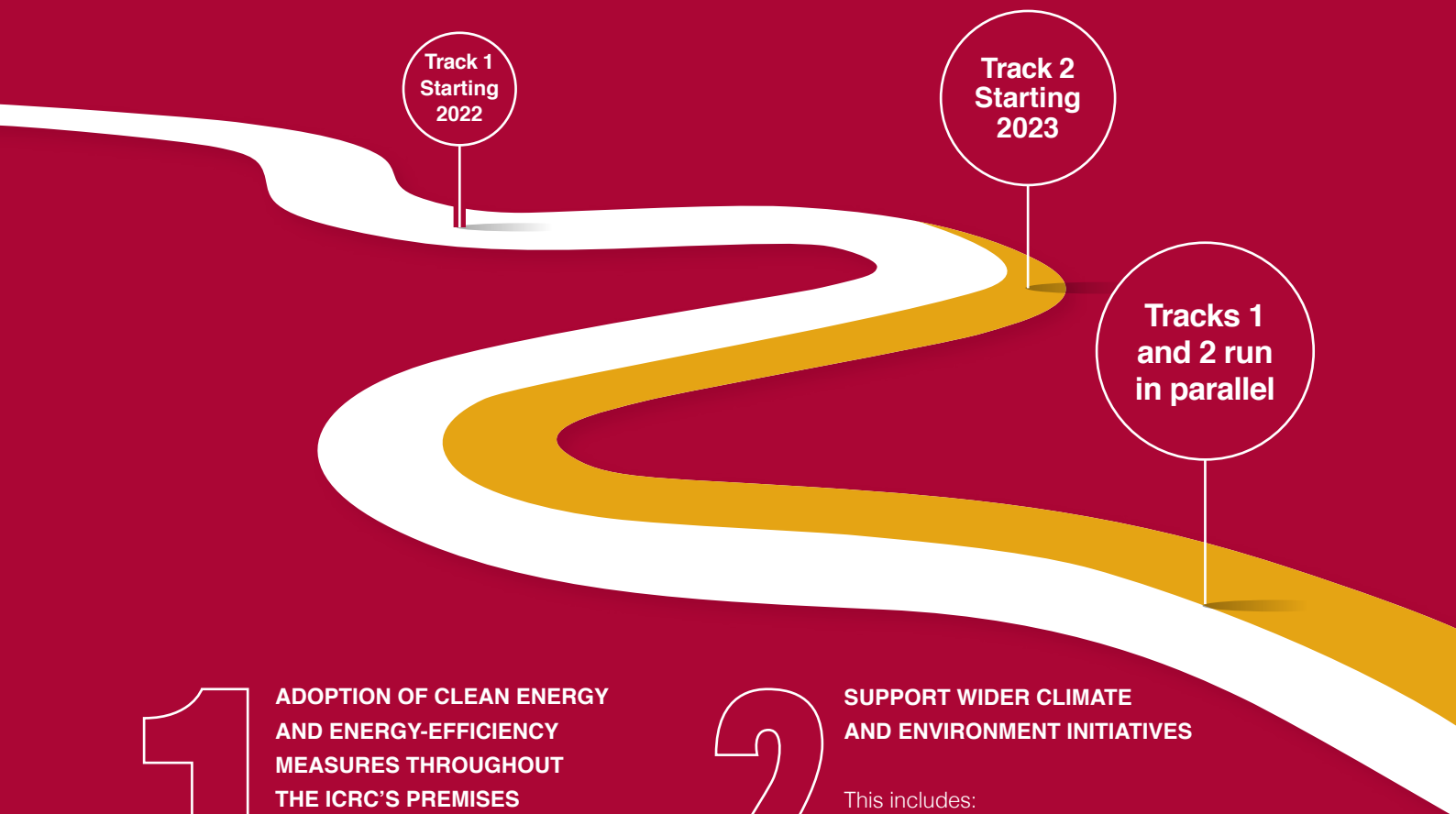
The specific scope of additional activities to be financed by the fund in track 2 will include:

- capacity-building projects that aim to strengthen the ICRC's organizational readiness to achieve its ambitions and targets as outlined in the Climate and Environment Charter for Humanitarian Organizations, including the development of specific frameworks, guidance or tools that will enable the integration of climate and environmental risks into ICRC programmes and operations, including those carried out with our Movement partners
- initiatives aimed at reducing the ICRC's direct and indirect emissions, such as by working with our suppliers on waste management or on designing new products with a lower carbon footprint
- proofs of concept for field-based initiatives with alternative solutions to tackle climate and environmental risks that can be replicated in other contexts, such as powering a hospital or other essential services using solar energy, or initiatives that aim to strengthen the resilience of conflict- or violence-affected populations against climate shocks.

Our efforts to adapt how we work, to factor climate risks into our programmes and to reduce our own impact on the environment are connected to our mobilization efforts. Working with key partners, both from inside and outside the Movement, we want to lead the way for the sector as a whole to better address the climate crisis and to bring others on board to contribute to a comprehensive and adapted response.

When these activities are carried out with our Movement partners, resources from the fund may support these partners directly, taking into account the fund's capacity and size.

Overview of Tracks 1 and 2



1 ADOPTION OF CLEAN ENERGY AND ENERGY-EFFICIENCY MEASURES THROUGHOUT THE ICRC'S PREMISES

This includes:

- carrying out activities that support the ICRC's transition to clean energy sources and energy-efficiency measures in its premises
- establishing essential administrative services, human resources or technical capacities.

2 SUPPORT WIDER CLIMATE AND ENVIRONMENT INITIATIVES

This includes:

- developing training courses, tools and guidance to integrate climate and environmental risks into our programmes and operations
- designing more environmentally sustainable products
- strengthening the resilience of conflict- or violence-affected populations to climate shocks.

Funding Structure

Because of the long-term nature of the project, the ICRC Climate and Environment Transition Fund will be structured as a multi-year fund. Its funding will consist of a blend of grants from public, private and philanthropic sources, in addition to a seed loan from the ICRC's own financial resources.

A replenishment mechanism will make it a revolving fund that will continue to support climate and environment projects, while also enabling the organization to reimburse the loan.

Replenishment options being considered include raising an internal carbon tax or taking a portion of the energy-cost savings generated by the move to solar power.

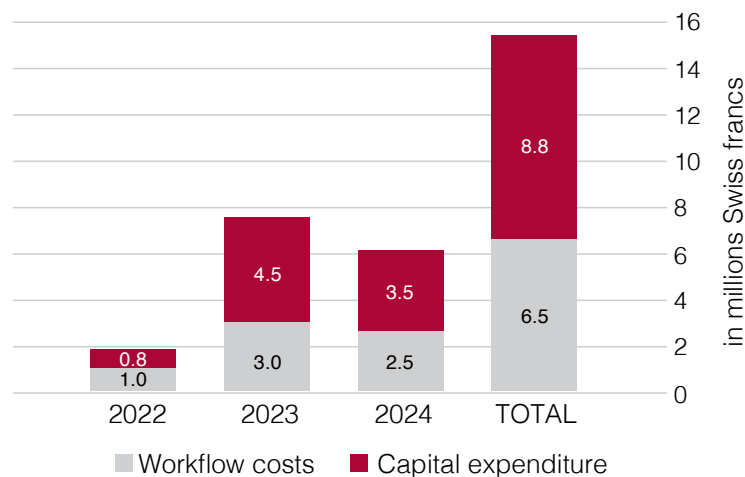
Also, depending on the volume of the replenishment mechanism and the fund's repayment capacity, opening the fund to private investors (private debt) could be considered in the medium term.

Funding Requirements for the Initial Phase

ESTIMATED TOTAL FUNDING NEEDED TO IMPLEMENT INITIAL PHASE = APPROX. 15.3 MILLION SWISS FRANCS

Moving the seven highest fuel-consuming countries to solar power in track 1 will cost an estimated 15.3 million Swiss francs. This amounts to 8.8 million Swiss francs in capital expenditure (infrastructure and equipment costs) and 6.5 million Swiss francs in workflow costs (energy assessments and audits, consultancy contracts, staff costs, support costs, overheads, etc.).

The funding requirements and the size of the fund will increase once tracks 1 and 2 have been fully assessed and the total costs have been estimated.



ESTIMATED IMPACT OF INITIAL PHASE

By greening our seven highest fuel-consuming sites, we could save up to 140 thousand tonnes of CO₂ emissions over 20 years. The transition could also save between 30 and 50 million Swiss francs over the same period, allowing the ICRC to redirect financial resources towards its core humanitarian activities. According to our estimates, by greening all the ICRC's premises, energy-cost savings are expected to at least double.

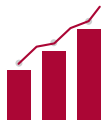


30-50M SWISS FRANCS SAVED FOR CORE HUMANITARIAN ACTIVITIES



UP TO 140,000 TONNES OF CO₂ EMISSIONS SAVED

Objectives and Expected Impact



This fund will function as a platform for accelerating the ICRC's energy transition and climate action by supporting environmental initiatives across the organization. In addition, as it is a revolving fund, it has the potential to grow and help us move towards more sustainable humanitarian work in the longer term, in line with our 2025–2030 targets.



Improving the efficiency and environmental sustainability of our activities and optimizing the use of resources is one of our key objectives. Track 1 will address the challenges of transitioning to cleaner sources of energy and enable us to reach our target of a 50% reduction in our greenhouse gas emissions. By greening our seven highest fuel-consuming sites, we could save up to 140 thousand tonnes of CO₂ emissions over 20 years. The transition could also save 30–50 million Swiss francs over the same period, which would allow us to redirect financial resources towards our core humanitarian activities and therefore maximize our impact. Greening all of our premises would allow us to at least double our energy-cost savings.



The fund will not only be a strategic tool for us to implement our climate ambitions, but it will also demonstrate our commitment to lead the way for the humanitarian sector to adopt greener and more sustainable practices. The fund will support systemic transformation in the humanitarian sector and strengthen climate and environmental action through collaborative partnerships.



The fund is structured around collaborative engagement between the public and private sectors. On the financing side, the fund will aim to leverage government donations in order to encourage and attract grants from private and philanthropic organizations. The fund could potentially be opened for private investment in the medium term.



There are different collaboration opportunities within the project and the ICRC is seeking engagement from across sectors, including within the Movement, academia and non-profit organizations. Working with the private sector is also important and it could translate into progress in the following areas:

- expertise in areas such as energy efficiency, or how to incorporate environmental sustainability considerations and best practice into operations
- technical assistance on performing energy assessments and audits, recommendations for context-appropriate solutions or training for ICRC staff
- contractual agreements for the delivery of energy solutions or other innovative business models adapted to local contexts.

The ICRC Climate and Environment Transition Fund and the Sustainable Development Goals (SDGs)



By aiming to ensure access to energy in the world's most difficult contexts, the fund will contribute to SDG 7: *"Ensure access to affordable, reliable, sustainable and modern energy for all."*



The fund also aims to reduce our ecological footprint by changing the way we produce and consume goods and resources, how we manage our shared natural resources and how we dispose of waste, which contributes to SDG 12: *"Ensure sustainable consumption and production patterns."*



The fund will contribute to SDG 13: *"Take urgent action to combat climate change and its impacts"* by adopting renewable energy solutions and a range of other measures that will reduce emissions and increase adaptation efforts.



With an innovative, partnership-based fund, our work will contribute to SDG 17, which aims to *"Strengthen the means of implementation and revitalize the global partnership for sustainable development"* by supporting systemic transformation within the Movement and in the wider humanitarian sector and by strengthening climate and environmental action through collaborative partnerships.

Existing and Previous Internal Case Studies

We have already gained significant experience in rolling out solar power solutions in our delegations and programmes.



In **Pakistan**, we began installing solar panels at the Islamabad office in 2019. After carrying out feasibility studies, the cost of the project was estimated at 28,000 Swiss francs. It will deliver a return on investment after five and a half years.

In **Colombia**, solar panels were installed in the Bogotá delegation during 2021. This promising project is expected to deliver 40% of the total electricity needed in the delegation. The project has been delivered with the support of reliable local partners and will cost 50,000 Swiss francs. It is expected to deliver a return on investment after five years.



The installation of solar panels in our **Gazan** offices and residences will be completed in 2022 at a cost of 60,000 Swiss francs, with an expected return on investment after four years. The situation in the Gaza Strip has made importing the materials difficult, but our team's experience in dealing with renewable energy projects has enabled the project to move ahead..



Solar panels are scheduled to be installed in our Abuja buildings in **Nigeria** during 2022. Given the size of the site, the project is estimated to cost 240,000 Swiss francs and is expected to generate a return on investment after four to six years. An energy assessment was made possible thanks to our partnership with GIZ, a German development agency.

In addition, we work with key partners from the sector, including Movement partners, on a number of projects aimed at delivering more environmentally sustainable humanitarian aid.

MASSIVE OPEN ONLINE COURSE (MOOC) ON SUSTAINABILITY IN HUMANITARIAN ACTION

The ICRC wants to nurture a culture of proactive engagement on environmental sustainability among our staff. This is why in 2017 we started a project to develop an online training course that would give participants a basic understanding of the environmental impact of humanitarian action and equip them with the tools and inspiration for them to take action. We formed a partnership with the IFRC and the Swedish Red Cross to develop the content of the training course, which we launched together as a MOOC – and it is openly available on the FutureLearn platform. Since its launch, the course has attracted over 14,000 participants from both inside and outside the Movement and from all areas of the world.



Gaza Strip. An engineer checking on an insect trap given to him as part of an eco-friendly project for the protection of fruit and olive trees, supported by the ICRC.

SUSTAINABLE SUPPLY CHAIN ALLIANCE

In 2020, the ICRC, the IFRC and the Norwegian Red Cross jointly launched the Sustainable Supply Chain Alliance, a project to improve understanding of sustainable risks in humanitarian supply chains and to drive improvement projects. The project documents best practice by partners and shares them with the wider humanitarian community. It has launched new projects related to waste management, fleet optimization, sustainability requirements for relief items and packaging and commercial transport. As logistics is a significant contributor to a humanitarian organization's greenhouse gas emissions, in 2021 the alliance launched a project to develop a common methodology for carbon accounting, with a tool to be made available to the sector in 2022. To date, over 100 humanitarian organizations have expressed their interest in the project. In early 2022, the alliance will also launch the Sustainable Supply Chain Challenge to which the ICRC and Movement partners will be able to contribute.

Abidjan, harbour zone of Treichville, ICRC warehouse. Loading of trucks with basic necessities that will be distributed to the population living north of Nigeria.



What We Offer



WHY PARTNER WITH US?

The ICRC is an impartial, neutral and independent organization whose exclusively humanitarian mission is to protect the lives and dignity of victims of armed conflict and other situations of violence and to provide them with assistance. We also seek to prevent suffering by promoting and strengthening humanitarian law and championing universal humanitarian principles.



A HISTORIC MANDATE

Established in 1863, the ICRC laid the foundations for the Geneva Conventions and the International Red Cross and Red Crescent Movement. We are the only humanitarian organization specifically entrusted by governments, both in international treaty law and domestic legislation, with the role of assisting and protecting people during armed conflict. Our work has been widely recognized throughout our history: we are a three-time recipient of the Nobel Peace Prize (1917, 1944 and 1963 – on the third occasion, jointly with the IFRC). Our founder, Henry Dunant, was awarded the first ever Nobel Peace Prize in 1901.



A WORLDWIDE PRESENCE

The ICRC currently has some 20,000 staff members working in over 100 countries around the world.⁹ Because of our continuous presence on the ground, our privileged relationship with National Red Cross and Red Crescent Societies in 192 countries and close engagement with the communities we seek to help, including those in hard-to-reach areas, we have first-hand knowledge of the prevailing circumstances and the needs of people affected by conflict and violence.



UNIQUE EXPERTISE

Over the course of nearly 160 years, the ICRC has acquired unparalleled experience in the field of humanitarian action. The professional skills of our delegates and employees – including war surgeons, water engineers, agronomists, nutritionists and logistics experts – enable us to provide a comprehensive and multidisciplinary response in complex situations.



UNMATCHED ACCESS

At the centre of the ICRC's mandate is the belief that all people in dire need are entitled to humanitarian assistance – regardless of age, sex, race, ethnicity, or religious or political affiliation. This is reflected in our Fundamental Principles of neutrality, independence and impartiality. Adherence to these principles has secured acceptance and access for the ICRC to carry out our humanitarian mission among people with a broad range of religious beliefs, sociocultural attitudes and political views, and has directly contributed to our reputation, credibility and impact over time and around the world.

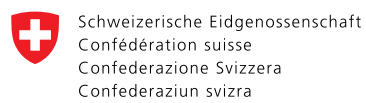


EFFICIENCY

93.5% of any contribution given to the ICRC's field budget directly supports the operations run by our delegations across the globe. The remaining 6.5% enables our headquarters staff to provide strategic guidance, coordination and administrative support to the field, in addition to fulfilling their other responsibilities.

⁹ ICRC, "Where we work": <https://www.icrc.org/en/where-we-work>

Supporters:



Federal Department of Foreign Affairs FDFA
Swiss Agency for Development and Cooperation SDC



Knowledge partners:





The ICRC's head of delegation in Yemen visits a sustainable solar power station, which provides clean water for locals.

Contact Information

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Cover Image: Sofara. A farmer is planting his field. For West Africa, the IPCC (Intergovernmental Panel on Climate Change) forecasts an average increase in temperature of 3.3°C by the year 2100, which could increase to 4.7°C in the northern half of Mali. The decrease in water flow, combined with erosion and sand encroachment, hampers the flow of water into the greater part of the Niger Delta, thus threatening fishing, agriculture and pastoral activities. (S.Turpin/ICRC)



ICRC

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