



A Toolkit for Community Foundations



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Purpose of This Toolkit

A first-of-its-kind resource, Roadmap for Climate Finance: A Toolkit for Community Foundations (Roadmap) is a comprehensive toolkit that empowers community foundations (CFs) to confidently navigate the climate finance space and establish effective strategies for action. Developed through extensive research and informed by CFs, the Roadmap offers a clear, adaptable framework—containing a range of tools that can support high-level organizational strategy to hands-on practical lending all adaptable to your specific capacity, mission, and community needs.

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I. Community Foundations in the Climate Finance Ecosystem

Unique Roles of Community Foundations

Community foundations have a unique role to play in the climate finance ecosystem. The current climate finance landscape—including green banks, community lenders, Community Development Financial Institutions (CDFIs), and state agencies—leaves substantial market gaps at the local level, especially for organizations with smaller projects and uncertain cash-flow profiles. CFs are poised to fill that gap by acting as:

- **Trusted conveners and bridge-builders.** CFs have the capacity to connect philanthropy, capital markets, and local stakeholders, ensuring projects are grounded in community priorities and advanced through coordinated, collective action rather than operating in silos.
- **Place-based, equity-centered climate leadership.** CFs are uniquely positioned to advance tailored climate solutions that build local capacity, elevate community voice, and embed social equity by acting as first-in risk capital, in ways other funders may not.
- **Catalysts for replication and scale.** By translating locally driven climate solutions into proven, transferable models, CFs can accelerate replication across regions and serve as catalysts for systemic and complex change in the climate finance ecosystem.

Integrating Your Community Foundation's Role

Community foundations bring people together (as **conveners**), unlock and blend capital (as **resource mobilizers**), and invest funds (as **capital providers**) through grants and impact investing. These roles are not mutually exclusive; many CFs already operate in one or more of these capacities. By applying these existing roles to climate finance, CFs can contribute effectively without necessarily requiring operational changes.



Convener	Resource Mobilizer	Capital Provider
CFs bring together local stakeholders to align priorities, share knowledge, leverage capital, and coordinate action. • Begin by leveraging relationships and trust to identify promising climate projects. • Assemble a comprehensive and diverse partner network that spans public agencies, private sector entities, philanthropies, and nonprofits. • Articulate project opportunities and their community benefits to secure buy-in and maximize broader impact. • Facilitate conversations that are both strategic and inclusive.	CFs unlock and blend financial and human capital across philanthropic, public, and private sources to advance community climate goals. • Mobilize and/or invest in a broad coalition of stakeholders, coordinate multi-faceted funding streams, and prioritize equity in the allocation of resources. • Build ecosystems by marshaling both financial capital and human capital (relationships and expertise) to advance complex projects. • Advance projects into broader initiatives to eliminate fragmentation and significantly enhance partnership and cooperation. • Center all climate work around community priorities while actively mitigating potential unintended consequences.	CFs deploy flexible patient capital to fill market gaps and catalyze local climate projects. • As a grant provider, lend legitimacy to projects that catalyze future investment (e.g., recoverable grants), bolster project preparedness, and strengthen grantee organizations. • As an impact investor, utilize investment capital as a lender, integrate philanthropic funding, and provide seed capital for high-risk projects.
Relevant Tools:  Organizational Self-Assessment Tool  Climate and Climate Finance Definitions  Market Analysis Template	Relevant Tools:  Organizational Self-Assessment Tool  Climate and Climate Finance Definitions  Market Analysis Template  Climate Project Overview  Climate Finance Sources Overview	Relevant Tools:  Organizational Self-Assessment Tool  Climate and Climate Finance Definitions  Capitalization Strategy Guide  Financing Ask Template  Climate Finance Sources Overview  Impact Investing Process Map

Tailoring Your Approach to Climate Finance

There is no single path to climate finance. Each CF has unique starting points defined by its capacity, structure, and community role. Recognizing these differences is essential for designing strategies that align with each foundation's strengths and current operations. The Roadmap will help CFs evaluate existing or planned organizational structures and customize unique approaches to maximize impact in their community.

Entry Points to Climate Finance Vary. Community foundations engage in climate finance and broader climate work from different starting points.

- **Project-first:** Focus on executing specific projects that meet immediate community needs through trusted partnerships.
- **Intermediary-first:** Leverage role among affiliates, donors, and local institutions to coordinate activity, support ecosystem building, and move capital.
- **Strategy-first:** Develop an organization-wide climate strategy before launching projects or investments.

Organizational Structure Shapes Strategic Direction. A foundation's internal structure strongly influences how it engages in climate finance.

- **Capitalization strategy approach:** Establish internal priorities around climate and align capitalization strategies.
- **Grant-focused approach:** Target donors and grant programs with climate interests and fundraise for specific initiatives.
- **Impact investing approach:** Use impact capital and intermediary structures, such as Program-Related Investments (PRIs), to expand climate lending.

Project and Program Development Pathways. CFs also differ in how they develop climate opportunities, drawing on local or regional assets and networks.

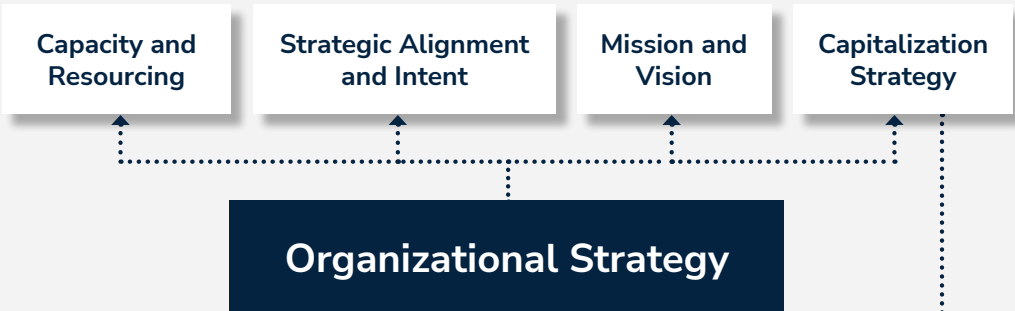
- **Existing portfolio:** Leverage current affiliates, grantees, and partners to identify opportunities, such as building upgrades or sustainability improvements.
- **Program-based:** Adapt existing internal programs to incorporate an intersectional approach to climate-related goals and activities (e.g., climate + housing or climate + transportation).
- **New partnerships:** Build new relationships outside traditional networks to pursue opportunities beyond existing programs.



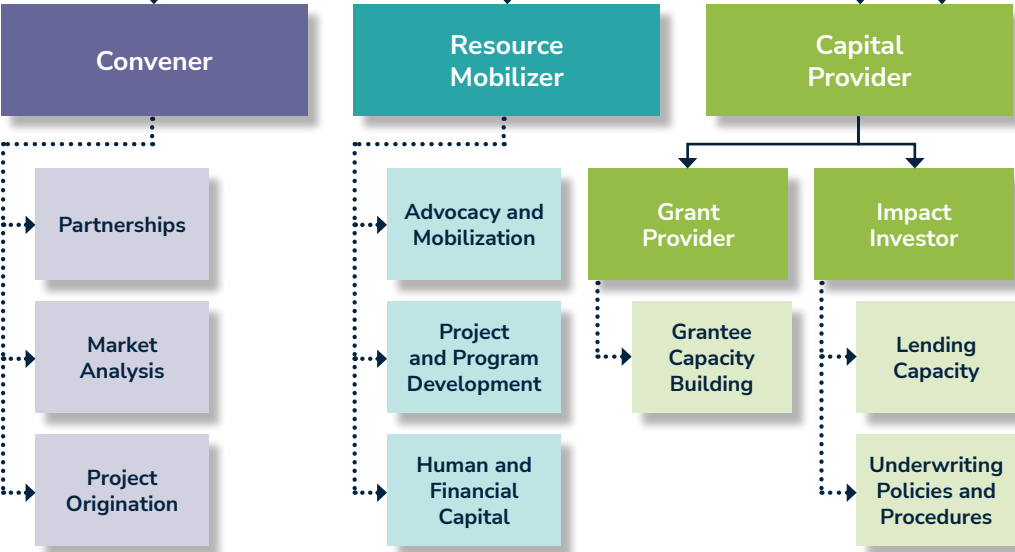
II. Climate Finance Readiness Roadmap

The Roadmap is designed to help CFs systematically develop a climate finance strategy, regardless of their starting point. The process is broken into clear sections and steps that feature key questions for organizational discussion. Each section includes detailed information, worksheets, and practical tools that function as a step-by-step guide.

Step 1:
Establish
Organizational
Strategy



Step 2:
Define Climate
Finance Role(s)
and Strategy



Step 3:
Track Impact
and Scale



STEP 1: Establish Organizational Strategy

Before diving into program or project development, CFs are encouraged to begin by clearly defining the why behind pursuing climate finance. By reflecting on mission and vision, strategic intent, and internal capacity and resources, a CF can establish the high-level framework and leadership buy-in essential to engage in climate work. After grounding the work in an organizational context, evaluate and develop a capitalization strategy that aligns the foundation's strengths with opportunities to expand existing programs or launch new climate-focused projects.

Self-Assessment Mission and Vision

- Examine your organization's goals and mission for alignment with potential climate goals.
 - Does your organization have any existing / published climate commitments or goals? If so, do you have a strategy to meet them?
 - Do your non-climate program focus areas and impact investing incorporate climate goals? If so, which programs?
 - How could your organization align climate priorities with wider organizational strategies?
 - Are you implementing climate goals through nonprofit partners?
 - Do you have a climate grantmaking strategy?

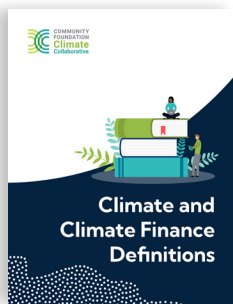
Capacity and Resourcing

- Conduct an analysis of current staff capacity and knowledge in the climate finance space.
 - What are relevant climate expertise needs? (e.g., clean energy or climate certifications)
- Define an approach you will take to fill capacity gaps.
 - Consider whether you want to start with internal staff or outsourced support to build out the program area? (e.g., procuring technical assistance or consultants, dedicating staff time to climate work, or investing in professional development to increase staff expertise)

Strategic Alignment and Intent

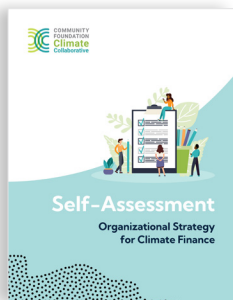
- Decide what you want to do as an organization in the climate finance space.
 - Do you want to leverage your existing approach and expertise or develop new lines of activity? (e.g., convener, resource mobilizer, impact investor, or grantmaker)
- Evaluate your organization's risk tolerance to work on climate issues and projects.
 - What is the willingness of your executive leadership, board, and donors to absorb or sustain potential losses while meeting climate goals?





TOOL: Climate and Climate Finance Definitions

The [Climate and Climate Finance Definitions](#) tool provides important terms and definitions related to climate projects and real estate finance. This overview is applicable to all roles in climate finance and helps foundations develop an understanding of climate terminology and prepare for more technical discussions with stakeholders. This tool serves as a comprehensive reference for capacity building, internal communications about organizational strategy, and external conversations regarding CF value-add.



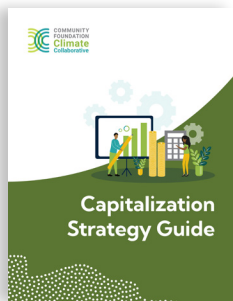
TOOL: Organizational Self-Assessment Tool

Completing the [Organizational Self-Assessment](#) is the first step for a CF entering the climate finance space. By benchmarking current strengths and weaknesses, the tool serves to evaluate individual organizational capacity for establishing a climate financing program. The six sections of the tool—Strategic Alignment and Intent, Capacity and Resourcing, Funding and Financial Strategy, Partnerships and Ecosystem Building, Impact Measurement and Accountability, and Phased Implementation and Prioritization—provide a snapshot of your organization's current situation, where to expand your efforts, and how to prioritize your initial approach in climate finance.

Capitalization Strategy

- Evaluate your organization's current structure and restrictions to take on climate finance.
 - Do you have a strategy to pursue climate capital?
 - What is your organization's current investment policy statement or restrictions on endowment funds, and do they include climate? If not, where can you include climate?
- Decide what projects, technology types, and program areas to focus on and align with expressed community needs.
 - What types of climate projects do you want to focus on? (e.g., renewable energy development, net zero buildings, infrastructure scale projects, or resilience hubs)
- Determine your organization's role (grant vs. impact investing).
 - Are you already providing climate / resilience grants? If so, what can you build on?
 - What type of climate grants do you want to provide? (e.g., technical assistance, early-stage project design, or buying down cost of capital for other climate lenders)
 - Does your organization already undertake impact investing or lending? If so, would you consider climate lending?

- Develop a capitalization strategy for climate finance.
 - Has your organization conducted donor outreach and education to cultivate existing donors and capitalize a climate finance effort?
 - What resources would you need to acquire or leverage to provide climate capital as a lender or grant provider?



TOOL: Capitalization Strategy Guide

The [Capitalization Strategy Guide](#) provides a high-level step-by-step guide of elements to consider when developing a capitalization strategy for a climate finance program. The process steps include key questions to ask regarding project and program technology types, CF grant vs. impact investing roles, fundraising considerations, and steps to complete a proof-of-concept project. This tool is best suited for CFs who are considering the capital provider role for climate finance, as it supports answering key questions about your organization's capacity and strategy to implement grantmaking and/or impact investing for climate projects and programs.



TOOL: Financing Ask Template

The [Financing Ask Template](#) helps CFs communicate about potential climate projects in need of financing and provides an overview of the capital stack to aid fundraising efforts. The Template may also be used to detail funding needs to capitalize an impact investing fund. This tool is best suited for CFs who are considering the capital provider role, providing a simple way to help guide you through project vetting and assisting climate projects with fundraising for climate capital.

STEP 2: Define Climate Finance Role(s) and Strategy

Now that you have analyzed the value-add, aligned your mission and vision with climate, and developed a potential capitalization approach; the next step is to explore and define which roles within the climate finance ecosystem fit your CF. This step begins with identifying your CF as one or multiple of the following roles—Convener, Resource Mobilizer, and Capital Provider. By engaging with the role-specific questions, your organization will determine how to weave climate into your existing regional approach.

Convener Role

Community foundations bring local stakeholders together to align priorities, share knowledge, and coordinate action.

Partnerships

- Convene stakeholders to learn about local community climate needs, opportunities, and potential climate action.
- Do you have existing partners or affiliates that are interested in climate initiatives?
 - What new partnerships and relationships need to be created to facilitate wider conversations and identify potential climate projects? Engage climate partners—state energy offices, green banks, and/or community-based organizations focused on climate justice—in addition to solar or affordable housing developers that have met green standards.

Market Analysis

- In your role as a convener, conducting a market landscape analysis will support your evaluation of the existing climate financing landscape, market gaps, demand, and additional stakeholders in the field.
 - What are the existing financing programs available for climate initiatives in your market?
 - Do these financial incentives target the relevant types of climate projects and/or programs, and are they sufficient? If not, where are the gaps?
- Begin outreach with relevant stakeholders to understand market capital needs and project barriers, which can serve as a basis for a climate finance partnership approach.
 - Who are the major stakeholders in your local and regional market? Research community lenders, green banks, economic development organizations, state and local governments, utilities, and others.

Project Origination

- Use your role as a convener as an opportunity to examine climate project opportunities. To identify climate projects in the community, start with your grantees, professional relationships, and trusted partners. Request who else is involved to ensure you assemble all relevant partners to engage in strategic and inclusive conversations. Next, determine how this opportunity is being messaged. For example, articulate the project's benefits and impact based on your CF's cross-sector view of opportunities for replicability and community needs.
- Utilize the Market Analysis Template to identify new partnerships that will lead to climate projects. Assess your existing portfolio, affiliates, and grantees for climate lending or grant opportunities, including projects or assets that can incorporate climate elements.





TOOL: Market Analysis Template

The [Market Analysis Template](#) provides a high-level step-by-step guide for considering gaps and opportunities for developing or enhancing a climate finance program in your community. The process includes reviewing relevant stakeholders in your market, completing stakeholder outreach, and conducting interviews using the question guides. This tool is applicable for all roles in climate finance, but is best suited for CFs who are considering the convener or resource mobilizer role. This tool will help you create a customized regional market scan of capital sources, climate regulations, and essential partners to engage when building out your climate program.

Resource Mobilizer Role

Community foundations unlock and blend financial and human capital across donors, and other philanthropic, public, and/or private sources to advance community climate goals.

Advocacy and Mobilization

- Identify platforms or programs where you are already mobilizing diverse partners. Determine additional climate stakeholders from your market analysis scan.
- Work with partners to identify projects that are ripe for advocacy and mobilization efforts.
- Assess project barriers and opportunities for intervention.

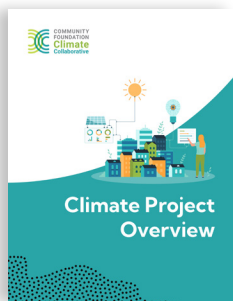
Project Development

- Collaborate with partners, affiliates, and grantees to build a project pipeline of financeable projects in target technology types (e.g., solar, affordable housing building decarbonization, or resilience infrastructure). Together, review project pipelines for short- and long-term opportunities.
- Consider developing a financial model to secure seed capital. Identify sources of seed capital that could catalyze the program's operations.

Human and Financial Capital

Through the process of distributing financial capital, ensure the people in your community are brought together and empowered to contribute to climate work. Consider employing the SMIRF framework (Social, Moral, Intellectual, Reputational, and Financial) to define your CF's value-add for resource mobilization.

- Prioritize community needs in your climate work. Showcase good practices and mitigate potential challenges (e.g., establish early-warning indicators of equity harms).
- As your organization is considering its role in the climate finance ecosystem, what are some potential unintended consequences of climate work?



TOOL: Climate Project Overview

The [Climate Project Overview](#) provides a guide on how to identify project opportunities, short- and long-term examples, and a brief introduction to types of climate projects—building decarbonization, renewable energy, and climate resilience. This tool is best suited for CFs who are considering the resource mobilizer role, as it serves as a reference for understanding the landscape of climate project opportunities in your community.

Capital Provider Role

Community foundations deploy flexible capital to fill market gaps and catalyze local climate projects.

Grant Provider

- Evaluate interest through a donor campaign, convenings, and partnerships.
- Consider adding climate as a lens to your grantmaking portfolio, prioritizing funding that may have climate co-benefits or intersectionality (e.g., housing).
- Assess existing grantee capacity for potential climate work.
- Expanding on existing capacity building efforts, consider providing funding for feasibility studies and predevelopment grants as an opportunity to empower community residents, nonprofits, and/or public partners to take climate action.
- See [Capitalization Strategy Guide](#) for further guidance.

Impact Investor

- Consider revising your organization's investment policy statement (IPS) to incorporate ESG (Environmental, Social, and Governance) language and climate specific goals. If your IPS has climate or ESG goals, what are they and do you need to revise or update them?
- In parallel with partnership building and convening efforts, consider a donor climate education campaign to evaluate and build new and existing donor interest.

- Determine the scale and scope of your capitalization strategy.
 - What would the annual allocation be?
 - What is your annual goal for the number of loans?
 - How would these loans be repaid?
- See [Capitalization Strategy Guide](#) for further guidance.

Lending Capacity

Assess operations capacity needed to achieve financial sustainability for climate lending—including new staffing, training, and tracking resources.

- Consider professional development and skill building to enhance your lending team's expertise and foundational knowledge as an impact lender or procure third-party support or an intermediary structure to build capacity.
- See [Capitalization Strategy Guide](#) for further guidance.

Underwriting Policies and Procedures

- Develop new or build on existing policies and procedures to incorporate and monitor climate initiatives. If you already conduct impact investing, consider how to adapt your current process for climate lending.
- Consider what other tools, processes, and policies need to be developed and adopted to underwrite, track, or administer a climate program (e.g., impact rating, sustainability standards and thresholds to meet, eligibility standards for climate projects, borrower or grantee assessment, or impact tracking tools).



TOOL: Climate Finance Sources Overview

The [Climate Finance Sources Overview](#) provides a brief introduction to the public, private, and philanthropic climate project financial sources. The overview presents a quick definition of climate lending and a sample project capital stack. This tool is best suited for CFs who are considering the capital provider role. It provides a summary of the general climate finance ecosystem and types of climate finance sources to help you build your capitalization strategy and create a sustainable financing mechanism.



TOOL: Impact Investing Process Map

The [Impact Investing Process Map](#) helps CFs understand the process and documentation required to take a potential climate project from predevelopment to loan closing. This tool is best suited for CFs who are considering the capital provider role and have the technical capacity to undertake impact investing. If the CF already has an impact investing fund, there may be specific documents relevant for climate projects that must be taken into consideration to assess project eligibility and track the impact of climate goals. This guide is for reference purposes only and provides an overview of the investment process, containing examples of necessary documents to build out underwriting capacity and organizational policies.

STEP 3: Track Impact and Scale

Finally, expanding on the capitalization strategy and initial programs or pilot projects, your organization may begin thinking about the potential for replication and growth of climate finance activities. Building on early successes, you can focus on communications, impact tracking, and scaling up. These activities will help your organization share success stories and establish itself as a resource hub for climate finance.

Communications

- Establish an internal communications strategy to align boards and funders with climate goals. Consider using communications around climate finance and sustainability work to uplift partnership and ecosystem building efforts.
- Develop an external communications strategy to align with partners and relevant stakeholders in your community. Document how your organization is engaging donors or community members on climate topics, including the importance and opportunity of climate finance.
- See [Climate and Climate Finance Definitions](#) for further guidance.

Tracking Impact

- Set clear organizational targets for an impact tracking framework, creating both short- (1–3 year) and long-term (3–5 year) impact tracking goals.
- Align metrics and goals with any existing related metrics.
- Research and identify potential project typologies for impact measurement targeting based on climate project technology types (e.g., # buildings or kWh electricity).
- Research existing green standards to best track your progress towards climate goals (e.g., affordable housing building performance or GHG reduction standards).



- Include testimonials from project and grant participants.
- Ensure that equity goals are incorporated, such as community co-benefits and strategies to incorporate community input.

Scaling Up

- Document case studies and lessons learned from early pilot projects to share with peer foundations and local partners.
- Connect with peer CFs and other stakeholder partners to share the unique role of CFs in climate finance.
- Scale and replicate across communities by blending grant and impact dollars in project capital stacks, moving from pilot projects to replicable project models.
- Lift up projects that achieve large-scale systems change approaches.

Conclusion

This Roadmap represents an evolving framework designed to adapt alongside the changing landscape of community foundation climate finance. Central to this initiative is the network infrastructure that supports peer learning and collaborative problem solving. The deliberate design recognizes that effective climate action requires robust systems of support and knowledge exchange. Our work is grounded in the conviction that locally led implementation is essential to achieving climate action at scale. Community foundations, with their deep community relationships, place-based knowledge, and capacity to mobilize diverse resources, are uniquely positioned to drive climate solutions that are regionally relevant and impactful.

Acknowledgments

We wish to express our sincere appreciation for the considerable time, energy, and expertise that our CFCC members dedicated to the development of the Roadmap and its associated toolkit. Three community foundations participated in the Climate Finance Capacity Building Cohort, which served as both the impetus and testing ground for creating these tools: the Greater Muscatine Community Foundation (Iowa), the Community Foundation of Greater Dubuque (Iowa), and the Greater Flint Community Foundation (Michigan). Additionally, the Roadmap and accompanying tools underwent peer review by the Indianapolis Foundation (Indiana) and the Pittsburgh Foundation (Pennsylvania). This body of work would not have been possible without the catalytic investment from the McKnight Foundation through their Midwest Climate & Energy program and their support of CFCC's Midwest/Great Lakes Regional Action Network.

