



Article Reprint
September 2007 - Alliance Magazine

Interview Uday Khemka

Uday Khemka comes from an Indian family that has been in business for about 100 years. The Nand and Jeet Khemka Foundation's mission has historically been nothing to do with climate change but has rather focused on poverty and development issues, microfinance and so on. How did it come to be involved in climate change, Caroline Hartnell asked Uday Khemka. It happened about three years ago, he explains. 'We started to realize that everything we were doing was fundamentally affected by this issue and could be literally washed over by it.'



Why climate change?

Three images in particular cause him sleepless nights. The first relates to the Punjab - 'our bread basket' since India moved away from being a food deficit country in the 1960s and 1970s. But India depends on the monsoon, 'and there is a serious danger that monsoon patterns will change. What happens if the Punjab starts to look like the desert country of Rajasthan? Well, the answer's very simple: a billion people starve. So what am I doing talking about microfinance?'

He is also haunted by the thought of what will happen to India's river systems if deglaciation in the Tibetan plateau continues at the present rate. There will be a few years of flooding, he says, 'and then the Ganges and other big rivers will become rivulets and a billion people will be without water.'

The third image that haunts him is of 'huge waves coming and smashing against our coastal populations and drowning us'. In a country like Bangladesh that is mostly below sea level, this is a real threat. 'So we had no option but to dedicate an enormous amount of our resources to climate change.'

What to do about it?

It seems that the Khemka Foundation has adopted two 'missions'. The first is to influence what is happening in India. As far as Uday Khemka knows, it is the only private foundation trying strategically to move India on the issue of climate change. It is working on three levels. The first is the policy level, where it is supporting the first ever integrated energy strategy for the country. Second, 'you need a groundswell of popular support if you are going to influence politicians. We've partnered with the Bollywood awards, which reach millions of people.' The third area is business and technology. 'In my view,' he says, 'it is only business that can solve this problem, but it must be given the right incentives.'

Is climate change mitigation at odds with development?

Isn't it unfair to expect developing countries that have not been responsible for climate change to play their part in addressing it rather than getting on with their own development? An important question, Khemka agrees. 'Hundreds of millions of people still live beneath the poverty line - whatever we do mustn't constrain their economic development.'

'That having been said,' he continues, 'I think the whole climate issue has been very badly framed.' He sees the problem stemming from the early 1990s, when the concept of per capita emissions emerged. He admits that there is a logic to the idea - 'why should one person have the right to pollute the atmosphere more and someone else has to suffer for it and can't develop?' - but he sees two major problems with that logic.

'The metaphor for me is rather like a boat ... one person's dug a huge hole on one side of the boat, water gushing in - and three little people on the other side, drilling little holes, saying we want a hole as big as your hole, while the whole thing is going down! So to look at climate change mitigation as a

constraint on development is misconceived. It's an issue of development. Whatever money we invest in education or health care, the impact of climate change is going to be devastating and will take many more people back into poverty. We need to address climate change in order to allow us to develop.'

In fact, he suggests, citing the Stern report among others, this can be seen as a tremendous opportunity for developing countries. 'We can skip over a generation and adopt the best and the cleanest new technologies and make our economies more efficient. India has a huge power deficit. It's in our economic self-interest to make industry and homes more energy-efficient. It's possible to increase our standard of living, improve our growth rate, and yet lower the carbon footprint. These co-benefits are really important.'

Does the North have an obligation to help?

Uday Khemka doesn't even let me finish asking this question. 'Of course it does, it has an obligation in equity. In Lesotho, for example, farmers have been experiencing a huge shift in weather patterns. It's not the Lesotho population that's created that! North-South arrangements under the post-2012 framework should involve technology transfers, technology licensing and so forth on a huge scale. Of course it's the right thing. But that doesn't mean the South doesn't have an obligation to step up.'

Is there a danger that mitigation programmes will harm the poorest?

You have to look at the particular case, he insists. He points out that poor people are often in a state of energy poverty; in rural areas they're often off grid with no electricity, and here renewable applications can play an important role.

He also reminds us that it's the poorest of the poor who are going to be the worst hit by climate change. 'Who's going to suffer most from changing agricultural patterns? It's the poor. So we have to balance these things. If the poor are taking the burden, that's not right and we must find ways of mitigating that. That's why adaptation strategies have an important role to play as well.'

Creating a global philanthropic network

The Khemka Foundation's other 'mission' is to create a global network of philanthropists and foundations around climate change. 'We were shocked to find that we could not identify a global network of funders around climate change,' Khemka explains, 'and we said, "Well, we'd better build one." Why? Because people feel isolated, they don't have a strategic framework, they don't know how to access networks.'

In October last year, working closely with the Rockefeller Brothers Fund, the Global Philanthropists Circle, and UBS and their philanthropic network, the Khemka Foundation convened a conference - 'no, not a conference, an action summit' - in Iceland, and launched the Climate Change Philanthropy Action Network (CCPAN).

CCPAN, he explains, will be 'an integrated, focused network of funders, individual philanthropists and institutional foundations, whose mission is serious action on climate change'. It already has members from all around the world, and they have already started to divide into subgroups focused on specific challenges and collaborative ideas.

The network is structured around certain key principles. 'Number one is: don't tell people what to do top-down, it doesn't make any sense, every foundation has its own priorities. Number two: leaders will naturally emerge and we will need to make sure we provide a lot of institutional resources to support them. Finally, we have to make sure the network is well connected so that we can turn to the top climate change experts for insights.'

Collaboration is 'an absolute imperative', says Khemka, given the huge scale and urgency of the problem and because of the global nature of climate change. 'Forget our egos, forget our boundaries. We've got to solve this thing.'

A few important lessons

So how do you begin? Start by engaging with what's there, you're not on your own - this is the first lesson that Uday Khemka wants to share. 'We must have the humility to realize that there are already people working hard on this.'

You will get a warm reception, he promises. 'It's a shockingly small community. But the benefit is that you can get to know everyone in six months and it's very easy to access. People are vastly under-resourced, not just financially but in terms of connections, political access, technical expertise, etc, so other foundations who are serious practitioners in this field will welcome you with open arms.'

But the key thing, says Khemka, is that the intervention must move the needle. 'Planting a few trees here and there and feeling good won't save the planet. You need to think strategically.'

At this point he brings in the Princeton wedges - a seminal study by Princeton University. The starting point is that we put about 7 billion tonnes of carbon dioxide into the atmosphere annually, which is on course to rise to 14 billion tonnes over the next two decades. But if it does, we're in very serious trouble, so the challenge is to stabilize at the 7 billion level, or bring it down. What the Princeton team have done is show how we can take out substantial amounts of carbon - half a billion tonnes here, a billion tonnes there. 'Those wedges give us a road map,' says Khemka. 'There's a framework out there that looks at how you move the needle.'

An intellectual architecture for philanthropists

If the Princeton wedges provide the first part of an intellectual architecture for philanthropists, and for the new CCPAN network, the second part that is emerging is provided by Khemka himself, who suggests four key issues that 'will create a framework for philanthropists'.

Where do you intervene?

The first issue for any philanthropist is where to intervene. The fact is that a relatively small number of countries and their emissions are going to have the greatest impact. 'The US, Europe, Japan, India and China are particularly important,' he says, 'also Indonesia, Brazil, Mexico. Basically the G8 plus five. That's helpful because it means you don't necessarily have to get every single country on the planet on board.'

Who do you want to influence?

Then there's the question of who you want to influence. 'This is absolutely critical,' says Khemka. 'Sometimes you'll find business out ahead of the political sphere, sometimes you'll find the popular groundswell of support needs to be created to make the local politics work out.' He gives examples: Rockefeller Brothers Fund in the US has chosen the political domain, focusing on cities and states. Jeff Skoll funded the movie *An Inconvenient Truth*, which created a real shift of opinion in the US. The Climate Group is focusing on the business community and business leaders, as is the Khemka Foundation in its work with the World Economic Forum.

What do you want to do?

Thirdly, the what. Uday Khemka instances a collaboration between the Oak Foundation and six others (Google.org, Doris Duke, Hewlett, Packard, Energy and Joyce Foundations) to take the Princeton wedges and translate them into a menu of options for each country.

'What the Design to Win programme does is to take the Princeton wedges to a much more granular level, and to show for each country, for each segment, where you need to focus. If you are a

foundation in Indonesia, what are the key spaces? What can you do to leverage? So they've taken the wedges and deepened them to a point where there's an intellectual architecture for philanthropists to make it happen at scale.'

How do you do it?

Finally, there's the how question. There are many strategic options here, says Khemka. 'You can fund research, you can do pilots and demo projects, you can disseminate or scale up those pilots, you can be involved in lobbying, financing, venture philanthropy, or indeed commercial investment. A tremendous menu.'

Over the past three years, Khemka has found that there are huge opportunities for philanthropists to engage around the issue of climate change - 'far more than we had ever imagined'. The key message, he says, is that successful collaboration is already taking place. 'So it's no longer a question of "Can philanthropists do it or not?" It's already happening.'

What next for CCPAN?

Following the first meeting in Iceland, a meeting was held in London on 8 July. Sixty representatives of foundations from across the world attended and, according to Khemka, 'engaged very seriously in considering what philanthropists can do and in creating a framework'. The next meeting will be in Taipei, Taiwan in September.

CCPAN calls itself an action network - and Khemka is determined that that is what it will be. 'It's early days,' he admits, 'but we're determined that this will be all about action - as opposed to just talking.' But what will it actually do? First of all, he says, it will allow philanthropists to convene regularly in different parts of the world - which sounds rather like what 'talking' networks do.

But what about collaboration? There will be 'varying degrees of collaboration', he says. 'Sometimes it will be just a question of adopting best practices, adopting new models, inspiring each other. Or it could be about co-investing in each other's projects. Or incubating new initiatives together - as with the Design to Win programme. The idea is to get critical mass among institutions with very similar agendas who don't feel alone any more and suddenly have expanded resources to tackle the bigger challenges. So the key now is to take this initial awareness to a huge critical mass.'

Can we get there?

Uday Khemka is an optimistic person, and after the 8 July meeting he felt optimistic. 'I was very inspired and excited by what happened today,' he said. 'I believe in the ability of human beings when faced by huge challenges to coalesce in a tremendous way. I think Al Gore is right: it needs the same effort as if a meteorite was about to hit the planet, the same effort as the Marshall Plan, the same pulling together of every part of society, every piece of energy. This is the greatest challenge humanity has ever faced apart from nuclear holocaust. I don't want to be complacent and glib, but I'm confident that if we wake up and get this critical mass, we will get there.'

Taking climate change out of the environmental box

What about foundations that are not focused on climate change, for example foundations focusing on justice and peace and human rights? What can they do to bring climate change into their work?

Uday Khemka is emphatic in his response: 'Climate change does not sit only in the environmental box. If you can't work on climate change directly, I believe any honest assessment of your current work will reveal that it has a massive impact on whatever you're doing. So just having a study done will naturally start you towards this field.'

From denial to despair to action

Does he have any message for people who are not so positive, who are confronted with the evidence of what's happening and feel despair and impotence? Here he offers an analogy, 'an analogy that I hope none of you will face in your lives. Imagine someone in your family suddenly gets really ill, they get cancer for example.'

The first stage is denial - 'you don't quite believe it, you don't want to believe it.' The second stage is despair. 'But as you start to think what you can do, you start to really understand the subject. And the third stage is when you start to fight as hard as you possibly can to get that person back into good health.'

The last point of Khemka's analogy brings him back to the idea of co-benefits. Sometimes, he says, 'you discover that there was a bad habit in the first place, the person used to smoke and that's what gave them cancer. When they recover, they may be much healthier than they were before.'

Co-benefits for business

'What we've learnt in the last two years,' says Khemka, 'is that there are tremendous opportunities for business here - and of course for philanthropists. People used to see this as a zero sum game. Companies saw addressing climate change simply as a cost; they now see there are many opportunities to make money and lower carbon emissions at the same time.'

Political will is the core of this, in Khemka's view. 'Politics has a huge part to play in setting the right incentives for business. You can raise the price of coal, and you will suddenly have a massive shift into companies doing the right thing.' Of course, he admits, there are some things that capitalism shouldn't be allowed to do, and that requires prescriptive political action. 'But there are still a huge number of win-wins, where companies can invest in a way that mitigates climate change and makes money.'

Walking the talk?

Is working strategically all that matters? How about not flying so often, asking hotels not to wash the sheets every night, turning off lights? 'We need to revive the debate on this,' Khemka readily admits. 'You've got to walk the walk if you want to be credible.'

People have always seen GDP per capita as the holy grail of development, he says. 'But is it?' As capitalism moves from Europe and the US to China and India and other countries, suddenly we have not 1 billion but 3.5 billion people starting to consume. But Maslow's hierarchy shows diminishing returns from 'your second SUV and hi-fi system', while things like housing and education and healthcare make a huge contribution to happiness. 'Most of us get to a point where someone you love dies and you realize happiness is not about these material things. It's about spending time with people you love, doing work that is meaningful, and so on. That realization is very important - and I think that's a conference on its own.'

'At the same time we do need to get to the strategic level,' he insists.

For more information

Contact Denise Lee at d.lee@khemkafoundation.org
www.khemkafoundation.org
www.climatephilanthropists.org
www.princeton.edu/~cmi/resources/stabwedge.htm
www.designtowin.org