

Linking Climate Funds to Climate Justice: Where the US and Germany could draw inspiration from each other

The bipartisan US infrastructure bill passed in November 2021 sets aside USD50 billion for climate resiliency – the largest such investment in US history. That money will certainly go a long way towards making Americans safer from climate impacts like droughts, floods, and wildfires of the sort that devastated Boulder County in Colorado at the turn of the year. However, lurking behind any announcement of climate funding is the question of justice: how can the money deliver just climate transitions, and what role does bottom-up climate action need to play? On this issue, the US and Germany can learn from each other.

Justice is not just this

The White House is certainly aware of the need to consider climate justice. In the infrastructure bill's [press release](#), White House officials made specific mention of people of color being adversely affected by climate impacts, hinting towards some sort of prioritization in the distribution of funds. This justice element is backed up by the government's [Justice40](#) initiative, which pledges that 40 percent of the “overall benefits of Federal climate, clean energy, affordable and sustainable housing, clean water, and other investments [should go] to disadvantaged communities”. While the Justice40 initiative is currently still in a pilot phase, it is meant to underpin all work being done by federal agencies.

The issue

Despite policymakers' recognition of the need to get climate resilience funding to underserved communities, these communities often struggle to access the funds. There are two reasons for this: administrative capacity and the availability of public funds for co-financing. Billions of the dollars that are set to be allocated to climate resiliency in the infrastructure bill will be made available via [competitive grant programs](#). Access to these grants is contingent on firstly, the knowledge of grants' existence, and secondly, the capacity to complete the competitive applications to access them (not to mention existing experience in application processes).

Their previous experience and budgetary leeway enable wealthier municipalities, towns, regions, and states to commit more resources (i.e., time and staff) to submitting stronger applications, which result in a skewed distribution of funding. This is not to say that proposed projects coming from wealthier communities are not worthwhile, rather that, for the sake of climate justice, a balance must be achieved. This balance has to not only be willed into existence through top-down directives, but necessitates support for bottom-up participation.

The second hurdle to justice is related to how the grants themselves are often conceptualized. Some grants require the recipients to pay a share of the project from their own public purse, which makes them unfeasible for the most cash-strapped communities. These two elements, staff availability and capacity and the financial aspect to participation, will make achieving a goal like Justice40 difficult, despite the good intentions.

Teach a person to fish

The US needs to look no further than transatlantic partners Germany for a solution to this two-pronged problem. Germany's [National Climate Initiative](#) (NKI), a sweeping initiative to mobilize the energy and climate transition in all sectors on the local level, specifically sets aside funds to build up capacity in poor municipalities. The NKI provides funding for the staff costs of local climate change managers, with up to [100% of the salary](#) covered for poorer municipalities (initially for up to two years), in addition to funding pots for local level renovations ranging from street lighting, waste management, water treatment, and more. Municipalities facing a coal transition also qualify as financially poorer municipalities, regardless of their financial status.

Through the centralized services of the initiative, these local climate change managers receive instruction in how to plan and implement local climate action initiatives, including specialized support for creating the initial climate mitigation and adaptation concept for their municipality. The initiative also provides ad-hoc funding and grant programs coupled with support for the application process. This initial seed-funding, coupled with the offered capacity building, makes it possible for any municipality, regardless of their financial means and size, to kick-start their climate change work.

Transferability?

The point is not that the US simply should copy the NKI — despite the program being specifically set-up to cater to and benefit poorer and smaller municipalities, it is still medium-to-large municipalities from wealthier German states who receive [the lion's share of the funding](#) (p.16). The point is, rather, that climate justice cannot only come from the top-down, whether in Germany, the US, or Canada. And bottom-up work does not necessarily sprout out of nothing. There needs to be capacity creation and building to support grant applications. There are some local organizations in the US who do just this, for example the Southern Californian NGO Climate Resolve through their [Grant Writing Assistance Program](#), though these types of support services must be institutionalized and embedded in the grant programs themselves to be nationally sustainable. Only internally addressing these staffing and financial imbalances head-on will help to level the playing field for all municipalities, regions, and states in the US.

Similarly, Germany could do well to take a page out of the US-pledge book and commit themselves to a justice target too. With the infrastructure already set up to support disadvantaged communities, more pledged funding would only go further to secure a just transition for *all* German citizens. Though in the US, if Justice40 and a wider just transition is to succeed, setting aside money for a just transition is only the first step. Ensuring that communities can actually access the funds and use them effectively is vital as well.