# Sharpening Our Strategic Focus



FEBRUARY 2023



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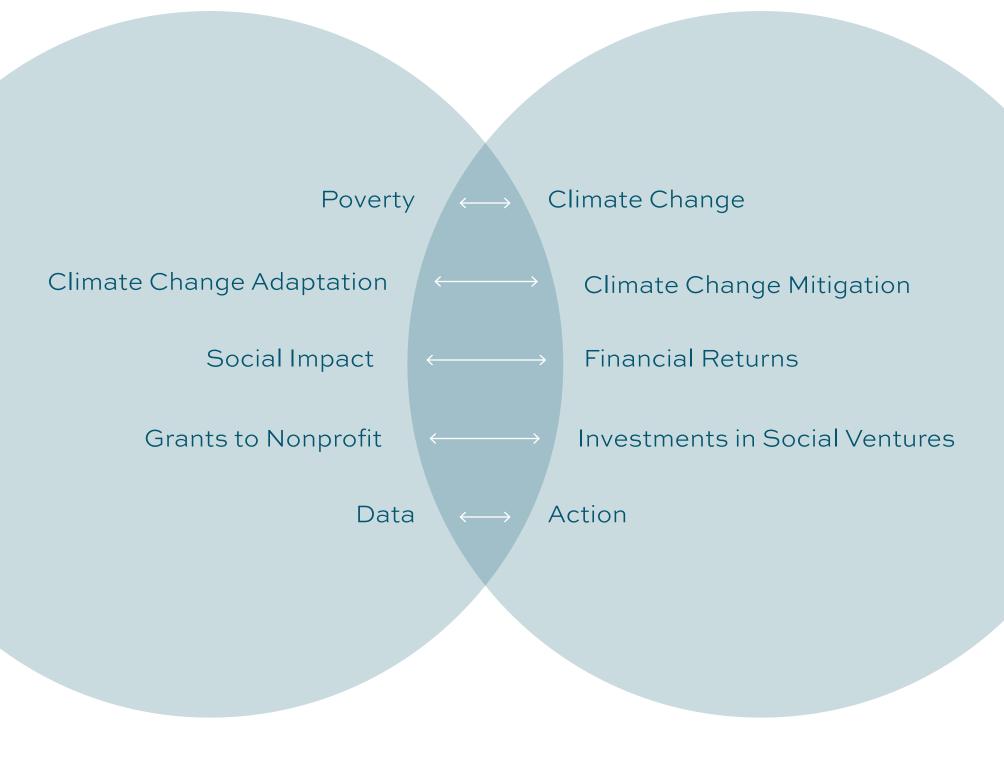
SECTION 01

## King Philanthropies' Positioning



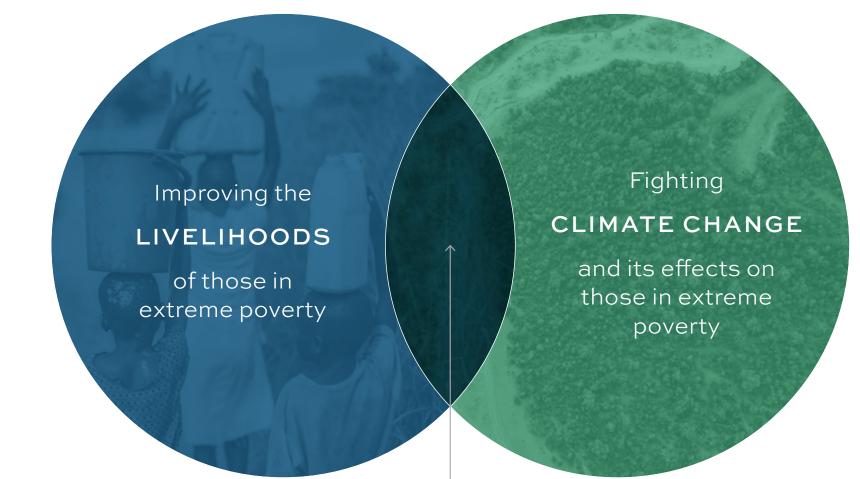






Our unique ability to navigate and find opportunity at intersections makes our KP team flexible and equips us to maximize our impact

## Our Focus can be distilled into one key diagram:



King Philanthropies has an outsized impact at the **INTERSECTION**; we seek "win-win" solutions that decarbonize the future of economic development

King Philanthropies' Mission Statement:

Our mission is to catalyze solutions at the intersection of climate and livelihoods. We seek to make a meaningful difference in the lives of the world's poorest people by multiplying the impact of high-performing leaders and organizations.

KING PHILANTHROPIES' PROPOSED MISSION STATEMENT

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intersection of climate and livelihoods.

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in the lives of the world's poorest people

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high-performing leaders and organizations.-

#### HOW WE DEFINE

We adopt the meaning of the word most widely used in the world today - to cause an action or process to begin

Focus on fighting root causes not just symptoms of the problem.

Webster's dictionary defines livelihoods as "a means of securing the necessities of life."

Climate mitigation and adaptation

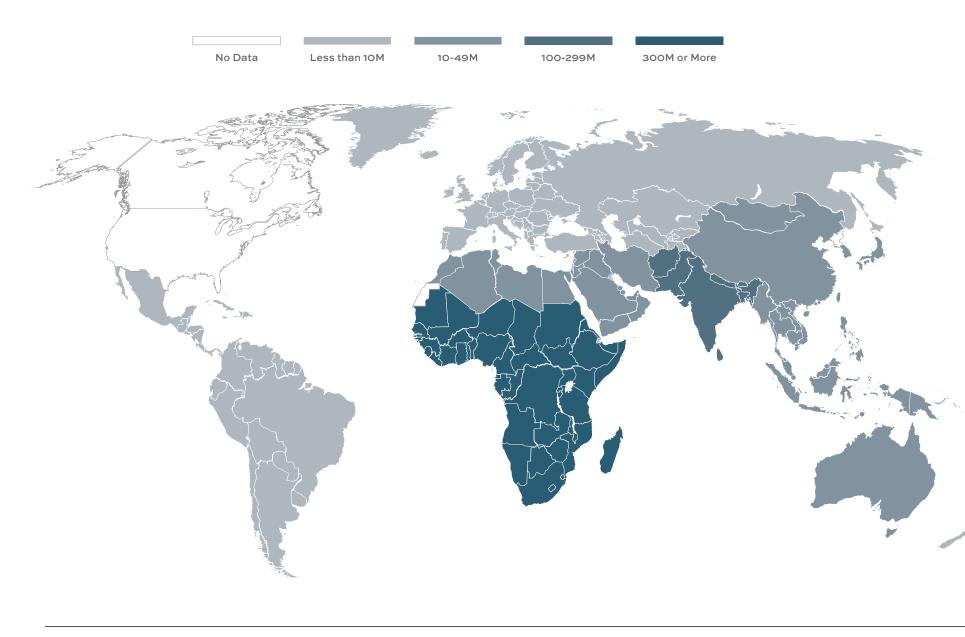
Measurable results

Reaching those in extreme poverty, defined as living on \$2.15 or less per day

Making grants and impact investments, providing expertise, and building networks that enable high-impact solutions to reach more people

Non-profits and social ventures embodying essential elements of excellence

#### Number of People In Extreme Poverty (Living on less than \$2.15/day by Region)



The World Bank updated the global poverty level in September 2022. The new extreme poverty baseline is now **\$2.15** per person per day, which replaces the \$1.90 poverty level.

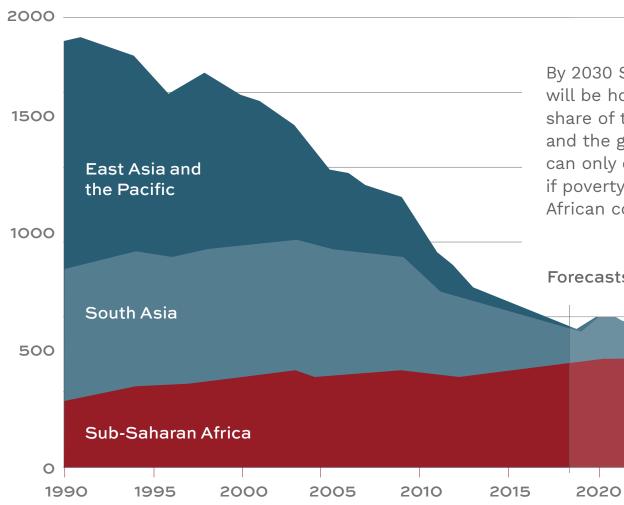
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King Philanthropies focuses on Sub-Saharan Africa and South Asia because they are home to over 78% of the world's extreme poor (645M)

### KP will continue to focus geographically on Sub-Saharan Africa and parts of Asia, but should increasingly prioritize Africa over Asia

Poverty is becoming more deeply entrenched in Sub- Saharan Africa and conflict-affected countries where the numbers of poor are rising, not falling. Shocks related to the COVID-19 pandemic and the war in Ukraine and the rapidly accelerating climate crisis mean the world is unlikely to meet a longstanding goal of ending extreme poverty by 2030.

#### People in Extreme Poverty (millions)



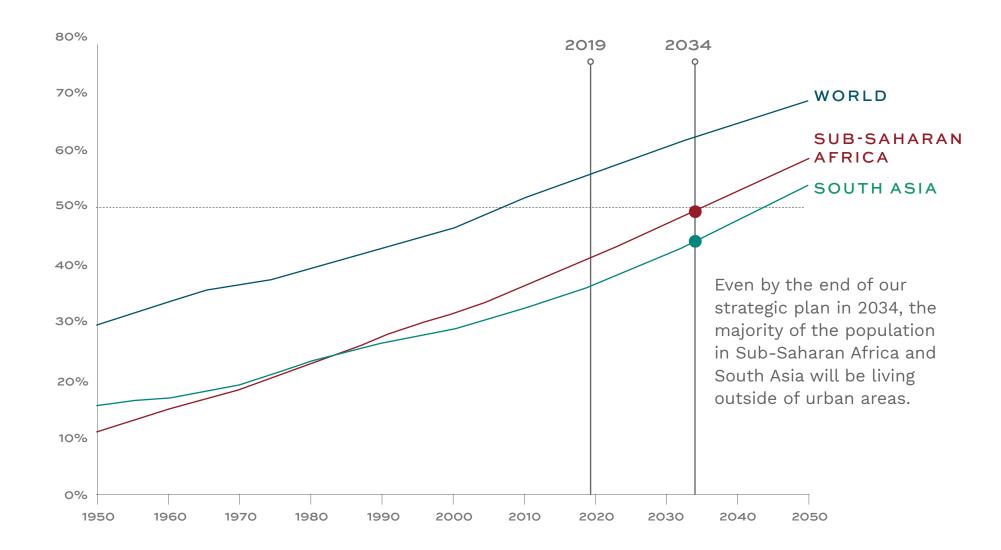
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By 2030 Sub-Saharan Africa will be home to the lion's share of the world's poor, and the global poverty goal can only come within reach if poverty is reduced in the African continent.

#### Forecasts from 2018 to 2030

2025 2030

#### Projected Percentage of Populations Living in Urban Areas



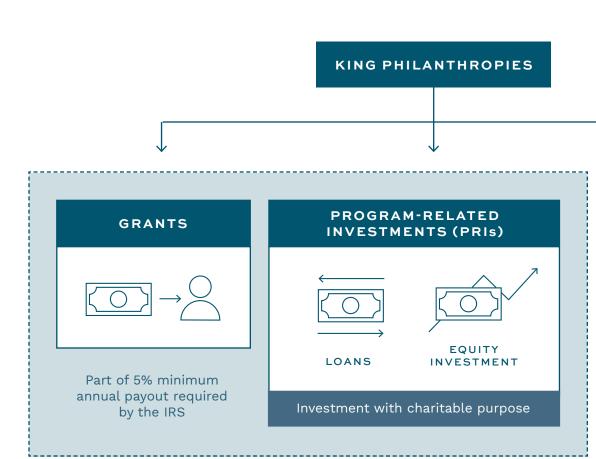
While the poorest countries will continue to have significant rural populations, the trend towards urbanization is becoming more prevalent in the solutions the team is exploring

Source: OWID based on UN World Urbanization Prospects (2018); historical sources

## KP has a Flexible Toolbox: Grants and Impact Investments

KP has always taken a 'social impact first' approach to our work. We pursue the most impactful solutions at the intersection of climate change and livelihoods and then deploy the most effective financing instrument, which is purpose-built for the situation. In effect, we use a flexible toolbox.

In addition to our traditional grantmaking over the years, we have used other financial tools, such as loans and equity investments. These program-related investments further KP's charitable purpose. Another is to make climate impact investments that sustain our endowment with commercial returns while, most importantly, advancing our social impact goals.



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Endowment Investing

SECTION 02

# Programmatic Priorities





Our programmatic priorities align with what those in extreme poverty (i.e., subsistence farmers) need most for their livelihoods AND what is most needed to fight climate change



### Need #1: Nutritious Food

WHY IT MATTERS TO LIVELIHOODS

Fighting hunger + malnutrition increases productivity, education, livelihoods, and GDP.

45% of deaths of children under 5 are due

PLE ORGANIZATIONS IN CURRENT PORTFOLIO

to malnutrition.



#### WHY IT MATTERS TO THE CLIMATE

Food systems contribute 21%-37% of global greenhouse gases, while contributing to deforestation, biodiversity loss, and declining water





### Need #2: Water

#### WHY IT MATTERS TO LIVELIHOODS

2 billion people lack access to safely managed drinking water.

More than 700 children under 5 die every day from diarrheal diseases due to unsafe drinking water and poor sanitation.

#### WHY IT MATTERS TO THE CLIMATE

As freshwater becomes scarcer, trillions of dollars must be spent to repair, upgrade, and build carbon-intensive water infrastructure.

Warmer climates cause increased flooding in some areas and severe droughts in others.



## Need #3: Land Rights

WHY IT MATTERS TO LIVELIHOODS

~1 billion rural farmers lack secure rights to their land.

Secure land rights give families stability to invest in their homes + farms which increases agricultural yields, income, education rates, and decreases pregnancy.

**EXAMPLE ORGANIZATIONS** IN CURRENT PORTFOLIO





#### WHY IT MATTERS TO THE CLIMATE

Land, resource, and property rights can help promote and protect investments in land and incentivize sustainable land management practices.



## Need #4: Climate-Smart Agriculture

#### WHY IT MATTERS TO LIVELIHOODS

Nearly 80% of the global extreme poor live in rural areas and rely on farming for their livelihoods.

Climate-smart agriculture increases resiliency to climate shocks while enhancing productivity.

#### WHY IT MATTERS TO THE CLIMATE

Climate-smart agriculture reduces emissions for each calorie of food produced, avoiding the need for increased deforestation.



## Need #5: Preventing Food Spoilage

Africa's small scale farmers lose up to 40% of all harvest due to pests and spoilage. If one-third of lost food could be recovered, it would feed more than 870 million people.

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**EXAMPLE ORGANIZATIONS** IN CURRENT PORTFOLIO



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EXAMPLE ORGANIZATIONS IN CURRENT PORTFOLIO

WHY IT MATTERS TO THE CLIMATE

Food waste causes 8-10% of all humancaused greenhouse gas emissions, including a significant amount of

#### Cold 🐝 Hubs nor



## Need #6: Electricity/Clean Energy

#### WHY IT MATTERS TO LIVELIHOODS

Poor people are the least likely to have access to electricity. Access to sustainable and clean energy is the first step toward helping a community lift itself out of poverty.

#### WHY IT MATTERS TO THE CLIMATE

Energy production and use accounts for roughly 2/3 of global greenhouse gas emissions.



## Need #7: Education, Especially for Girls

WHY IT MATTERS TO LIVELIHOODS	
Around 136M girls remain out of school	

Better-educated girls tend to be healthier, earn more income, give birth to fewer children, and provide their children with high-quality health care and education.

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**EXAMPLE ORGANIZATIONS** IN CURRENT PORTFOLIO

worldwide.



#### WHY IT MATTERS TO THE CLIMATE

Women with more education have fewer and healthier children. If all girls globally received primary and secondary education as well as access to family planning, there would be a reduction in emissions at gigaton scale.

## Force **Multipliers**

To amplify the impact of our grants and investments, we hone in on "Force Multipliers;" we support world-class institutions in their efforts to translate data into action by building infrastructure, strengthening systems, and developing leaders.

### Building Infrastructure

We are building the new climate infrastructure solutions for the world we wish to live in. Our support of the Environmental Defense Fund's Methane Satellite is one such solution. Information from the satellite will generate policyrelevant data by pinpointing the source of emissions. EDF will use the data collected to influence global, national and industry leaders and policymakers to quite literally build the new infrastructure of how global energy companies must operate.

## Strengthening Systems

We face immense challenges to help the world's poorest people and ensure that everyone sees benefits from economic growth in the face of a changing climate. Data and research help us understand these challenges, share knowledge of what works, and measure progress. Better data enhances systemic players like governments' to set priorities and target resources more efficiently on solutions. For example, our work with the King Climate Action Initiative at the MIT J-PAL has shown that innovative data methods empower people to make better decisions on using low-carbon energy sources to improve their lives.

King Philanthropies empowers the next generation of leaders with the skills and resources they need to create measurable change in their communities. For example, Stanford Seed fuels entrepreneurs and business leaders to scale their businesses in lowincome countries and the King Scholarship Programs are developing future leaders for their home countries.









## Developing Leaders







**Knight-Hennessy Scholars** Stanford University

