

# COP26: 5 climate change factors impacting non-profit organisations

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23 Nov 2021

The COP26 global climate summit, which recently took place in Glasgow, Scotland, is a stark reminder that climate change is a reality confronting all humanity. It will usher in major changes affecting our lives and those of future generations.



Source: Unsplash

Such developments will impact non-profits (NPOs) and social justice organisations by introducing both new opportunities and new risks. NPOs should inform themselves and plan accordingly.

Here are five key factors NGOs need to consider and plan for in the context of climate change:

#### 1. Risk mitigation

Boards of non-profits need to provide oversight and accountability in relation to how climate change is built into their organisation's strategy and thinking. Assessing risk is about identifying which assets of the organisation may be exposed to risk; the particular risks to which those assets may be exposed; and the possible impacts of such exposure.

An organisation may be functioning smoothly at present but as Covid-19 has shown us, circumstances can change and an NPO could find itself in a precarious situation. It is vital for management and the Board to be attentive to both internal and external environments, and areas of risk, and to take precautions.



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#### 2. Responsible investing

It is time-consuming for NPOs to review where they place their investments. Collectively, where non-profits invest their money makes a difference in the world. Identify responsible investment strategies and practices that fit your organisational culture and are congruent with ethical investing in the space in which your NPO operates.

Consider withdrawing investments from areas where there is incompatibility. The Inyathelo Board, advised by its Finance Sub-Committee and financial investors, resolved in December 2020 to divest from fossil fuel, alcohol and tobacco holdings. These securities were sold during the 2021 financial year.

#### 3. Educate stakeholders

There is a need to inform and educate staff, managers and Board members on the impact of climate change. Empowering your people will equip them to make informed decisions and take purposeful action concerning the organisation and its programmes.



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## 4. Ensure internal sustainability

Donors who support non-profits in the climate education and advocacy sector wish to fund NPOs that are well-governed, financially robust and have a high success rate in meeting targets on time. In short, NPOs need to be sustainable themselves if they are to make a meaningful impact over the long term.

Inyathelo teaches an integrated approach, known as Advancement, to position an organisation to attract funding support. The ten elements of <u>Advancement</u> are leadership, governance, strategy and planning, financial management, fundraising, human capacity, relationship building, monitoring and evaluation, voice and visibility.

### 5. Prepare for COP27

Africa hosts the 27th climate summit next year at Sharm El Sheikh on the Red Sea in Egypt. This leaves only 12 months for NPOs to plan and prepare on how to contribute and make an impact.

Our planet is in crisis and NPOs need to both adapt internally, and step up and play a part as catalysts for change. Risk assessment, responsible investing, education, sustainability and strategic planning will position them to contribute in a meaningful way.

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