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Opportunity



While building alliances to fight the pandemic, the Foundation moved with equal diligence to increase economic opportunity as Covid-19 was strangling economies around the world. Less wealthy countries lacked access to the capital and technologies that richer countries could deploy in a crisis; this systemic inequity helped worsen the already-wide opportunity gap between the two.

What We and Our Partners Achieved: Select Impact by the Numbers



GLOBAL

~130 Thousand

tons of CO2 avoided through the provision of renewable energy in 7 countries

~\$800 Million

mobilized towards the Sustainable Development Goals through Zero Gap Fund, achieving a 33x leverage on initial investment

1.4 Million

people impacted by new or improved renewable energy connections across 7 countries

\$650 Billion

landmark Special Drawing Right issuance from the International Monetary Fund, with the support of our advocacy



UNITED STATES

27 Million

school children benefited from temporary U.S. federal Earned Income Tax Credit and Child Tax Credit Expansions

\$102 Million +

raised in new capital for low- to moderate-income communities through Rockefeller Opportunity Collective, achieving 24x leverage on investment

17 Million

beneficiaries of adopted, expanded, or increased credit limit for state-level tax credits across 13 U.S. states and Puerto Rico

10 Thousand +

small businesses supported that are operated by low- to moderate-income Black and Latinx owners and >7K jobs created

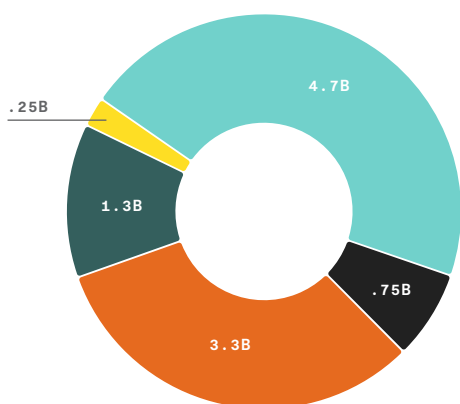
A BIG BET FOR OPPORTUNITY

Bringing Clean Power to Those Who Need It

Access to reliable clean electricity is the key to advancement and economic development, and yet that access forms one of the world's worst divisions between those who can rely on clean, affordable, reliable power, and those who cannot. Massive public spending has poured into power generation for decades, but **3.6 billion people—nearly half the world's population—still get by with intermittent service or none at all.** Covid-19's financial blow exacerbated those numbers as people could no longer pay their power bill. Even worse, piecemeal systems to create electricity access—through diesel generators, for instance—are accelerating climate change.

TYPES OF ENERGY POVERTY

NUMBER OF PEOPLE



ACCESS TO ELECTRICITY

- Sufficient
- Insufficient
- Unreliable and Insufficient
- None
- Unreliable but Sufficient

To overcome that systemic inequity and existential threat to people and planet, over the past three years **The Rockefeller Foundation made its biggest bet ever to launch an alliance designed to bring clean, reliable energy to the billions of people currently denied that opportunity.** We dramatically scaled our existing clean electricity work into a new venture, **the Global Energy Alliance for People and Planet (GEAPP),** launched at COP26 with the aim to transform lives by reducing energy poverty even as it reduces harmful emissions.

Smart Power

This work began more than a decade ago, when our **Smart Power India initiative demonstrated the tangible impact of mini-grids in transforming lives and improving economic outcomes.** An **independent evaluation** of our work found that rural households connected to mini grids were able to make a near complete shift away from kerosene to solar power for lighting, and connected micro and small enterprises saw an additional **six customers per day** and an average **monthly revenue increase of 42 percent.** Drawing on this evidence, we evolved our portfolio to include Myanmar and key markets in Sub-Saharan-Africa and Latin America and the Caribbean, and we expanded our focus from mini-grids to broader distributed renewable energy solutions.



CASE STUDY

Shrimp Farming Goes Solar

The Rockefeller Foundation's work with Smart Power India (SPI) exemplifies the global promise of GEAPP's clean energy transition model. In one SPI intervention, we focused on helping a shrimp farm in rural India transition to clean energy.

We began with Bijay, a shrimp farmer from Jagatsinghpur, a rural area located in Odisha, India. Shrimp farming is a rapidly growing industry in India that uses ponds or tanks to produce high volumes of shrimp for local consumption or exports. Traditionally, Bijay powered his farm's aerators with expensive, high-pollution diesel engines.

SPI facilitated Bijay's procurement of solar panels by working with local developers and appliance financiers to offer a compelling value proposition and to allow him to switch from diesel to solar. This replacement significantly cut his operating costs, and the panels' efficiency optimized his aerators, improving the oxygen concentration in the ponds and leading to a healthier crop.



“ Since [we met] Smart Power India, ... we have benefited by replacing diesel aeration with solar energy. Our income has now increased, and the best part is, this solution is eco-friendly. We no longer need to run here and there to procure diesel. This has freed us to focus on improving the quality of production.”

Bijay Kumar Swain

Scaling Smart Power

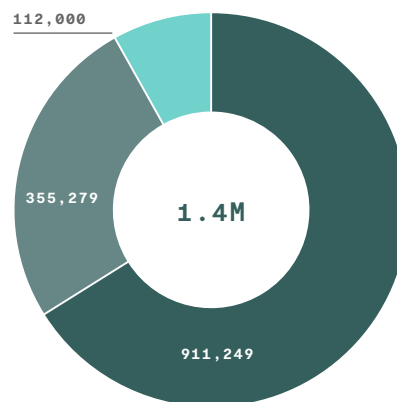
With the resources from our bond offering in 2020, we then committed 500 million dollars to fighting energy poverty and focused our convening and operational capabilities on creating and launching GEAPP. The Foundation attracted a powerful collective of philanthropists, local entrepreneurs, and governments, as well as technology, policy, and financing partners to make GEAPP a reality. Equal commitments from The Ikea Foundation and Bezos Earth Fund, formed the initial building blocks for GEAPP. We have sourced a multitude of additional commitments to clean energy investments, further galvanizing support for GEAPP at the 2021 United Nations Climate Change Conference.

GEAPP is committed to expanding or improving access to reliable and clean energy for one billion people, which will create or improve 150 million livelihoods and avoid or avert four billion tons of carbon emissions. Alongside a historic coalition of nineteen partners, GEAPP will build and deploy a pipeline of sustainable, transformational projects and models that can replicate and scale globally. **GEAPP is advancing work in nearly twenty countries, with a particular focus on the Democratic Republic of the Congo, Ethiopia, India, Indonesia, Nigeria, South Africa, and Vietnam, and with GEAPP, we are accelerating and scaling work in dozens of other countries across the globe.**

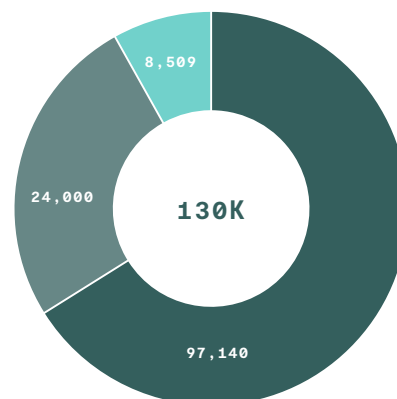
Bringing electricity to the unelectrified will require adding 2,000 TWh per year of new energy capacity, four times Germany's current energy consumption. Doing that with carbon-based, business-as-usual power generation would, over the next fifty years, lead to climate catastrophe. GEAPP is blazing a starkly different path. By the end of 2022, active GEAPP projects had **reduced or averted more than 129,000 tons of carbon** and reached **1.4 million people**.

NUMBER OF PEOPLE REACHED

GEAPP



CARBON EMISSIONS REDUCED (TCO2)



● South Asia ● Southeast Asia ● Africa

Note: South Asia – India; Southeast Asia – Myanmar; Africa – Sierra Leone, Tanzania, Nigeria, Ethiopia, Uganda

Going Forward

GEAPP now stands at the center of a global effort to marshal the money, the science, and the support to end energy poverty in a manner that also combats climate change. Through GEAPP, we have touched the lives of individuals and entire communities on multiple continents. GEAPP has delivered steady power to villages in India and kept schools lit in Nigeria, to name just a few of its catalytic impacts to date.

Driving Opportunity in the United States

At The Rockefeller Foundation, we believe that **every working person should be able to meet the basic financial needs of their family** and have a path to a better future. Over the last three years, this work has involved scaling tax policy to improving access to modern data tools. Through a wide array of efforts **in partnership with 58 organizations, we've supported research and analysis, policy design and implementation, and coalition-building, effectively building bipartisan support** to advance economic opportunity for essential workers.

Fighting Poverty with Tax Policy

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) helped, over their decades-long histories, lift millions out of poverty every year. In 2020, we set a goal of **improving economic stability and mobility for 4.6 million low-wage workers** by scaling public policies, including the EITC and CTC. **Since then, our partners in states like Illinois have achieved policy change for beneficiaries far exceeding this initial target.**

Benefiting the Masses

Coalitions we supported with unrestricted funding helped 13 states and Puerto Rico adopt, expand eligibility for, or increase the credit limit for state-level tax credits benefiting:

5 Million +
new tax credit **beneficiaries**

12 Million
beneficiaries of increased credits

17 Million
adults and 27 million children benefitted* from temporary federal EITC & CTC expansions

* Not including impacts of increased credits to those already eligible



CASE STUDY

Expanding Eligibility in Illinois

Foundation grantee **Economic Security for Illinois** secured an expansion of Illinois's Earned Income Credit (an EITC equivalent). The legislation increased the credit from an 18 percent to 20 percent match of the federal EITC, benefiting 3.6 million total individuals who previously received a smaller credit. Eligibility expanded to include childless workers ages 18–24 and 65-plus, as well as Individual Taxpayer Identification Number filers, benefiting 955,000 total individuals not previously eligible for the credit. In total, the legislation will bring greater financial stability to 4.6 million Illinoisans.

Removing Barriers with Digital Tools

Policy benefits are of limited value when barriers to accessing them stand in the way. Smart, human-centered innovation can help solve that problem. One partner, **Benefits Data Trust**, helps low-income individuals access federally funded benefits like Supplemental Nutrition Assistance Program (SNAP), Medicaid, and other assistance programs. Another partner, **Code for America**, has developed several tools enabling distribution of cash benefits and assistance, including an easy-to-use online portal connecting low-income citizens to a simplified filing tool to access the CTC and stimulus programs. This enabled more than **1.1 billion dollars** in cash benefits distributed to low-income individuals and families and **619 million dollars** distributed in Pandemic-Electronic Benefit Transfer benefits to California and Minnesota residents.

Benefits Data Trust (BDT) has enabled:

241 Thousand
benefits enrollments delivered—valued at one billion dollars—since 2019

3 Million
people across 11 states have streamlined **benefits access thanks to BDT-supported policies and practices**

7 x
increase in SNAP enrollment in a group of 115,000 North Carolina seniors enrolled in Medicare and Medicaid, thanks to targeted BDT outreach and application assistance

More Impact Stories

We have also been deliberate in **targeting investments that generate economic opportunity around the globe.** These investments have created access to financial services, generated revenue-based financing to underfunded and underrepresented entrepreneurs, restored forests, and assured water quality for farmers and communities threatened by wildfire, and much more.

Closing the Global Financing Gap

We created the **Zero Gap Fund (ZGF)** with The John D. and Catherine T. MacArthur Foundation to fund direct and pooled innovative finance vehicles that can **help catalyze private investment to close the U.N. Sustainable Development Goals financing gap, estimated at almost four trillion dollars.** As of December 2022, the **ZGF has mobilized nearly 800 million dollars** in capital (a 33-times leverage on initial investment) toward the Sustainable Development Goals (SDGs), committing 83 percent of the fund across ten program-related investments (PRIs). **Over the past three years, the ZGF's PRIs have served millions of emerging consumers and protected thousands of acres of land.** The fund publishes an annual State of the Portfolio report.

Reimagining Development Finance

The **Global Economic Recovery (GER)** initiative aims to ensure additional financing is made available to help **LMICs respond to the pandemic and other crises and to ensure the quality of this financing enables sustainable development and growth.** The Bretton Woods Institutions, namely the World Bank and the International Monetary Fund (IMF), along with multilateral development banks (MDBs), can provide long-term financing at low interest rates, which is critical for countries with limited access to capital markets. Through our GER work, we helped support the **disbursement of a 650 billion dollar round of new IMF Special Drawing Rights** to pay for vaccinations in low-income countries. And we are continuing to work to **influence MDB investment policies, catalyze more equitable lending, and generate more strategic interventions** for the financing of global public goods.

17 Sustainable Development Goals



Our Opportunity Zone Stumble

Our locally focused work in the United States has evolved recently to prioritize essential workers—and we haven’t been afraid to acknowledge our missteps and pivot when that impact falls short. In 2020, we set a goal of driving one billion dollars of private investment to create equitable economic growth and stability for low-wage American workers, primarily in Opportunity Zones.

The 2017 Tax Cuts and Jobs Act included a federal tax incentive for investing in designated Opportunity Zones, which were supposed to spur investment in low-wealth and financially distressed communities. **Flawed design, however, undermined the program’s success.** Predominantly white, **high-income investors benefited from tax breaks** received from their investments (e.g., luxury apartment buildings).

Our investments resulted in **400 entities across seven states and local governments committing to using our Opportunity Zones reporting framework, while 12 cities expanded their capacity** to engage with and shape Opportunity Zones’ community impact.

Still, we failed to properly heed concerns around the flawed structure of Opportunity Zones and to scrutinize our ability to materially change the nature of the incentive’s outcomes. While we are confident our work impacted low-income communities for the better, we decided to shift our resources elsewhere.

This decision led the Foundation to change track with the **Rockefeller Opportunity Collective (ROC). Through ROC, we invested in partners, projects, and policies in 12 U.S. locations to help small businesses operated by Black and Latinx owners** to access capital and overcome barriers to success, like an inability to benefit from federal and state relief. Through this effort, we had far greater impact, contributing over 102 million dollars in new capital for low- and moderate-income communities (achieving 24 times the leverage on our investment), directly **supporting over 10,000 small businesses** and **creating and sustaining over 7,000 jobs**.



CASE STUDY

Supporting Latina Entrepreneurs

One partner of the ROC, **JUST**, is a nonprofit financial platform that invests in Black and Latinx female entrepreneurs in Texas. Its participants approve each other’s loans, holding each other accountable. Once the first loan of 750 dollars is repaid, borrowers qualify for larger amounts. With more than seven million dollars lent so far, the default rate is only 0.7 percent (compared with the commercial delinquency rate of 1–2 percent). One JUST borrower, Egda Ortega, who resells clothing and runs a billboard business with her husband, had just received her first loan when she found out her fifth pregnancy was high-risk. With the onset of her health concerns, JUST worked with Egda to decrease the amount of each repayment installment and increase flexibility on the timing. Egda has now repaid four loans and taken out her fifth, for 4,750 dollars.

CEO Steve Wanta meets with members of his JUST team



“We get to know and to trust one another,” she says, “and we can offer support if someone in our group misses a payment.”

Edga Ortega
Entrepreneur and JUST borrower

What we learned

Our quest to promote opportunity around the world, both through our energy work and our efforts to improve global systems, has offered multiple lessons:



The bigger the goal, the more complex the partnerships.

Such partnerships, like GEAPP, must be built around shared incentives and require steady vigilance to maintain momentum.



Well-intended policies can have structural flaws and unintended outcomes. Our involvement in U.S. Opportunity Zones work reminded us that heeding concerns around flawed policies early and knowing when to redirect is vital.



Meeting GEAPP members where they are.

The IKEA Foundation and Bezos Earth Fund are focused on climate change and its impact on humanity. Demonstrating the potential environmental impact of the smart power work helped establish relationships that proved fundamental to GEAPP.



We aim to foster investment in financial markets by supporting innovative ideas, yet recognize that innovation alone does not guarantee success. To create successful investment products, it is essential to consider factors such as the existence of a viable market, achieving product-market fit, and establishing a clear strategy for scaling; and especially for high-innovation ideas with minimal track record, team execution capacity is key.



A neutral party is needed to identify a viable, modern infrastructure to address global economic reform.

Such reform will be challenging since the global financial architecture in place today is an agreed framework that has evolved to keep consensus across many countries with often disparate interests. Deciding who gets to set priorities is not easy; it requires assessing a constellation of technical reform proposals to establish what is politically feasible and what satisfies disparate global interests.