



## KEY FUNDING GUIDELINES AND REQUIREMENTS

After establishing a framework of who and where to target investments, developing clear funding guidelines is fundamental to ensuring Justice40 objectives are realized. **The guidelines must not create barriers to access for the communities that need these resources the most.** Cross-sector programs that redress multiple disparities and meet the communities' diverse needs also must be established.

### STEPS FOR SUCCESSFUL IMPLEMENTATION



### A DIRECT-BENEFITS APPROACH that intentionally prioritizes equity-centered investments can result in:

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Measurably reduced pollution and **improved health outcomes** in frontline communities..
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Enhanced community **resilience** to the effects of climate change.
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Increased **capacity and power** to achieve local investment goals and project priorities for historically neglected communities.
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Family-supporting careers and other **resources for workers** affected by the transition to a clean economy. **Good jobs** should be available to the most affected or neglected communities, employers should be diverse, and the companies receiving the funds should **reflect the communities** they serve.
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**Lower utility bills and other costs** for low-income consumers **without affecting their access** to energy efficiency, renewable energy, and other clean technologies.

### KEY RECOMMENDATIONS

- Set strong **guidelines and clear processes** for administering agencies, including a binding investment minimum that results in direct benefits to affected communities in a way that empowers and uplifts those historically left behind.
- Establish **accountability mechanisms** that ensure funding is justice-oriented, reports are reported transparently, and whether and how administering agencies and states achieve Justice40 objectives is evaluated objectively.
- Require **agencies to state explicitly** how they are changing their practices to advance the goals of Justice40.
- Because climate solutions often cut across several agencies (e.g., air, water, transport), it is essential to establish **workable cross-agency interaction**.



**THE CHALLENGE: We cannot sacrifice accountability for agency-level flexibility.** The July 2021 interim guidance that the Office of Management and Budget (OMB) issued for implementing agencies provides them with the discretion and flexibility to interpret investment guidelines. However, this can hinder equitable, effective, efficient implementation of investments, programs, and benefits.

## CASE STUDY: CALIFORNIA CLIMATE INVESTMENT INITIATIVE

STRENGTHS	CHALLENGES
Regularly updated investment principles serve as legal requirements for administering agencies.	No tracking requirement or system in place to assess program performance based on quantifiable metrics for these disparities.
Clear reporting requirements and accountability mechanisms that are overseen by a centralized agency.	Reporting requirements focus on how the money is spent and the quantifiable benefits but does not provide a systemic evaluation method.
California law sets a minimum requirement that 35% of CCI dollars reach priority populations, setting a floor, not a ceiling.	
Community participation provides insight into community needs and creates increased capacity and positive results.	Community engagement is recommended, not required, resulting in external determination of the need without community input.
A “library” of existent, geographically diverse initiatives or programs can serve as a model to achieve the goals of Justice40.	
CCI affects a wide range of potential beneficiaries, including individuals and households, local governments, nonprofit organizations, and companies.	Some programs require potential beneficiaries to have the resources and expertise needed to seek out and apply for funding.



The effectiveness of the Justice40 initiative will depend on legally required investment minimums that are directed at under-resourced communities and include accountability mechanisms to **measure success**.