



Advancing Equity, Climate Action, and Economic Health in Communities: *Challenges and Opportunities for the Justice40 Initiative*

As part of the Equity in Place project, a team from the Urban Institute's Research to Action Lab has spent the past 6+ months examining the current state of the Justice40 Initiative (contained within the White House's Executive Order 14008), which requires federal agencies to ensure that "disadvantaged communities" will receive 40% of the "benefits" from designated federal programs and grants. Our goal is to support the federal government and its partners in the implementation of Justice40 and explore ways for expanding its application.

Our activities include:

- Scoping calls and two focus groups with nearly 30 representatives from nearly 15 relevant national, state, and regional non-profit organizations, including those with an environmental justice (EJ) focus, and a handful of federal and state environmental and conservation agencies (March–August).
- A forthcoming framing paper, informed by input from the non-profits we engaged, that provides background on the Justice40 Initiative, as well as opportunities to ensure its implementation will benefit the intended communities (October).
- A forthcoming policy and practice playbook, informed by input from the non-profits we engaged, that offers recommendations for how to leverage identified opportunities and ensure Justice40's success (November).
- Outreach to key federal agencies involved with the implementation of Justice40 (e.g., CEQ, EPA, EDA, DOT, HUD) to share what Urban has learned from its conversations and analysis of Justice40, and preview the major themes and preliminary recommendations on how federal agencies and their partners could improve, enhance, and expand the implementation of Justice40 (September–November).

SUMMARY OF PRELIMINARY FINDINGS

Based on these conversations and our own analysis we have distilled our understanding of the contemporary Justice40 landscape into five main themes, which include the opportunities the initiative presents and the challenges to successful implementation.

- 1. Identifying, engaging, and prioritizing communities.** Improvements in how communities are identified, engaged, and prioritized would enable Justice40 to simultaneously advance equity, climate action, and economic health.
- 2. Program design and funding structure.** Changes to program design and funding structure could help maximize the impact of Justice40 investments, such as creating clear and consistent selection criteria for competitive funds to ensure funding is accessible to communities that need it most.
- 3. Defining and measuring benefits.** A clear definition of "benefits" and how they are measured would help align Justice40's intent with its impact and support meaningful evaluation of investment outcomes against Justice40's concurrent goals to advance equity, climate action, and economic renewal.

4. **Oversight and accountability.** A robust, transparent, and equitable accountability structure would help ensure that Justice40 investments at all levels of government deliver 40 percent of benefits to “disadvantaged” communities.
5. **Whole-of-Government approach.** Increased coordination and collaboration, both horizontally between federal agencies and vertically between federal, state, and local governments would help increase access to Justice40 funding and expand Justice40’s impact and scope.

These observations and insights inform our policy and practice playbook (November 2022), which offers recommendations for federal leaders and their partners on how to best position Justice40’s implementation for success. We have included a preview of key recommendations below:

1. **Improve the methodology used to identify “disadvantaged” communities.** Revise the Climate and Economic Justice Screening Tool to account for race, current and projected climate impacts, and cumulative burdens. Establish a fair and expedited process for communities to petition their designations.
2. **Meaningfully engage communities throughout the design and implementation of Justice40 programs and projects.** Ensure Justice40-eligible communities and the organizations that serve them are aware of available funding opportunities. Formalize the integration of community expertise throughout all Justice40-covered programs and projects. Provide guidance on ways to conduct meaningful and non-extractive community engagement.
3. **Revise the structure of funding to make Justice40 programs across all federal agencies accessible and inclusive.** Reduce application burdens and make funding more accessible to enable lesser-resources localities to compete. Allocate appropriate time for planning and community engagement. Design programs and incentives to create long-lasting change rather than quick wins. Remove cost-sharing requirements for the most “disadvantaged” communities.
4. **Build the capacity of lesser-resourced localities and communities to apply for and absorb federal funding as well as to successfully undertake Justice40 projects.** Create standards for the provision of technical assistance to “disadvantaged” communities. Move beyond providing assistance to building capacity and empowering communities.
5. **Refine and expand existing guidance on how federal agencies should implement Justice40 programs.** Create clear, consistent, and enforceable selection criteria prioritizing projects that holistically advance equity, climate action, and economic health. Ensure that formula and other funds are spent in accordance with Justice40 principles. Provide detailed guidance on what benefits “count” and metrics to track those benefits. Proactively conduct outreach and channel investments to communities carrying the greatest burdens.
6. **Create oversight and accountability mechanisms to ensure that guidance is followed and goals are met.** Build a robust and transparent monitoring and reporting process. Develop clear mechanisms of accountability. Provide the support and resources needed to comply with Justice40’s framework. Designate an appropriate body to perform centralized oversight functions.
7. **Enhance horizontal coordination between federal agencies and vertical collaboration between federal, state, local, tribal, and territorial governments.** Create a collaborative interagency group responsible for coordinating Justice40’s implementation. Establish forums to facilitate intentional collaboration with state, local, tribal, and territorial governments.
8. **Expand Justice40’s reach.** Establish 40% as a floor, not a ceiling, and expand Justice40’s reach to include all federal programs. Institutionalize Justice40 to ensure that it outlives the current administration. Expand Justice40’s framework beyond whole-of-government to “whole-of-market.” Move beyond unlocking resources to real healing and repair.