

# WHERE THE GREEN GRANTS WENT

# 6

Patterns of UK Funding for Environmental and Conservation Work



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In his role as EFN's first full-time researcher Phil Murray coded the grants data for this report and wrote an initial draft of much of the text, as well as carrying out interviews with leading environmental philanthropists. Jon Cracknell and Heather Godwin work with the family of the late Sir James Goldsmith, helping to manage their philanthropic activity, which is principally carried out via the JMG Foundation and The Ecology Trust. Heather collated the grants data for many of the trusts and foundations, and Jon worked with Phil to draft the text and to ensure consistency with earlier editions of this research. Dr Katy Scholfield works with Synchronicity Earth, and is providing cover for EFN's coordinator Florence Miller, on maternity leave at the time of publication. Katy carried out the interviews with environmental philanthropists along with Phil. The report was designed by Pete Bishop ([peter.bishop@tourismconcern.org.uk](mailto:peter.bishop@tourismconcern.org.uk)).

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The network is guided by a steering group chaired by Harriet Gillett (Polden-Puckham Charitable Foundation), and including Simon Brammer (Sainsbury Family Charitable Trusts), Nicholas Ford (Ernest Cook Trust), Gerardo Fragoso (Arcadia Fund), Hugh Raven (John Ellerman Foundation), Steph Stares (Waterloo Foundation), and Harriet Williams (Goldsmith Family Philanthropy). The authors would like to take this opportunity to thank them for their leadership and ongoing support.

The views expressed in this report are those of the authors and should not be interpreted as official positions of any of the funding organisations, the Environmental Funders Network, or The Ecology Trust.

## THE ENVIRONMENTAL FUNDERS NETWORK (EFN)

EFN is collaborating to secure a truly sustainable and just world, fit for people and nature. Our mission is to increase financial support for environmental causes and to help environmental philanthropy to be as effective as it can be. Our members are funders, mainly based in the United Kingdom, who pursue these aims at home and overseas. As their network we will work inclusively, efficiently, transparently, accountably and to high standards of social and environmental responsibility.

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*Passionate Collaboration?* Taking the pulse of the UK environment sector

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## EXECUTIVE SUMMARY

This report is the sixth edition of *Where the Green Grants Went*. It looks at the availability of grants from 180 UK-based trusts and foundations<sup>1</sup> that support environmental initiatives, focusing on the financial years 2010/11 and 2011/12. These grants are compared with environmental grants from the Big Lottery Fund and Heritage Lottery Fund and those from public sector programmes. In total 5,857 grants from foundations and lottery sources (worth £383 million) were analysed in detail. A more ‘top-level’ overview is provided of grants from public sector bodies, which are estimated to have been worth £208 million across the two years. The report is the most comprehensive assessment yet of UK grants that support environmental initiatives. It includes the following key findings:

- Chief executives in the environmental sector have identified a set of approaches and skill-sets in which additional investment is needed, along with a need to invest more resources in tackling systemic challenges like rethinking economic growth and progress, grappling with consumption, or reforming the financial system.
- Particular types of funding that are needed in order to boost the effectiveness of the sector are also identified. These include: unrestricted ‘core’ funding; patient capital; grants for innovation and high-risk initiatives; and funding that gives organisations the independence to challenge the status quo. Foundations are particularly well-placed to provide funding of this kind, relative to other providers of environmental grants.
- After three years in which the real value of environmental grants from UK foundations fell, the last two years have seen a welcome growth in grantmaking, reaching a high point of £112 million in 2011/12, distributed via 1,959 grants with an average grant size of £57,558.
- Within environmental philanthropy the foundations with the largest environmental

grantmaking are responsible for an increasing share of the grants being made. Two-thirds of the foundations studied decreased their environmental spending in at least one of the two years (2010/11 or 2011/12), and in 2011/12, some 66% of grants (by value) came from just ten foundations.

- Despite welcome growth, environmental philanthropy still represents less than 4% of total giving by UK foundations. Given the increasing threats to human well-being from environmental problems, and the opportunities for embedding sustainability in government policy, business practice and the public mindset, this figure remains disappointingly low.
- Foundation grants are becoming increasingly concentrated amongst a small group of CSOs, at the same time that funding is becoming more concentrated within the foundations that have larger environmental philanthropy programmes. Foundations continue to direct lots of grants towards household name CSOs even though foundation income is often not a very significant income source for these groups. Environmental organisations that are heavily reliant on foundation funding are often quite small, specialist (in terms of the skills or knowledge they provide), engaged in political activity of some kind, and working in discourses of environmentalism that significantly challenge the status quo.
- In 2010/11 total lottery funding for environmental projects was £102 million, and the following year it fell by 20.8% to £80.9 million. Lottery grants are considerably larger on average than those from foundations (£85,253 compared to £50,531, for the two years combined) and are less likely to support organisations over time.<sup>2</sup>
- The report provides a ‘top-level’ overview of public sector grants programmes that support environmental initiatives, estimating that these made grants worth £121.2 million in 2010/11, and

£87.2 million in 2011/12. These totals are similar to the amounts given both by the 180 foundations and by the 31 lottery programmes.

- The majority of foundations operate a focused giving strategy, making grants to a limited number of thematic issues. The report breaks grants down into thirteen thematic issue categories, such as *energy*, or *terrestrial ecosystems and land use*. Most foundations focused their grants in either two or three of these categories. As in previous years, *biodiversity and species preservation*, and *agriculture and food* are the thematic issues receiving the largest shares of foundation grants by value, with 25.6% and 15.4% respectively when data for 2010/11 and 2011/12 are combined. *Biodiversity and species preservation* is also the thematic issue receiving by far the largest number of grants, with 1,268 across the two years, more than double the number of grants given to any other thematic issue.
- In addition to an increase in overall environmental philanthropy the proportion of foundation grants directed towards mitigating climate change has also risen. In 2011/12 the share of UK environmental philanthropy grants directed towards climate change reached 25%<sup>3</sup>, up from 21% in the previous edition of *Where the Green Grants Went* and just 9% before that.
- By contrast there has been a relative decline in the share of foundation funding directed to *terrestrial ecosystems and land use* initiatives over the past five years, with fewer projects funded and the share of grants falling from 14.8% in 2007/08 to just 7.0% in 2011/12.
- As in previous years, the share of foundation grants directed towards systemic drivers of environmental harm, such as *consumption and waste* and *trade and finance* remains vanishingly small.<sup>4</sup> International comparisons and previous EFN reports show that these issues consistently attract the least funding from foundations around the world, despite foundations being better placed than other grantmakers to support work of this kind.
- Lottery grants are much more tightly concentrated in terms of thematic focus than those from foundations, with the *sustainable communities* and *terrestrial ecosystems and land use* categories particularly well supported. By contrast a much smaller proportion of lottery funding is directed towards systemic drivers of environmental damage, including climate change.
- The main thematic focus of the public sector programmes is landscape-scale conservation and biodiversity work, falling in the categories of *terrestrial ecosystems and land use*, or *biodiversity and species preservation*. Work in the *sustainable communities* category is also well-supported. As with the lottery, public sector programmes are tightly focused, with an emphasis on the delivery of specific projects.
- When grants from foundations, the lottery, and public sector programmes are added together it is clear that ‘natural environment’ initiatives receive the largest share of support, with more than two-fifths of the available funding (£245 million, or 41.3% of the total). By contrast the four ‘Cinderella’ categories of *trade and finance*, *toxics and pollution*, *transport*, and *consumption and waste* together account for just £28.2 million of all grants, or 4.8% of the total. Foundation grants are particularly important in these four categories.
- Just over half (52.3%) of UK foundation grants towards environmental initiatives support work in the United Kingdom, and UK foundations remain more internationally oriented both than their counterparts in the United States, and the civil society organisations (CSOs) they support. The CSOs taking part in EFN’s *Passionate Collaboration?* survey directed 73.3% of their expenditure to work in the UK.
- When grants data from UK, US and continental European foundations are combined, the differences in the availability of environmental philanthropy around the world are striking. On a per capita basis North America receives nearly 180 times as much money as Asia.














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- The geographic distribution of lottery grants is very different to that from foundations, with 98.7% of lottery environmental grants across 2010/11 and 2011/12 benefiting projects in the UK. Public sector grants programmes also seem to be primarily focused on the UK, with 81.8% of expenditure supporting UK initiatives. It would appear that foundation grants are one of the few sources of grant funding for initiatives outside the UK.
- Grants supporting sub-national work in the UK are unevenly distributed relative to the population of UK regions. When environmental grants from the foundations and the lottery are combined and divided by the population of each region it is clear that the North East, South West and Scotland receive the largest amounts of funding per capita, while the East of England, South East, and Yorkshire and the Humber receive the least.

## KEY TO SYMBOLS

*In this report we analyse grants using the same 13 thematic issue categories as in previous editions. These categories were developed with environmental grantmaking networks around the world, and a full description of each category is provided in Appendix B. We use the following icons to represent the categories in tables and charts throughout the report:*

	Agriculture and food		Multi-issue work
	Biodiversity and species preservation		Sustainable communities
	Climate and atmosphere		Terrestrial ecosystems and land use
	Coastal and marine ecosystems		Toxics and pollution
	Consumption and waste		Trade and finance
	Energy		Transport
	Fresh water		

## INTRODUCTION

This report, the sixth edition of *Where the Green Grants Went*, builds on EFN's earlier research into the 'supply side' of the environmental grants market in the UK. The research complements the 'demand side' research published in *Passionate Collaboration?* in November 2013.<sup>5</sup> That report aggregated data provided by the chief executives of 139 UK CSOs in the environmental field. Both the demand side and supply side analyses are motivated by a concern to 'follow the money' within the environmental sector, as a way of shedding light on how both funders and CSOs prioritise the allocation of resources.

Across the six editions of *Where the Green Grants Went* we have built up a ten-year longitudinal time series of grants data from UK foundations. In the first edition grants from just 30 foundations were analysed, whereas 180 are included here, with the result that this report gives the most comprehensive overview yet of UK philanthropic support for environmental initiatives.

Also included in this edition is an analysis of the environmental grants made by the Big Lottery Fund and the Heritage Lottery Fund. This is the first time that we have been able to code individual lottery grants and compare them with those from foundations.

This report is based on grants data from the 2010/11 and 2011/12 financial years. Some 3,958 grants from 180 foundations were coded across these two years, plus 1,899 grants made by the Big Lottery Fund or Heritage Lottery Fund. Together these 5,857 grants were worth nearly £383 million. We have taken care to use the same approach to categorising grants as in earlier editions of the research, so as to allow comparisons to be made from one year to the next. Findings from research by other environmental grantmaking networks are used to provide context.

We have also included an overview of environmental grants from public sector grants programmes that support environmental initiatives, worth an estimated £208.3 million across the two financial years 2010/11 and 2011/12. We were not able to obtain grants-level data<sup>6</sup> for most of these programmes, and the data provided is much more 'top-level'. Our hope is that in future editions we may be able to provide a more granular analysis. Adding all three sources of funding together the report analyses £591.3 million of grants to environmental initiatives.

In addition to presenting an overview of environmental grants from these three sources the report features excerpts from four conversations with environmental grantmakers<sup>7</sup>, and incorporates insights from grantees that were gathered during the *Passionate Collaboration?* research. We hope that these elements will help to stimulate debate.

Parts B, C and D of the report provide an overview of funding programmes, and then focus in on the issues receiving the most support, and the geographic distribution of grants. Because we have been tracking foundation grants for ten years we have a better understanding of how this element of the grants market functions than we do for either lottery or public sector funding. The main focus of the report therefore remains the philanthropic grants. The lottery grants have been coded at the same level as for foundations (individual grants) but we only have two years of data to draw on. The public sector data is much more 'top-level' and we therefore discuss this in less detail.

Before moving into analysis of the individual grants we have provided an overview of funding needs of the non-profit environmental sector, in order to establish some context for the sections that follow.

## PART A: NEEDS IDENTIFIED BY LEADERS IN THE SECTOR

### HOW CAN FUNDERS BEST SUPPORT CIVIL SOCIETY?

EFN's *Passionate Collaboration?* report identified specific funding needs amongst UK environmental organisations, highlighted structural challenges for the sector, and pointed to the advantages of philanthropic capital relative to other forms of income for CSOs. The four grantmakers interviewed for the present report identified many similar themes, some of which have featured in earlier EFN research.<sup>8</sup> In this section we have set out some suggestions from the field as to how funders could more effectively support the sector.

#### Needs in relation to skills and thematic issues

*Passionate Collaboration?* provides a list of the approaches to environmental work that CSO chief executives think are most in need of additional investment. These five approaches make up the current 'core play-book' of the sector. In order of priority for additional investment they are: a) advocacy; b) environmental education; c) research and expert advice; d) civil society coordination, coalitions etc; and e) awareness-raising around specific issues.

The skill-sets that the chief executives felt the sector most needed to acquire were, in order: a) economics and/or financial expertise; b) leadership and organisational planning; c) political lobbying; d) public opinion polling, strategic communications and framing; and e) social media.

In general there was recognition of the need to invest more resources into work on systemic challenges like rethinking economic growth and progress, grappling with consumption, or reforming the financial system. This point is also made by Jamie Arbib and Winsome McIntosh in the interviews below. In particular there was very strong agreement amongst respondents that more resources need to be directed towards redefining economic growth and progress.<sup>9</sup>

More broadly, respondents identified a lack of 'systems thinking' and 'horizon-scanning' within the sector, and the report detected confusion amongst chief executives as regards public opinion on environmental issues.

#### Structural needs

As the title of the report suggests, *Passionate Collaboration?* identified a strong need for more collaboration within the sector, allied to a need for environmental organisations to work more effectively with non-environmental groups within civil society. However, the scope for more collaboration was seen as being threatened by the increasing competition for resources within the sector, with income falling in recent years but no let-up in the formation of new environmental organisations. Jamie Arbib and Winsome McIntosh both refer to the need for mergers within the sector, for "creative destruction" in Jamie's words, and both see funders as having a responsibility to help create this dynamic.

Harvey Jones reflects on his experience building a successful business, and highlights the need for a change in management culture in the sector, and for CSOs to be clearer about how they define their roles and their theory of change. *Passionate Collaboration?* showed how chief executives feel they are trapped on a 'hamster wheel' from one day to the next, without the time needed to reflect and plan strategically, or the resources needed to invest in innovation or skills development. Low salaries in the sector compound these problems. Incremental 'safety-first' approaches and professionalism tend to win out over the risk-taking identified as needed by our funder interviewees.

We encourage funders reading this report to reflect on how they could best help the sector to meet these needs, both in relation to skills and thematic issues, and to structural challenges. We would welcome suggestions and would be happy to help convene a discussion.



## What types of funding are needed?

Philanthropic funding has particular qualities relative to other income sources for environmental organisations, and its main advantages (as seen by grantees) are captured in the word cloud below. Appendix A includes a full set of the responses to the survey question on which the word cloud is based, providing a rich perspective on what it is that CSOs most value about foundation support.

In the remainder of this section we have combined the perspectives of CSO chief executives with insights from the four grantmaker interviews in order to highlight the types of funding needed by the sector, and a number of trade-offs that funders must negotiate (quotes illustrating these specific points are provided at the start of Appendix A):

- *Unrestricted funding* – The importance of unrestricted ‘core’ funding which gives organisations the flexibility to meet core costs, build capacity, and invest in developing new ideas. This is a key concern for both Winsome McIntosh and Harvey Jones.

- *‘Patient’ capital and ongoing support* – Sarah Butler-Sloss refers to the importance of multi-year grants and the fact that change takes time, while Winsome McIntosh highlights her 45-year support of one particular organisation. Many leaders in the sector are frustrated by the way in which funders require them to constantly create ‘new’ initiatives and projects, and ‘stop/start’ support makes it very difficult for chief executives to invest in the skills identified above.

- *Innovation* – Grants from foundations are crucial for supporting pilot projects and experimentation, particularly for organisations with a limited track record. The need for funders to take risks and to back potentially game-changing ideas (as opposed to incrementalism) is highlighted by Jamie Arbib and Winsome McIntosh, both of whom point to the need to be open to failure. TRADE-OFF: There is of course a tension for funders to negotiate, between providing ‘patient’ ongoing support and the need for innovation seed funding.

- *Independence* – The need for increased funding for work on systemic issues is highlighted above.

**Chart 1:** *Key advantages of philanthropic funding*



Chief executives also identified ‘independence’ as an important attribute of foundation funding, in that it gave them the freedom to challenge the status quo. Foundation grants are of particular importance for organisations engaged in policy advocacy.

- *Less bureaucracy* – Chief executives are understandably concerned about the amount of time they spend acquiring and reporting on grants, as this is time they are not spending on the delivery of their core mission.
- *Silos and focus* – Our grantmaker interviewees refer to the desirability of developing a focused giving strategy, of not trying to ‘do it all’, and this has clear attractions for a funder in terms of getting to know an issue, geography or approach in depth. TRADE-OFF: Grantees warned, however, that this can lead to a situation where cross-cutting work cannot secure funding, as funders are looking for initiatives that fit into specific categories.

- *Proactive versus reactive funding* – Sarah Butler-Sloss refers to the importance of respecting the wisdom of grantees, and of funders not trying to impose their own agenda. There is a TRADE-OFF here with the more proactive funding strategies that may be needed to address the gaps in capacity highlighted earlier in this section, and the concerns expressed by Jamie Arbib and Winsome McIntosh as regards ‘ad hoc’ philanthropy and ‘lemming-like’ behaviour. We don’t wish to suggest that one or other approach is better, indeed a combination of both often works well, but this is an important trade-off for funders to weigh up.

- *More than money* – All four interviewees refer to the importance of providing more than money to the organisations they support, and respondents to *Passionate Collaboration?* saw advice and encouragement from their funders as crucial.

## REFLECTIONS ON PART A

Much discussion within philanthropy is focused on assessment of the strengths and weaknesses of individual organisations, along the lines of ‘is group A more effective than group B’, or ‘which organisation has the most inspiring leader’. The *Passionate Collaboration?* report points towards the need to take a much broader perspective, one that sees the different organisations within the environmental sector as parts of an ecosystem. The analogy of an orchestra is perhaps useful in this respect – the different sections (strings, brass, woodwind etc.) need a full complement of players, and specific instruments come to the fore depending on the music being performed. In just the same way the environmental sector needs scientists, policy experts, lobbyists, activists, financial specialists, educators, service deliverers, and many others, plus mechanisms that enable coordination. *Passionate Collaboration?* points to the importance of funders focusing less on individual grantees and more on the allocation of resources across the sector as a whole. Some funders will be better placed to support particular parts of the orchestra, while others will have a different comparative advantage. What mechanisms for collaboration are needed within the funding community to ensure resources are deployed to maximum effect?

## PART B: OVERVIEW OF ENVIRONMENTAL GRANTS FROM FOUNDATIONS, LOTTERY AND PUBLIC SECTOR

### ENVIRONMENTAL GRANTS FROM FOUNDATIONS

We analysed the environmental grants made by 180 UK-based foundations in 2010/11 and 2011/12. These include the 147 foundations featured in the previous edition of *Where the Green Grants Went* plus another 33 that have been added to the dataset for this edition. Some of the newly included foundations have been registered in the last two years, others have recently started making environmental grants, and a third group have been added to the analysis as a result of research we have undertaken to identify foundations missing from past editions.

In 2010/11 the 180 foundations gave a total of 1,999 grants worth £87.2 million to environmental initiatives, with an average grant size of £43,644. In 2011/12 their environmental giving rose steeply, by 29.2%, to £112.8 million, distributed via 1,959 grants. The average grant size for 2011/12 rose to £57,558. Environmental grants account for 14% of all the grants made by the 180 foundations across the two financial years.

A direct comparison can be obtained by looking at the 147 foundations featured in this and the previous edition of *Where the Green Grants Went*. Excluding a large one-off grant to the National

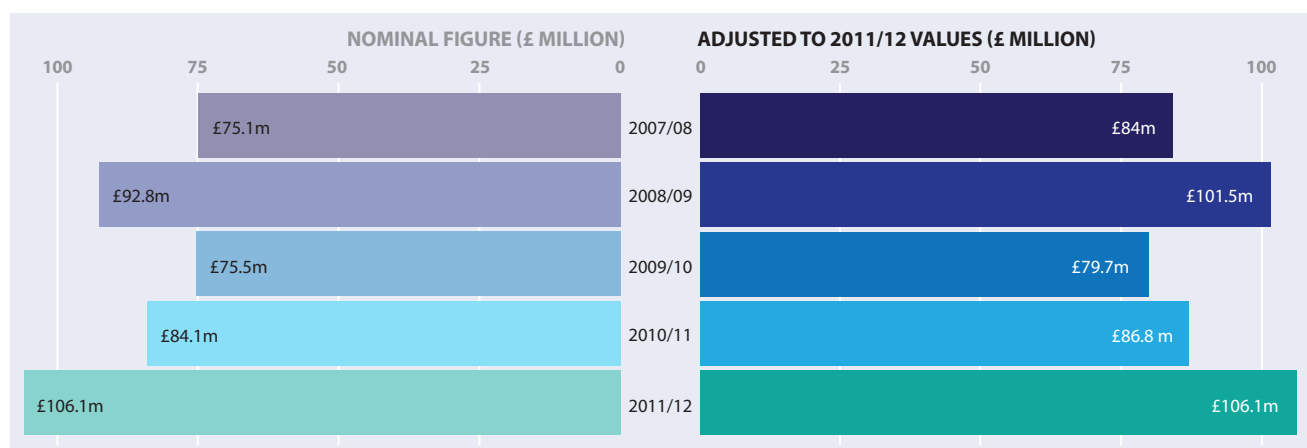
Trust in 2008/09, the total giving of this group of 147 foundations has risen from the plateau of £75 million described in the previous edition to the highest value ever reported in *Where the Green Grants Went*. We find this growth in giving very encouraging. However, we continue to estimate that environmental grants represent less than 4% of total foundation giving in the UK.<sup>10</sup>

To put environmental philanthropy in context, the total given by the 180 foundations in 2011/12 represents just enough to buy one of the Van Gogh Sunflower paintings currently being exhibited at the National Gallery, and less than a fifth of the sum given by philanthropists to higher education institutions in 2010/11.<sup>11</sup>

The report by the National Council for Voluntary Organisations and Charities Aid Foundation, *UK Giving 2012*, shows that 5% of the UK public give to environmental causes, but that these causes receive just 2% of total donations.<sup>12</sup>

In her interview (pp. 36-37) Sarah Butler-Sloss alludes to the very real challenges of raising money for environmental initiatives, relative to other charitable causes.

**Chart 2:** Value of environmental grants from the group of 147 foundations



## CONVERSATIONS WITH FUNDERS 1

### JAMIE ARBIB: Tellus Mater Foundation



*After graduating from Trinity College, Cambridge where he read History, Jamie qualified as an accountant and worked in the City as an investment analyst. He is currently an investor in resource-efficient technologies. His focus is on energy efficiency and he invests at an early stage and will support companies for the long term. Jamie helps to oversee a family office.*

*He is also the founder of Tellus Mater, a grantmaking foundation that aims to support the movement towards a sustainable economy. It aims to support ideas for solutions which shift political, economic, and financial institutions to a long-term, low impact path. It takes a strategic systems view towards funding and looks to work closely with the groups it supports. The approach is necessarily high-risk, understanding that incrementalism is not the answer and that game-changing initiatives are required. He is currently studying for a Masters in Sustainability Leadership at Cambridge.*

**EFN** So to start, it would be great to know what the main environmental priorities are that you've identified for Tellus Mater's giving?

**JA** What we are trying to do is to take a systemic approach to making grants. We've spent a lot of time mapping the economy and mapping the financial system to try to understand where the real levers are that drive change in the system. Our perception is that a lot of civil society work happens in silos, disconnected from other people trying to solve the same problem from a different angle. The way we work is to try and draw together coalitions. And that's not an easy thing to do. It involves all kinds of value judgements and assumptions.

**EFN** So you're targeting the financial system underlying everything?

**JA** Yes and it can be a bit thankless sometimes. I often think it would be a lot easier just to pick a specific on-the-ground issue to try and solve. But we're a small foundation, and as such we need to focus, and we don't see many other funders operating in this area, there's not a lot of this kind of systemic work being done.

**EFN** Could you say a bit more about how you try to effect change and how this influences your giving strategy?

**JA** I guess I'd term it a 'high-risk approach'. I think that broadly speaking the NGO world has an incremental approach to change. I think that's how

people get grants, that's how people continue to operate. They need to show success and they need to show some form of continual improvement and that's all fine, a lot of NGOs do some excellent work that has very meaningful impacts. What we didn't see a lot of was game-changing or high-risk ideas being funded or deployed and I think it's more difficult for these kinds of initiatives to get funding and traction because people are loathe to fail in the sector.

I'm coming from a venture capital background and that's what we do. You make a number of investments, and some of them fail, that's the nature of things. I'm relatively comfortable with risk and what we want to do is to encourage these more game-changing ideas. Given the scale and the urgency of the problems I think we have to try a number of different interventions, to pilot them and try to help bring them to scale.

The problem with working on systems change is that it's very hard to identify the impact of what you're doing because it's often dispersed through the system. But as a foundation we don't feel the need to justify ourselves so much, and I think that liberates us.

**EFN** How do you go about choosing specific projects and partners?

**JA** We've gone through this big mapping exercise of the financial sector and we've identified the

pension fund industry as an area that we want to focus on. We've identified a number of potential interventions and drawn a coalition together including Share Action and ClientEarth. The reason we picked this sector is that pension funds ought to have a long-term perspective that considers risks to their investments over 10, 20, or 30 years into the future. We're trying to see whether fiduciary duty can be used as a leverage point to make pension fund managers and trustees think in these terms, which currently they don't.

**EFN** What have you found most rewarding in your grantmaking and what have you found most frustrating?

**JA** I think the most rewarding aspect is just working with some of the people in the sector. There are some really motivated, talented, interesting people working in this space. That's been incredibly rewarding, and at times hugely frustrating!

I find the inertia, the power of the incumbents the most frustrating. You start to realise there is absolutely no magic bullet, no one button you can press that's going to change things. It's a combination of everything, from technology to policy through to corporate incentives, through to share ownership structures, through to supply chain management. I don't think there's any mileage at all in dreaming up a utopia and saying this would be the system we want to move to and then trying to figure out how we do it. I think you have to be a pragmatist and say, "This is where we are; these are things we can do to shift to a more sustainable path, these are the kinds of things that might change us."

I also find the duplication of effort among NGOs frustrating, and to be frank funders are kind of responsible for this. There's none of the kind of creative destruction that you see in the wider economy, where you see the weaker fail and the strong get stronger. It's actually the responsibility of the funders to support those organisations that are effective and to remove support from those that aren't, or alternatively to push for mergers. If

"Take some risk. Incremental change isn't going to get us there. Do things that others won't. Talk to other funders and see if together we can generate some 'creative destruction' that helps to make the sector more efficient."

funders can collaborate and implement the same kind of philosophy then I think that would be really helpful.

If you look around the philanthropic sector a lot of it is still ad hoc and much more reactive and for me that often leads to a waste of resources. There are only a few grantmakers that are what I would term 'strategic', although more are beginning to look through this lens.

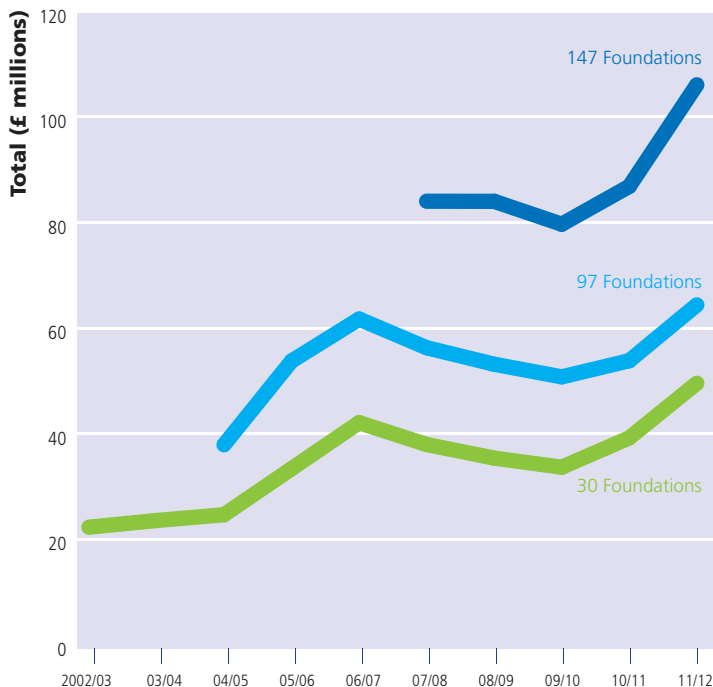
**EFN** Could you tell me about a particular project or partner that you think has been a success story?

**JA** I guess the most impactful grant we've given is probably to Carbon Tracker. It's a really interesting work stream and I think they've had a big impact in at least making people talk about these issues.

**EFN** If you were to give advice to a new funder coming into the field of environmental philanthropy, what would it be?

**JA** Number one, take some risk. Incremental change isn't going to get us there. Do things that others won't. Number two, talk to other funders and see if together we can generate some 'creative destruction' that helps to make the sector more efficient.

**Chart 3:** *Environmental grants from three cohorts of foundations (2011/12 prices)*



### A ten year perspective

It is possible to get a ten year perspective by focusing on the 30 foundations that were the focus of the first edition of *Where the Green Grants Went* in 2002/3, and by adjusting their giving for inflation.

As Chart 3 shows, UK environmental philanthropy grew steadily until 2006/07, before falling back as the economy began to falter. Giving started to rise again in 2009/10 and the last two years have seen growth of 33% in real terms, which we find encouraging.

### Where is the growth in environmental philanthropy coming from?

Examination of the giving of individual foundations reveals a slightly more complicated picture. Table 1 shows the number of foundations that increased or decreased their environmental giving in 2009/10, 2010/11 and 2011/12, relative to the previous year.

The table shows that in 2010/11 and 2011/12 almost two-thirds of the 147 foundations actually decreased their environmental giving, with only one third increasing it each year. Only 19 of the 147 foundations increased their giving in both years, whereas 54 foundations decreased their giving in both years. The growth in overall giving is coming mainly from larger foundations, and in the form of larger grants, as can be seen by looking at the value of the ten largest and twenty largest grants in 2010/11 and 2011/12.

The share of the total giving accounted for by the ten foundations with the largest environmental grants programmes also rose, from £54.6 million in 2010/11 (62.6% of total giving) to £74.3 million in 2011/12 (65.9% of total giving).

### Organisations that are reliant on philanthropic capital

The 139 CSOs that provided income data for the *Passionate Collaboration?* report received on average 10% of their income (£98.2 million) in the form of grants from foundations. A total of 124 of these organisations had received at least one

**Table 1:** *Number of foundations increasing or decreasing their environmental giving*

	2009/10	2010/11	2011/12	Both 2010/11 and 2011/12
Number of foundations that increased environmental giving	61	58	54	19
Number of foundations that decreased environmental giving	86	89	93	54
Top 10 grants total (£ million)	17.8	20.8	34.2	n/a
Top 20 grants total (£ million)	23.3	27.2	46.5	n/a

philanthropic grant in their most recent financial year, making foundation grants the form of income received by the largest number of respondents to the survey. In addition, 33 of the organisations were reliant for 50% or more of their income on grants from foundations. Foundation grants remain widely and thinly distributed across the environmental sector, and support a very diverse range of activities.

The dependence of certain types of organisations on philanthropic support is also clear from the data gathered for *Passionate Collaboration?* The median income for the 33 organisations that got 50% or more of their funding from foundations was £372,281, compared to a median income of £1,520,205 for all organisations responding to the survey. Environmental organisations that are heavily reliant on foundation funding are often quite small, specialist (in terms of the skills or knowledge they provide), engaged in political activity of some kind, and working in discourses of environmentalism that significantly challenge the status quo.

The survey showed that in recent years the environmental sector has become more dependent on income from corporate sources, and also that real income fell in 2011/12, after rising for many years. Many organisations in the sector have fragile incomes, with few organisations having achieved consistent year-on-year income growth, and many reliant on five or fewer sources of income.

### WHAT ARE THE IMPLICATIONS?

*Large grants (by philanthropic standards) from larger foundations account for most of the overall increase in environmental giving by UK foundations. This arguably creates vulnerability for the sector, in that changes in priority on the part of these funders can have large knock-on effects on the availability of philanthropic capital. On page 7 we noted the vital function of philanthropic capital in supporting start-ups and innovation. Is it the case that a trend towards fewer and larger grants might reduce the availability of start-up capital? If so, then how should smaller funders respond? And what are the implications in terms of the availability of patient long-term capital and unrestricted core funding?*

*The fragile and 'stop-start' income of many non-profit environmental organisations appears to be holding the sector back, and contributing to a lack of investment in skills and personnel. What would it take for foundations that are supporting the sector to work collaboratively in order to address this problem, perhaps in partnership with the managers of lottery and public sector grants programmes?*

## THE CSOs – TOP RECIPIENTS OF FOUNDATION GRANTS

This section of the report provides an overview of the CSOs receiving the most funding from the 180 foundations and those receiving the largest number of foundation grants. The figures may not capture all of the philanthropic funding received by each organisation as they may be receiving grants from foundations not covered by this report.

Table 2 shows the top four re-granting organisations receiving funding, the same group that were analysed in the previous edition. The figures show an increase in the income of these organisations over the financial years 2010/11 and 2011/12. For the three years between 2007/08 and 2009/10 the four organisations received a combined income of £6.0 million per year on average, but across the two years 2010/11 and 2011/12 this rose to £9.8 million. This reflects the growing importance of re-granting organisations within the overall distribution of grants from UK foundations.

**Table 2:** Foundation support for re-granting organisations (2010/11 and 2011/12 combined)

Grantee	No. of grants	No. of foundations	Total Income (£)
European Climate Foundation	6	3	13,525,847
Rufford Small Grants for Nature Conservation	2	1	2,200,000
Ashden Awards for Sustainable Energy	23	15	1,974,790
Whitley Fund for Nature	24	12	1,811,086
<b>TOTAL</b>	<b>55</b>	<b>n/a</b>	<b>19,511,723</b>

As in earlier editions, we have prepared a table showing the 100 CSOs (excluding re-granting organisations) receiving the most support from the 180 foundations covered by this report, and this can be found in Appendix C. Inclusion of an organisation in the tables in this section of the report should not be interpreted as an indicator of effectiveness, other than with respect to fundraising! The *Passionate Collaboration?* report shows that the 25 environmental organisations considered by their peers to have achieved the most relative to their resources have widely varying incomes. They also receive widely differing proportions of their total income in the form of foundation grants. The tables which follow are best seen as an indicator of current funding priorities on the part of foundations.

Table 3 shows how single large grants influence the list of the organisations receiving the most philanthropic funding. Seven of the organisations in the list of 25 received just one grant across the

**Table 3:** Top 25 CSO recipients of foundation grants, in terms of the total amount received (2010/11 and 2011/12 combined)

Grantee	No. of grants	No. of foundations	Total Income (£)
WWF UK	25	17	5,857,669
Tanzania Gatsby Trust	2	1	5,328,931
Royal Society of Wildlife Trusts	7	3	4,582,798
SouthSouthNorth Trust	1	1	4,170,000
Envirofit International	5	1	4,111,250
Compassion in World Farming	14	7	3,665,500
Royal Society for the Prevention of Cruelty to Animals	1	1	3,432,107
Marine Conservation Society	15	9	3,211,156
World Society for the Protection of Animals	4	3	3,020,000
Hampstead Heath Charitable Trust	1	1	3,000,000
Fauna & Flora International	43	25	2,954,655
World Resources Institute	3	2	2,615,534
Latin American Climate Forum	1	1	2,464,000
Oceana	5	3	2,275,009
Buglife	11	8	2,273,104
Royal Society for the Protection of Birds	45	20	2,230,903
Royal Botanic Gardens, Kew	14	11	2,162,356
University of Cambridge	11	3	2,069,262
CottonConnect South Asia	2	1	1,871,931
Yale University	4	1	1,865,936
C40 Cities Climate Leadership Group	1	1	1,606,000
Porter School of Environmental Studies	2	1	1,591,983
Environmental Defense Fund	1	1	1,410,000
Game & Wildlife Conservation Trust	17	11	1,333,050
The Great Crane Project	1	1	1,301,324
<b>TOTAL</b>	<b>236</b>	<b>n/a</b>	<b>70,404,458</b>

two years, and fifteen secured 5 or fewer grants. Twelve of the 25 organisations were supported by just one foundation. On page 12 we referred to the fact that the growth in environmental philanthropy over the last couple of years was mainly a result of increased giving by foundations with large environmental programmes, and these relatively large philanthropic grants provide further evidence of this.

Looking at the full list of the 100 organisations shown in Appendix C and adding in the four re-granting organisations from Table 2, we can see that the 104 organisations received almost £136 million in

## WHERE THE GREEN GRANTS WENT 6

philanthropic grants across the two years 2010/11 and 2011/12. This represents 67.8% of the total environmental grants made by the 180 foundations, an increase on the equivalent figure of 59% in the previous edition of this research. In the last edition the 104 organisations accounted for 28% of grants (in terms of the numbers of grants, rather than their value) but in the last two years

**Table 4:** Top 25 CSO recipients of foundation grants, in terms of the number of grants received (2010/11 and 2011/12 combined)

Grantee	No. of grants	No. of foundations	Total Income (£)
Royal Society for the Protection of Birds	45	20	2,230,903
Fauna & Flora International	43	25	2,954,655
Woodland Trust	32	21	1,059,600
Friends of the Earth (England, Wales & Northern Ireland)	28	17	600,306
National Trust	27	15	1,293,089
Soil Association	27	18	775,819
Wildfowl & Wetlands Trust	26	17	430,484
WWF UK	25	17	5,857,669
Zoological Society of London	24	16	649,556
Wildlife Conservation Unit, University of Oxford	22	10	529,037
Campaign to Protect Rural England	21	14	165,202
Game & Wildlife Conservation Trust	17	11	1,333,050
Plantlife International	17	14	766,971
Farm Africa	17	13	262,554
The Conservation Volunteers*	16	12	395,921
Marine Conservation Society	15	9	3,211,156
Kent Wildlife Trust	15	12	727,666
Compassion in World Farming	14	7	3,665,500
Royal Botanic Gardens, Kew	14	11	2,162,356
New Economics Foundation	14	10	1,000,452
Greenpeace UK	14	9	575,050
Save the Rhino International	14	9	194,981
Royal Horticultural Society	14	10	147,810
ClientEarth	13	9	1,197,500
Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire	13	9	903,165
<b>TOTAL</b>	<b>527</b>	<b>n/a</b>	<b>33,090,452</b>

\* Formerly British Trust for Conservation Volunteers

this has fallen to 22% of the total. It is clear that foundation grants are becoming increasingly concentrated amongst a small group of CSOs, at the same time that funding is becoming more concentrated within the foundations that have larger environmental philanthropy programmes. Beyond this small group of CSOs receiving relatively large amounts of philanthropic funding lie the many organisations that receive modest amounts of philanthropic support – the ‘scattergun’ distribution of funding noted in previous reports.

When we turn to the 25 CSOs receiving the largest number of foundation grants over the two years (Table 4) the list has a much more ‘household name’ feel to it.

Conservation organisations feature strongly in the table, accounting for more than two-thirds of the groups featured. Just 12 of the organisations feature in the lists of the most effective environmental organisations as seen by their peers and/or foundations, in Section 10 of *Passionate Collaboration?* Nineteen of the 25 organisations took part in the *Passionate Collaboration?* survey and provided information on the proportion of their total income accounted for by foundation grants. Interestingly, 11 of these 19 organisations received less than 10% of their income from foundations<sup>13</sup> despite the fact that they rank amongst the 25 CSOs receiving the most foundation grants. These organisations are largely in the top half of Table 4. Foundations continue to direct lots of grants towards household name organisations even though foundation income is often not a very significant income source for these groups. Is this the most efficient use of philanthropic capital in light of the observations made elsewhere in this report? As Sarah Butler-Sloss comments in her interview (p.36), smaller organisations are often able to move faster meaning that grants to them may have more impact.

## WHAT ARE THE IMPLICATIONS?

*Looked at from a bird's eye vantage point the allocation of philanthropic capital across the sector appears broad but shallow, the product of hundreds of chance connections between organisations seeking funding and the 180+ foundations that are making environmental grants. On closer inspection, however, the allocation of funding is becoming more 'lumpy' due to increasing concentration on both the supply and demand sides of the grants market. In the midst of this, household name organisations continue to thrive, even though philanthropic grants may not be very important to them as a percentage of their total income. What steps could funders take to level the playing field and to help less well-resourced organisations increase their ability to access philanthropic capital?*



## ENVIRONMENTAL GRANTS FROM THE LOTTERY

This is the first edition of *Where the Green Grants Went* in which environmental grants from the National Lottery have been analysed in the same way as those from foundations, significantly expanding the coverage of the research. In *Passionate Collaboration?* the 139 CSOs responding to the survey received 5.6% of their combined income (£55.4 million) in the form of grants from lottery sources.

Between them the Big Lottery Fund (BLF) and the Heritage Lottery Fund (HLF) accounted for just under £183 million in environmental grants over

the two years, a similar level of funding to that provided by the 180 foundations (£200 million).

We coded a total of 2,146 grants made over the two years 2010/11 and 2011/12, by 31 separate funding programmes at the Big Lottery Fund and Heritage Lottery Fund. In 2010/11 the total lottery funding for environmental projects was £102.1 million, and the following year it fell by 20.8% to £80.9 million. Tables 5 and 6 show the funding totals for BLF and HLF programmes that were supporting environmental initiatives. The average grant size for lottery environmental grants in

**Table 5: Big Lottery Fund programmes – environmental grants in 2010/11 and 2011/12**

	2010/11		2011/12	
	No. of grants	Total (£)	No. of grants	Total (£)
Awards for All	677	4,827,613	401	3,051,033
The People's Millions	12	574,847	3	177,533
People and Places 2	5	1,086,162	4	1,074,320
Reaching Communities	12	2,268,368	11	2,669,539
Growing Community Assets	5	2,674,463	0	0
Community Asset Transfer	1	731,971	0	0
International Grants	1	9,950	9	90,465
Village SOS	1	433,840	0	0
Village SOS Active	0	0	5	137,372
Communities Living Sustainably	0	0	30	298,730
Single Grants Direct	0	0	2	12,098,602
Jubilee People's Millions	0	0	11	625,524
International Communities	0	0	5	2,352,111
Sustainable Steps	0	0	1	620,000
Investing In Communities 2	0	0	11	1,987,293
Community Spaces	136	8,906,735	186	8,531,560
Local Food	120	10,174,035	108	13,852,255
Access to Nature	42	9,160,029	0	0
Ecominds	79	2,553,480	0	0
Other programmes	11	138,741	10	96,752
<b>TOTAL</b>	<b>1,102</b>	<b>43,540,234</b>	<b>797</b>	<b>47,663,089</b>

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**WHERE THE GREEN GRANTS WENT 6**

2010/11 was £83,325, and in 2011/12 it rose to £87,817. By comparison average grant sizes for the 180 foundations were £43,644 and £57,558.

This is one of several important differences between lottery grants and those from the foundation sector. Lottery grants tend to be larger than those from foundations, more concentrated on a smaller number of beneficiaries, and less likely to support organisations over time.<sup>14</sup> The Big Lottery Fund grants are strongly focused on projects at the community level, helping members of the public to both improve and benefit from their local environment. The term ‘environment’ is understood in terms of ‘the area directly around us that we live in’, rather than in the broader sense that we use it elsewhere in this report. The Heritage Lottery Fund also provides grants with a strong community focus, but in addition supports more conservation-focused work that values the wider natural environment, with an emphasis on heritage dimensions.

We were able to obtain grants-level data for 25 BLF grant programmes, and six programmes managed by the HLF. The only lottery programme for which we were unable to obtain grants-level data was the BLF’s ‘Changing Spaces: Community Sustainable Energy Programme’ in partnership with the Building Research Establishment. Otherwise, the data presented in this section provides a comprehensive overview of funding for environmental initiatives from lottery sources.

For many of the 31 programmes, grants data was only available for one of the two years that are the focus of this report. This is a result of many of the lottery programmes being time-limited, with some finishing in 2010/11 and others starting in 2011/12. As Tables 5 and 6 show, BLF’s grants for environmental initiatives increased from £43.5 million in 2010/11 to £47.7 million in 2011/12, whereas for the HLF they fell from £58.5 million in 2010/11 to £33.2 million the following year, a 43% fall.<sup>15</sup>

**Table 6:** *Heritage Lottery Fund programmes – environmental grants in 2010/11 and 2011/12*

	2010/11		2011/12	
	No. of grants	Total (£)	No. of grants	Total (£)
Parks for People	13	20,889,500	9	3,005,300
Landscape Partnership	10	17,321,500	10	16,289,800
Heritage Grants	29	12,346,900	25	10,927,800
Skills for the Future	13	5,707,900	0	0
Your Heritage	52	2,172,900	73	2,835,700
Young Roots	6	94,000	7	157,500
<b>TOTAL</b>	<b>123</b>	<b>58,532,700</b>	<b>124</b>	<b>33,216,100</b>

## ENVIRONMENTAL GRANTS FROM PUBLIC SECTOR SOURCES

EFN's *Passionate Collaboration?* report showed that on average 20.6% of the income of UK environmental organisations comes in the form of grants from central government or the EU, and that this is the largest single source of income for the sector as a whole. Although the share of income accounted for by central government and EU grants varied widely from one organisation to the next, it is clear that public sector funding is an important source of support for environmental CSOs.

We therefore decided to try to collect information on public sector funding programmes that support environmental initiatives. Unfortunately we found it very difficult to acquire grants-level information that would allow us to make direct comparisons with foundation grants and lottery programmes. We hope that in the future it will be possible to present more detailed data on public sector funding. For the time being we have focused on providing a top-level overview. Even this has been difficult, given the large number of bodies that administer grants and the lack of transparency about what has been funded.

We present the following table as 'work in progress'. It is not an exhaustive list of all public bodies making grants in the environmental sector – more a snapshot of major programmes that have similarities to the grants made by foundations and the lottery. Care has been taken to only include funding sources when the figures have been confirmed by the department managing the programme. We would welcome feedback

and advice as to how Table 7 can be made more comprehensive and accurate.

Table 7 includes grants programmes run by four central government departments, Natural England, the devolved governments in Scotland, Wales and Northern Ireland, and the National Endowment for Science, Technology and the Arts (NESTA).<sup>16</sup> Together the grants amounted to £121.2 million in 2010/11 and £87.2 million in 2011/12, a fall of nearly 10%. These totals are similar to the sums given by the 180 foundations and by the 31 lottery programmes.

One of the reasons it is difficult to track public sector funding is that many grant programmes seem to run for just a few years before they are wound up and/or relaunched as new programmes with different criteria. Our sense is that funding from these programmes is quite disjointed and probably doesn't provide the security that environmental organisations have told us they need in order to be able to innovate and take risks.

We didn't find any projects being funded by public sector programmes that had an overtly political dimension to them; in the main the initiatives are focused on service delivery, conservation targets, or giving members of the public access to nature, or planting trees, etc. The programmes that address more systemic issues such as energy and climate change again tend to do so via localised or individualised grants, such as support to those wanting to install insulation.

## WHERE THE GREEN GRANTS WENT 6

**Table 7:** Public sector funding programmes that support environmental initiatives

Department or Organisation	2010/11 Total (£)	2011/12 Total (£)	2010/11 and 2011/12 (£)	Programme description
<b>DEPARTMENT OF ENERGY AND CLIMATE CHANGE (DECC)</b>				
Local Energy Assessment Fund	0	9,243,138	9,243,138	Helps communities in England and Wales to prepare for new opportunities in sustainable energy and climate change arising from the Green Deal, Renewable Heat Incentive and Feed in Tariffs. There is also £20 million available as loans to support energy efficiency in schools, universities, hospitals, local authorities and other public sector buildings.
Low Carbon Buildings Programme	39,581,899	500,000	40,081,899	Installing domestic microgeneration technologies and larger scale distributed generation installations for public buildings and businesses.
<b>TOTAL FOR DECC</b>	<b>39,581,899</b>	<b>9,743,138</b>	<b>49,325,037</b>	
<b>DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS (DEFRA)</b>				
Household Reward and Recognition Scheme	0	492,594	492,594	Grants for local authorities and community organisations for new schemes that reward communities for adopting positive behaviours around recycling and reusing waste.
Nature Improvement Areas (NIAs)	0	2,500,000	2,500,000	NIAs are large, discrete areas that deliver change in natural resources, restoring and creating wildlife habitats, connecting local sites and joining up local action.
Countdown 2010 Biodiversity Action Fund	1,833,333	0	1,833,333	Helps achieve the UK government's commitment to halt the loss of biodiversity by 2010, through supporting the recovery of priority species and habitats in England.
Local Nature Partnerships	0	1,000,000	1,000,000	Grants to partnerships to manage the natural environment as a system and to embed its value in local decisions for the benefit of nature, people and the economy.
Woodland Grants Scheme <sup>a</sup>	1,004,100	386,400	1,390,500	Provides incentives for people to create and manage woodlands in the UK.
Farm Woodland Legacy <sup>a</sup>	9,941,400	8,537,000	18,478,400	Compensation to farmers for the agricultural income foregone as a result of planting new woodlands on their land.
English Woodland Grant Scheme <sup>a</sup>	16,564,700	23,023,800	39,588,500	Provides incentives for people to create and manage woodlands on sites in England.
Sustainable Development Fund <sup>b</sup>	1,500,000	0	1,500,000	Encourages individuals and communities to find sustainable ways of living and working, while enhancing and conserving the local culture, wildlife and landscape.
<b>TOTAL FOR DEFRA</b>	<b>30,843,533</b>	<b>35,939,794</b>	<b>66,783,327</b>	

## WHERE THE GREEN GRANTS WENT 6

Department or Organisation	2010/11 Total (£)	2011/12 Total (£)	2010/11 and 2011/12 (£)	Programme description
<b>DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID) AND FOREIGN &amp; COMMONWEALTH OFFICE (FCO)</b>				
(DFID) The Darwin Initiative	6,000,000	0	6,000,000	Offers funds to encourage the sharing of UK biodiversity expertise with local partners in countries with a wealth of biodiversity, but who lack resources. Assists these countries in meeting their international biodiversity commitments.
(DFID) Congo Basin Forest Fund	1,500,000	5,000,000	6,500,000	Supports projects that help prevent deforestation and contribute to poverty alleviation in the Congo basin forests.
(FCO) Strategic Programme Fund - Low Carbon, High Growth	14,260,000	0	14,260,000	Promoted a low carbon, high growth, global economy.
(FCO) Prosperity Fund Programme	0	11,200,000	11,200,000	Promotes sustainable, global economic growth through support for an open global economy, avoiding dangerous climate change and enhancing energy security.
<b>TOTAL FOR DFID &amp; FCO</b>	<b>21,760,000</b>	<b>16,200,000</b>	<b>37,960,000</b>	
<b>NATURAL ENGLAND</b>				
Ad hoc and partnership grants	3,834,641	5,139,663	8,974,304	Grants awarded on an ad hoc basis, e.g. for land purchase.
Wetland Vision	2,000,000	0	2,000,000	Supported landscape-scale wetland projects and the delivery of targets for priority wetland habitats.
Aggregates Levy Sustainability Fund	2,760,702	0	2,760,702	Aimed to reduce the effects of aggregate extraction by transforming degraded sites, restoring natural habitats so that wildlife can thrive, and providing places for people to relax and enjoy.
<b>TOTAL FOR NATURAL ENGLAND</b>	<b>8,595,343</b>	<b>5,139,663</b>	<b>13,735,006</b>	
<b>DEVOLVED ADMINISTRATIONS</b>				
Countryside Council for Wales	6,000,000	5,400,000	11,400,000	CCW offers grants to a diverse range of partners, which include Local Authorities as well as voluntary bodies and community groups. The pillars of the grant programme are Wildlife, Geology, Landscape and Seascapes; Providing and Promoting Access and Recreation; and Promoting Enjoyment, Understanding and Behaviour Change.
Forestry Commission Wales (Better Woodlands for Wales) <sup>c</sup>	3,692,547	5,329,376	9,021,923	The Better Woodlands for Wales scheme offers grants specially designed for improving Welsh woodland management; the Glastir Woodland Creation Grant provides financial support to create new native and mixed woodland.
Scottish Natural Heritage	7,111,630	6,531,053	13,642,684	Supports projects that get more people and communities actively involved in and caring for Scotland's nature and landscapes.

## WHERE THE GREEN GRANTS WENT 6

Department or Organisation	2010/11 Total (£)	2011/12 Total (£)	2010/11 and 2011/12 (£)	Programme description
Northern Ireland Environment Agency (Natural Heritage)	2,550,000	2,375,000	4,925,000	The Natural Heritage Grant Programme supports projects and initiatives that contribute to the conservation of biodiversity and special landscapes or to the enjoyment of the countryside.
Northern Ireland Environment Agency	77,000	517,000	594,000	The Environmental Protection grants comprise: European Regional Development Fund – (Environmental Protection) EP, Tidy Northern Ireland Grant, District Council Grants - Waste Management, and Landfill Tax Credit Reform.
<b>TOTAL FOR DEVOLVED ADMINISTRATIONS</b>	<b>19,431,177</b>	<b>20,152,429</b>	<b>39,583,607</b>	
<b>OTHER PROGRAMMES</b>				
NESTA (Big Green Challenge)	1,000,000	0	1,000,000	Prize given out to three communities that had developed and implemented high quality plans for reducing carbon emissions.
<b>TOTAL OTHER PROGRAMMES</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	
<b>TOTAL PUBLIC SECTOR GRANTS</b>	<b>121,211,953</b>	<b>87,175,024</b>	<b>208,386,977</b>	

Notes:

- a DEFRA plus Forestry Commission
- b DEFRA plus Welsh Assembly
- c Includes Glastir Woodlands Creation grant

## REFLECTIONS ON PART B

While we find the growth in environmental philanthropy encouraging, the small share of total foundation giving allocated to environmental causes remains of major concern, given that ‘the economy is a wholly-owned subsidiary of the environment’, rather than the other way round. Furthermore, it is clear that philanthropic capital is becoming more concentrated, both within larger giving programmes, and in larger grants to a smaller number of organisations. If anything, the ‘rich are getting richer’ in terms of the CSOs securing the largest shares of grants, even though foundation grants are often not a significant share of their income. We encourage funders to work together with a view to making the grants market more effective at meeting the needs identified in Part A.

It is also clear that each of the three main sources of grant funding considered in this report has its strengths and weaknesses in terms of providing support for the ‘orchestra’ referred to above, and in terms of meeting the needs identified by sector chief executives. We believe that a dialogue between foundations, the managers of lottery programmes, and those responsible for public sector grants could be very productive, the more so if leaders from within the environmental sector are involved.

## CONVERSATIONS WITH FUNDERS 2

### WINSOME McINTOSH: McIntosh Foundation



*Winsome has been a trustee/member of the McIntosh Foundation since 1972 and has four decades of experience in the wider philanthropic community. She and her husband, Michael, are the founders of ClientEarth, the first public interest law firm for the environment in the European Union, headquartered in London.*

*Winsome founded Rachel's Network in 1999 and served as president for its first ten years. She is board chair of ClientEarth and also serves on the boards of Defenders of Wildlife (chairman), Rachel's Network, Mo-DV, Inc. (a California software company), She Should Run Foundation, The Boat Company (an eco tour cruise business in Alaska), the Kappa Delta Foundation, and the Alliance for Justice (vice-chair).*

*Winsome is the recipient of numerous awards and has written and spoken extensively on the issues and management of philanthropy.*

#### **EFN** How did your foundation develop its focus on environmental issues?

**WM** Because we were a small foundation we realised that we didn't have enough money to change all the ills of the world, so we'd have to really focus. We decided to focus almost entirely on the environment sector, which was a brand new movement in the United States in the late 1960s, early 1970s. At that time foundations were not giving much money to it because they considered it controversial, and non-charitable, and they were not risk-taking. So we were out there taking lots of risks and having fun.

#### **EFN** How would you describe your theory of change?

**WM** We decided that the way to effect change in this country was to think long term, strive to bring about systemic change, and to do it through advocacy and the law. Charity is about giving to something in the moment that is terribly needed, whether it's a homeless shelter, or food for the poor, or something of that nature. Philanthropy should be trying to tackle the problem that is causing the need for that charity. And so we have always resisted the temptation to do short-term, programmatic work, and instead have tried to bring about systemic change. This is much harder to do and can take years, or decades. We have supported a small cluster of NGOs that we've often founded, because another part of our strategy is to be entrepreneurial and take risk. A lot of times that

has meant founding new organisations, often public interest law firms, for a very specific purpose. We stay with organisations for well over ten years at a time, and in the case of the Natural Resources Defense Council for over 45 years, and we focus on unrestricted money because in our minds we're investing in people.

#### **EFN** So could you tell me about a success story?

**WM** Our modern success is ClientEarth, which we founded seven or eight years ago. It's still in the growing stages, but it's beginning to rack up strategic and important legal victories across the EU. So for a small amount of money we can effect changes to the laws of 28 countries. That's real leveraging of our money.

#### **EFN** What's the most frustrating part of grantmaking?

**WM** One of the things that disturbs me is the tremendous growth in the number of NGOs which is not matched by an equivalent growth in funding. And that drives the NGO community to become more and more competitive. I would like to see greater collaboration but I think that's pretty hard to ask for because there are too many egos involved. Although I think there's strength in numbers I also think those numbers should be coalescing into more viable sustainable organisations with a bigger voice. Funders could to some degree encourage mergers by making it

“When we give a grant, we don't have a grant contract or anything, we're giving unrestricted money, and we only ask for one verbal report per year. The key is watching the overall performance of the organisation and the degree to which it accomplishes its mission.”

clear they would support this. It's not going to be very popular but from a business perspective I think some of this needs to happen.

#### **EFN** If there was one thing you wish grantmakers would do differently, what would it be?

**WM** It would be to focus more on unrestricted funding instead of restricted funding for programmes. Restricted funding to NGOs ties them up in knots. It also means that you're not investing in the organisation and the leadership of the organisation, you're only investing in a short-term gain. I think that is being very shortsighted because invariably funding of programmes doesn't cover the full cost of doing that programmatic work, and so you have an NGO that is turning itself into a pretzel to try and recoup as much core funding as it can, and it's never totally covered. You could give much greater flexibility to an organisation and its talent if you gave it unrestricted funding. It's sort of a trap that large foundations in particular fall into. They build up a bureaucracy of programme officers that demands layers of reporting and justifications. It stifles entrepreneurship and risk-taking, it just puts everybody into boxes and silos into which the grantees then have to fit themselves. And it's just not a good way to fund I don't think. But it's the majority of the way funding is done right now. I would encourage foundations not to be so hung up on professionalising the industry. By all means be businesslike, but don't professionalise your process to the point where the NGO community spends around 40% of its budget just preparing requests and reporting on grants. I see it first hand from my side of the table, but also from the NGO side because I'm the chair of a number of organisations. So I know what is required for all these wonderful grants, and it's appalling to me.

#### **EFN** If you were going to give some advice to a new funder coming into the field, what would it be?

**WM** Understand that there's not enough money in the world to cover all the ills. If you really want to make a difference and have a philosophy that you want to espouse then keep your staffing minimal and be as involved in it physically and mentally as you can. Think entrepreneurially, but focus. Think about strategy. When we give a grant, we don't have a grant contract or anything, we're giving unrestricted money, and we only ask for one verbal report per year. The key is watching the overall performance of the organisation and the degree to which it accomplishes its mission.

#### **EFN** What do you see as the greatest challenges facing philanthropy today?

**WM** I think the biggest challenge is an unwillingness to take risk. You're going to have failures, but that's OK. In our society philanthropists are the only ones really who can afford to take risk and lose. We haven't succeeded with all our endeavours. I could tell you about a great \$2 million debacle that we tried, and which didn't work. But we learnt from that, and it made us better funders going forwards.

The other thing I see in the United States is the foundation community acting like lemmings. To begin with there were few funders investing in climate change, but all of a sudden everyone got on board with the result that all this funding was sucked up from the rest of the environmental community. And then there was a total failure at the national level to get a climate change bill passed. That money began to disappear. What I see now is foundations moving towards marine funding and all of a sudden all of the lemmings are going into marine. It's a fascinating thing to watch.

## PART C: WHICH ISSUES RECEIVE THE MOST GRANTS?

### ISSUE FOCUS FOR FOUNDATION AND LOTTERY GRANTS

The distribution of philanthropic grants from the foundations to each thematic issue is shown in Table 8 and in Chart 4. Table 9 and Chart 8 on page 29 break the lottery grants down in the same way. We offer the same caveat as in earlier editions, that it is not possible to be certain that all relevant foundations have been included in the dataset, which means that the figures on these two pages only relate to the 180 foundations on which we have focused.














As in previous years, *biodiversity and species preservation*, and *agriculture and food* are the thematic issues receiving the largest shares of grants by value, with 25.6% and 15.4% respectively when data for 2010/11 and 2011/12 are combined. *Biodiversity and species preservation* is also the thematic issue receiving by far the largest number of grants from foundations, with 1,268 across the two years, more than double the number of grants given to

any other thematic issue. The species receiving the most support are shown on pages 26 and 27.

Beyond these two top categories there have been notable changes in the way in which grants are allocated. *Climate and atmosphere* is now the thematic issue receiving the third-largest share of grants, at 12.2% for 2010/11 and 2011/12 combined. This represents a continuation in the steady increase in the share of funding given to this issue that was noted in the previous edition. When the first edition of *Where the Green Grants Went* was published (using 2002/3 data) just 2-3% of UK environmental philanthropy was being directed to work on *climate and atmosphere*, a share that did not increase much until after 2007.

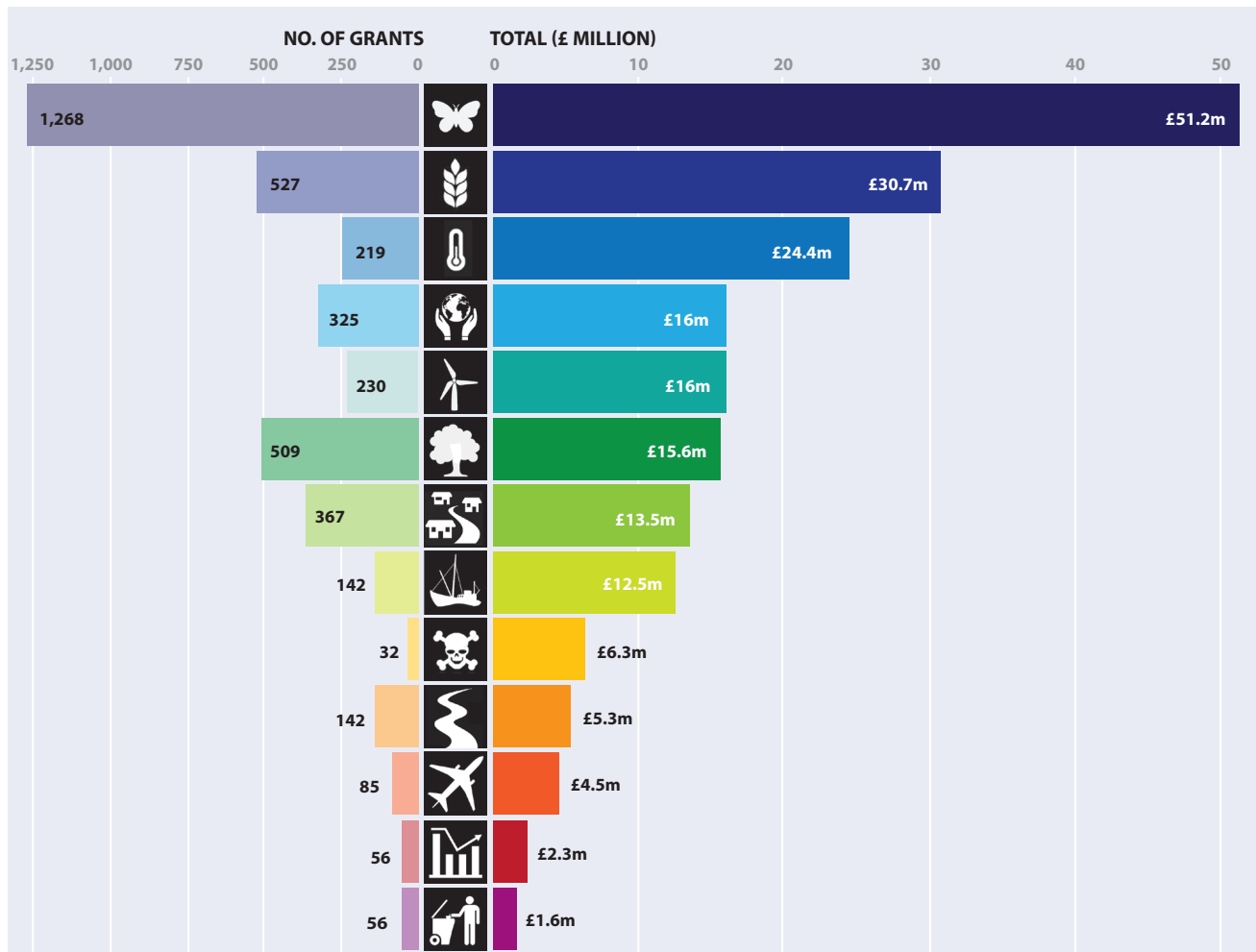
Following on from the approach of previous reports, a broader estimate of the funding being directed to climate change mitigation can be

**Table 8:** Distribution of foundation grants by thematic issue, 2010/11 and 2011/12

	2010/11			2011/12		
	No. of grants	Total (£)	%	No. of grants	Total (£)	%
 Biodiversity and species preservation	663	23,688,430	27.2	605	27,503,496	24.4
 Agriculture and food	254	15,952,796	18.3	273	14,773,389	13.1
 Climate and atmosphere	121	10,932,813	12.5	98	13,448,776	11.9
 Multi-issue work	165	5,484,391	6.3	160	10,558,400	9.4
 Energy	97	3,286,310	3.8	133	12,685,699	11.3
 Terrestrial ecosystems and land use	244	7,695,751	8.8	265	7,868,288	7.0
 Sustainable communities	204	6,192,441	7.1	163	7,356,019	6.5
 Coastal and marine ecosystems	59	4,242,037	4.9	83	8,237,920	7.3
 Toxics and pollution	17	2,813,475	3.2	15	3,534,977	3.1
 Fresh water	73	3,262,223	3.7	69	2,047,832	1.8
 Transport	50	2,269,551	2.6	35	2,192,930	1.9
 Trade and finance	31	1,226,497	1.4	25	1,115,625	1.0
 Consumption and waste	21	197,262	0.2	35	1,433,737	1.3
<b>TOTAL</b>	<b>1,999</b>	<b>87,243,976</b>	<b>100</b>	<b>1,959</b>	<b>112,757,090</b>	<b>100</b>



## WHERE THE GREEN GRANTS WENT 6

**Chart 4:** *Distribution of foundation grants by thematic issue, (2010/11 and 2011/12 combined)*

obtained by adding together the totals for the three categories of *climate and atmosphere*, *energy* and *transport*. This also shows an upward trend:

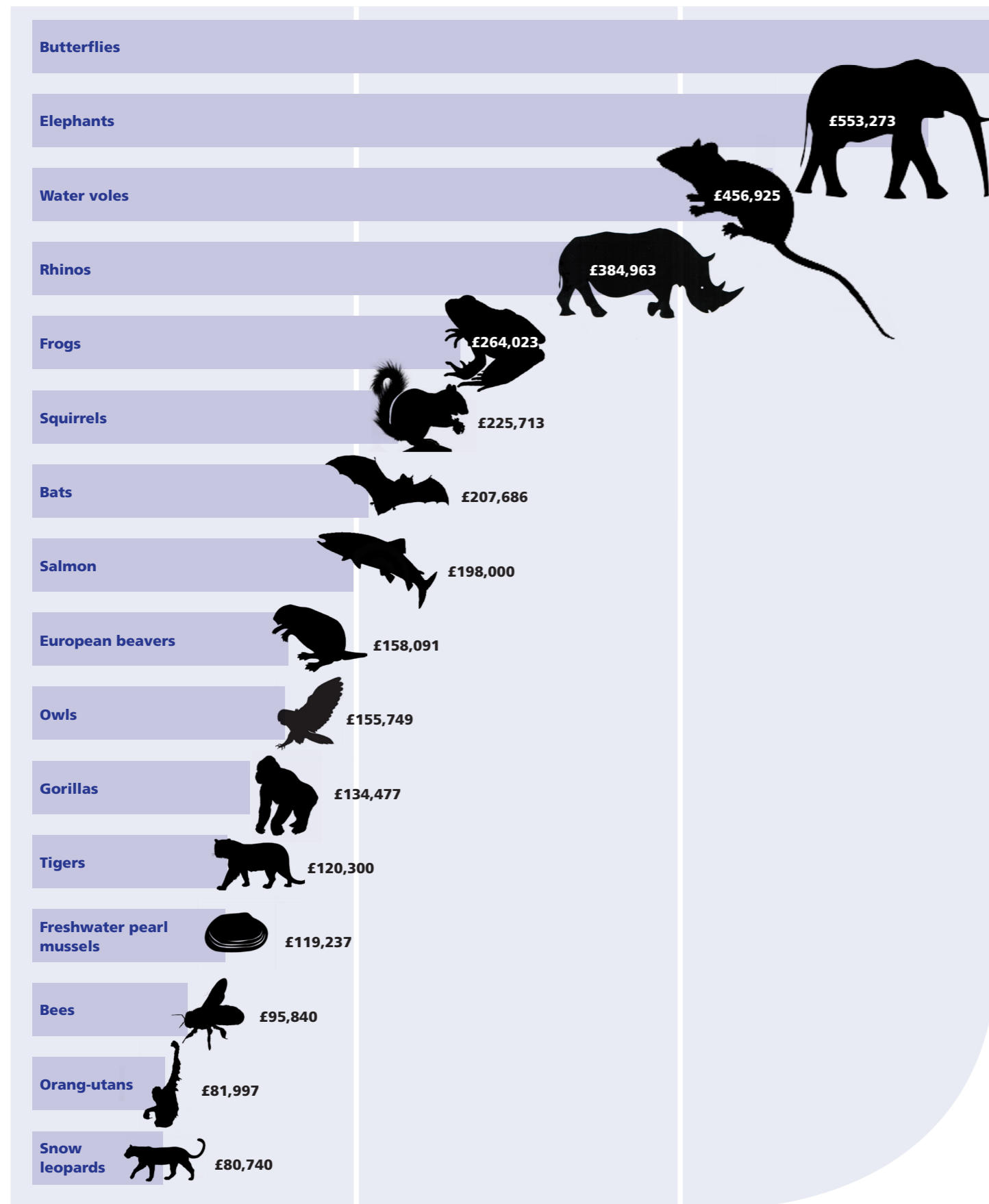
18.6% in 2009/10  
 18.9% in 2010/11  
 25.1% in 2011/12

While we welcome the increase in grants for climate change mitigation it seems important to set these in the context of broader societal priorities. The total given by the 180 foundations in the categories of *climate and atmosphere*, *energy* and *transport* in 2010/11 and 2011/12 amounted to £44.8 million, just enough to buy one leg of footballer Gareth Bale following his world record-breaking transfer to Real Madrid.<sup>17</sup>

In contrast to increasing funding for climate mitigation there has been a relative decline in the share of philanthropic funding directed to *terrestrial ecosystems and land use* initiatives over the past five years, with fewer projects funded and the share of grants falling from 14.8% in 2007/08 to just 7.0% in 2011/12. The number of grants in the sub-categories of ‘woods’ and ‘forests’ has also been decreasing.

As in previous years, the share of philanthropic grants directed towards work on systemic drivers of environmental harm, such as *consumption and waste* and *trade and finance* remains vanishingly small.<sup>18</sup> Across the two years 2010/11 and 2011/12 just 0.8% of UK philanthropic giving to environmental causes was directed towards work on *consumption and waste*.

Chart 5: Foundation grants supporting species-based work



**Note:** To create this graphic we coded all biodiversity and species preservation grants from foundations where the grant description provided information about the flora or fauna that were the focus of the grant. The taxonomic categories used are not strictly consistent from a scientific point of view, but correspond well to those used by the foundations, and were selected primarily for illustrative purposes.

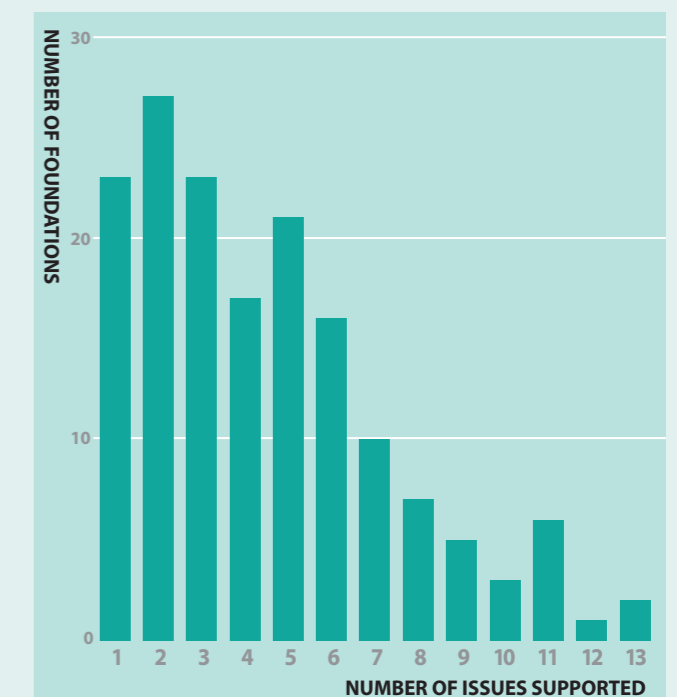
### HOW FOCUSED IS FOUNDATION FUNDING?

As Chart 6 shows, the majority of foundations operate a fairly focused giving strategy, only making grants in a few of the 13 thematic issue categories.

The median number of thematic issues in which foundations were active was three, and the most common number of issue categories was two. Out of the 180 foundations featured in this report, only 12 made grants in 10 or more of the thematic categories. These funders can be characterised as ‘gift-givers’, using the typology set out in *Where the Green Grants Went 4*.<sup>19</sup> There appears to be no clear correlation between the number of different categories supported and total grantmaking or average grant sizes, suggesting that foundations of all sizes pursue diverse giving strategies.

It is not surprising that certain thematic issues were commonly found together in a foundation’s giving portfolio. For example, *terrestrial ecosystems and land use*, *coastal and marine ecosystems*, and *biodiversity and species preservation* were grouped together in the majority of instances, as were *energy and climate and atmosphere*.

Chart 6: The majority of foundations focus on four or less thematic categories



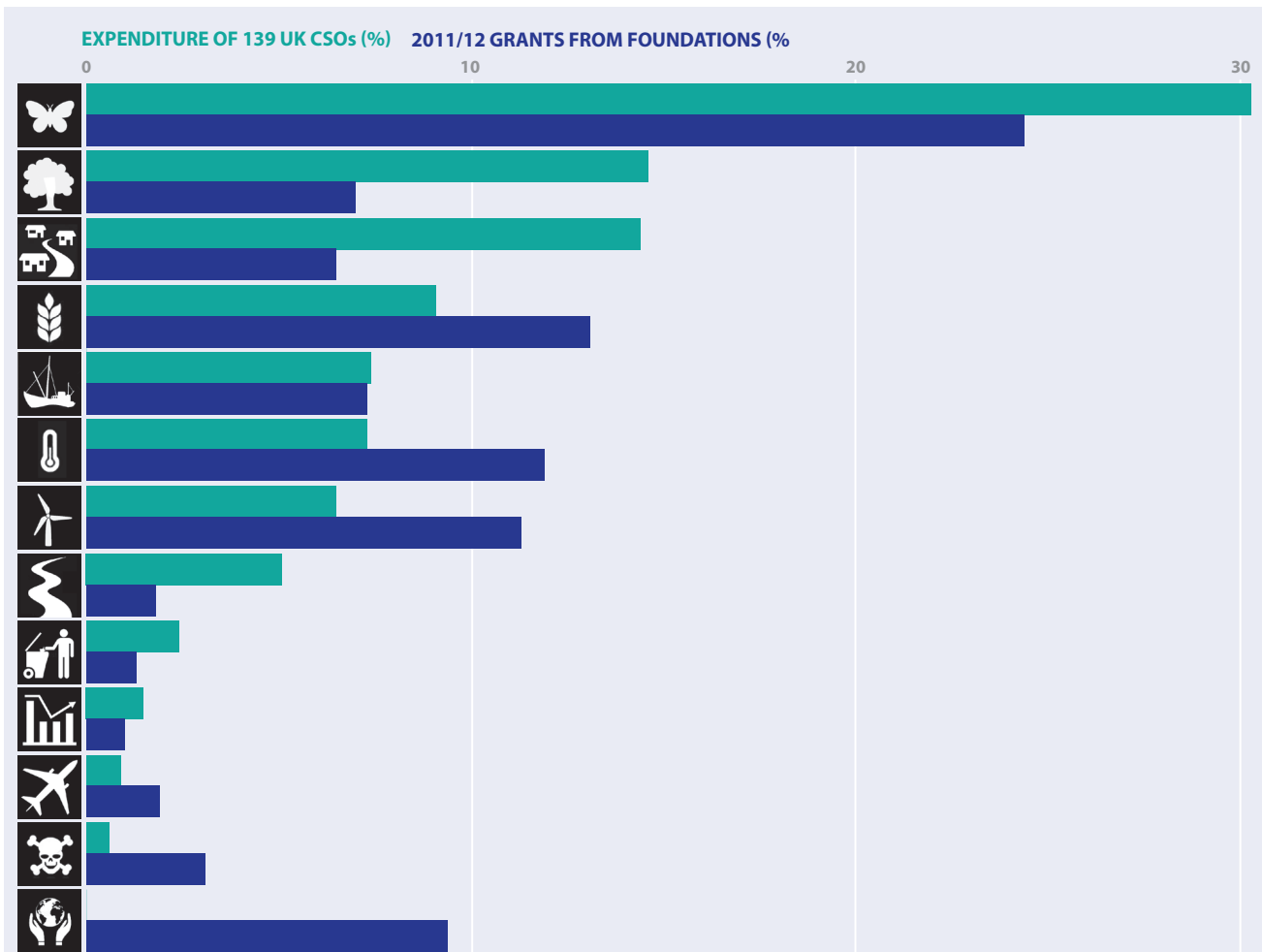
## Comparison of foundation and CSO expenditure priorities

Chart 7 compares the allocation of foundation grants by thematic issue in 2011/12 with the way in which the 139 CSOs featured in *Passionate Collaboration?* prioritised their expenditure. It shows that philanthropists are putting a larger share of their funding into work relating to climate change than are their grantees, with 22.4% of foundation grants falling in the categories of *climate and atmosphere*, *energy* and *transport* compared to just 14.7% for the CSOs. *Agriculture and food* also seems to be more of a priority for foundations than for their grantees (15.4% versus 9.1%). The CSOs, by contrast, are spending relatively more in the categories of *sustainable communities*, *terrestrial ecosystems and land use*, and *biodiversity and species preservation*.

### WHAT ARE THE IMPLICATIONS?














*The grantmakers interviewed in this report highlight the benefits of a tight focus on a limited number of issues, enabling a funder to develop in-depth knowledge of the terrain on which they are making grants. It appears that most UK foundations making environmental grants are fairly focused in the way they work, certainly in terms of thematic issues. Is there a risk that this is creating too much of a 'silo-ed' grants market, where cross-cutting initiatives are unable to secure the kind of flexible funding that foundations are particularly well placed to provide? Respondents to the *Passionate Collaboration?* survey identified this as a problem, as evidenced by the quotes in Appendix A. How should funders respond?*

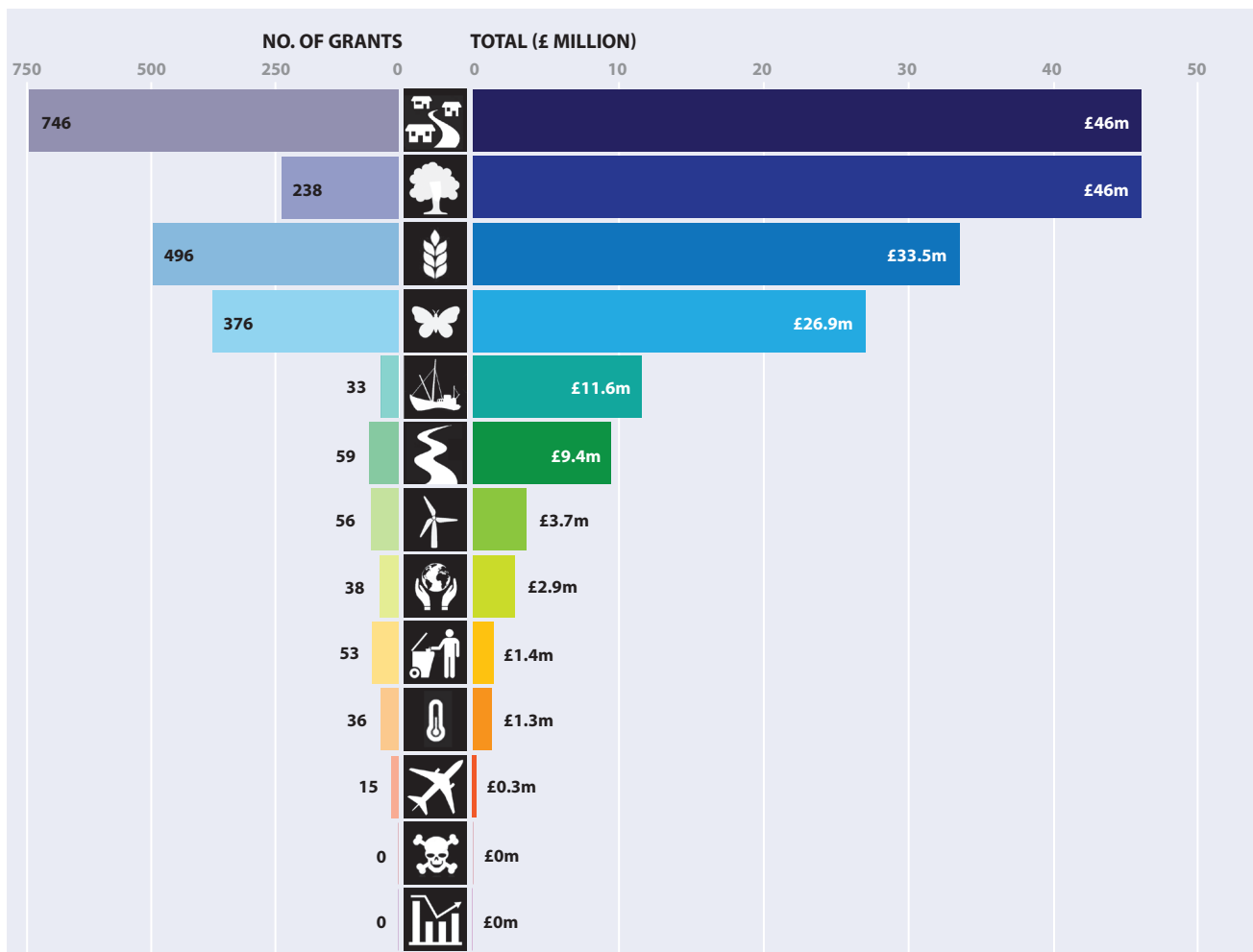
**Chart 7:** Comparison of thematic issue focus for foundations and environmental CSOs (2011/12 only)



## WHERE THE GREEN GRANTS WENT 6

**Table 9:** Distribution of lottery grants by thematic issue, 2010/11 and 2011/12

	2010/11			2011/12		
	No. of grants	Total (£)	%	No. of grants	Total (£)	%
 Sustainable communities	434	31,364,565	30.7	312	14,591,752	18.0
 Terrestrial ecosystems and land use	124	24,047,619	23.6	114	21,938,814	27.1
 Agriculture and food	227	13,851,953	13.6	269	19,651,201	24.3
 Biodiversity and species preservation	287	13,097,667	12.8	89	13,773,634	17.0
 Coastal and marine ecosystems	20	7,332,232	7.2	13	4,274,738	5.3
 Fresh water	32	6,354,053	6.2	27	3,049,789	3.8
 Energy	25	2,142,505	2.1	31	1,517,907	1.9
 Multi-issue work	31	2,863,030	2.8	7	80,929	0.1
 Consumption and waste	33	909,678	0.9	20	473,251	0.6
 Climate and atmosphere	7	49,222	0.0	29	1,240,250	1.5
 Transport	5	60,410	0.1	10	286,924	0.4
 Toxics and pollution	0	0	0.0	0	0	0.0
 Trade and finance	0	0	0.0	0	0	0.0
<b>TOTAL</b>	<b>1,225</b>	<b>102,072,934</b>	<b>100</b>	<b>921</b>	<b>80,879,189</b>	<b>100</b>

**Chart 8:** Distribution of lottery grants by thematic issue (2010/11 and 2011/12 combined)

## FOUNDATION AND LOTTERY GRANTS COMBINED

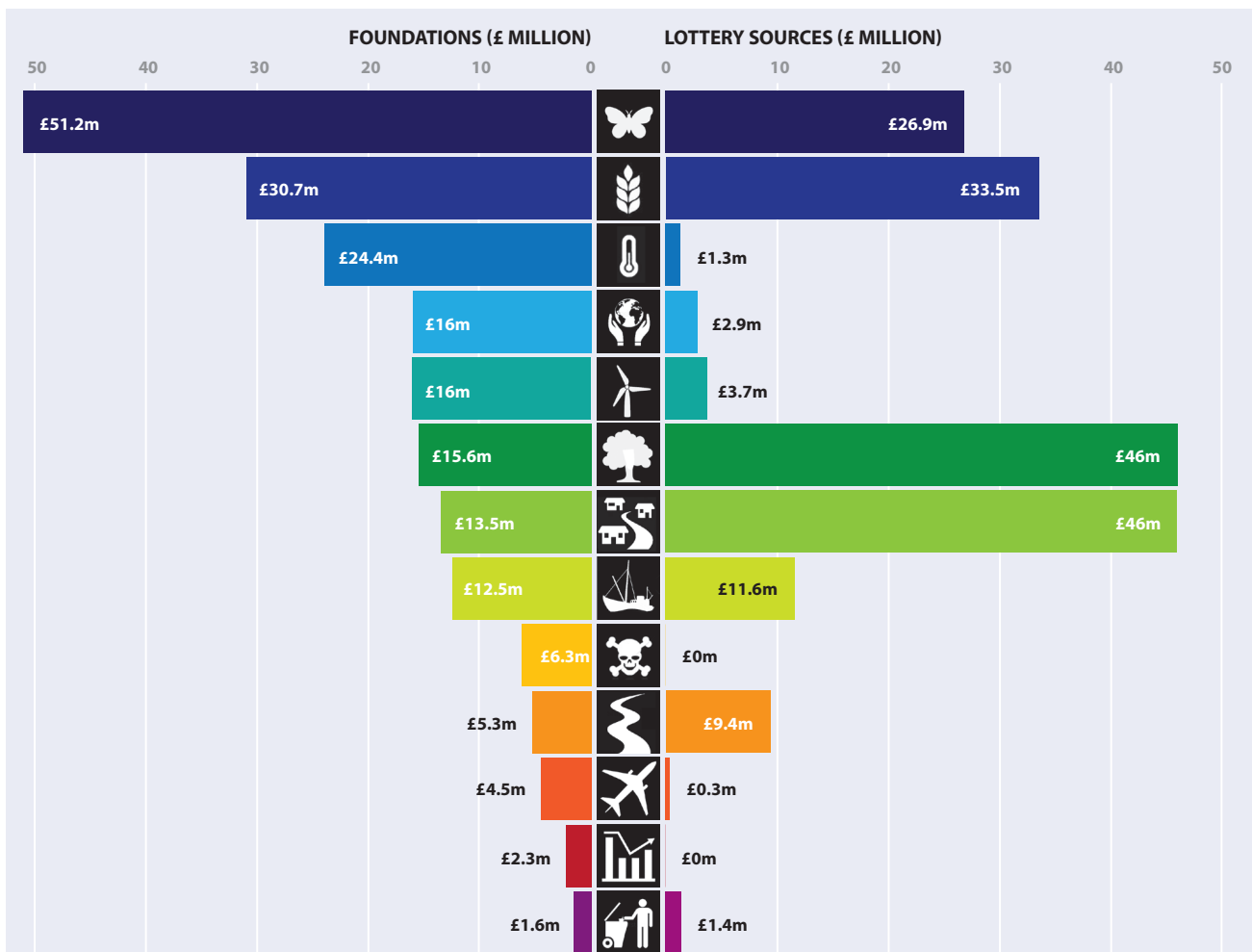
Chart 9 shows what happens when we compare the grants from the foundations and the lottery and break them out into the 13 thematic issue categories.

Compared to philanthropic funding it is clear that lottery grants are more heavily concentrated in just four thematic issue categories. *Agriculture and food, biodiversity and species preservation, sustainable communities, and terrestrial ecosystems and land use* together account for 80.7% of lottery environmental grants in 2010/11 and 86.5% in 2011/12. Lottery programmes are giving a significantly higher priority to work

with *sustainable communities* and on *terrestrial ecosystems and land use* than is the case for foundations.

Two of the thematic issue categories, *toxics and pollution* and *trade and finance* did not receive any grants from lottery programmes in either year, and the categories of *climate and atmosphere* and *consumption and waste* received just 0.7% and 0.8% of lottery environmental grants respectively. For understandable reasons lottery grants are focused on delivering ‘on-the-ground’ benefits to members of the public who buy lottery tickets. This means, however, that the more systemic drivers of

**Chart 9:** Comparison of foundation and lottery grants by thematic issue (2010/11 and 2011/12 combined)



## WHERE THE GREEN GRANTS WENT 6

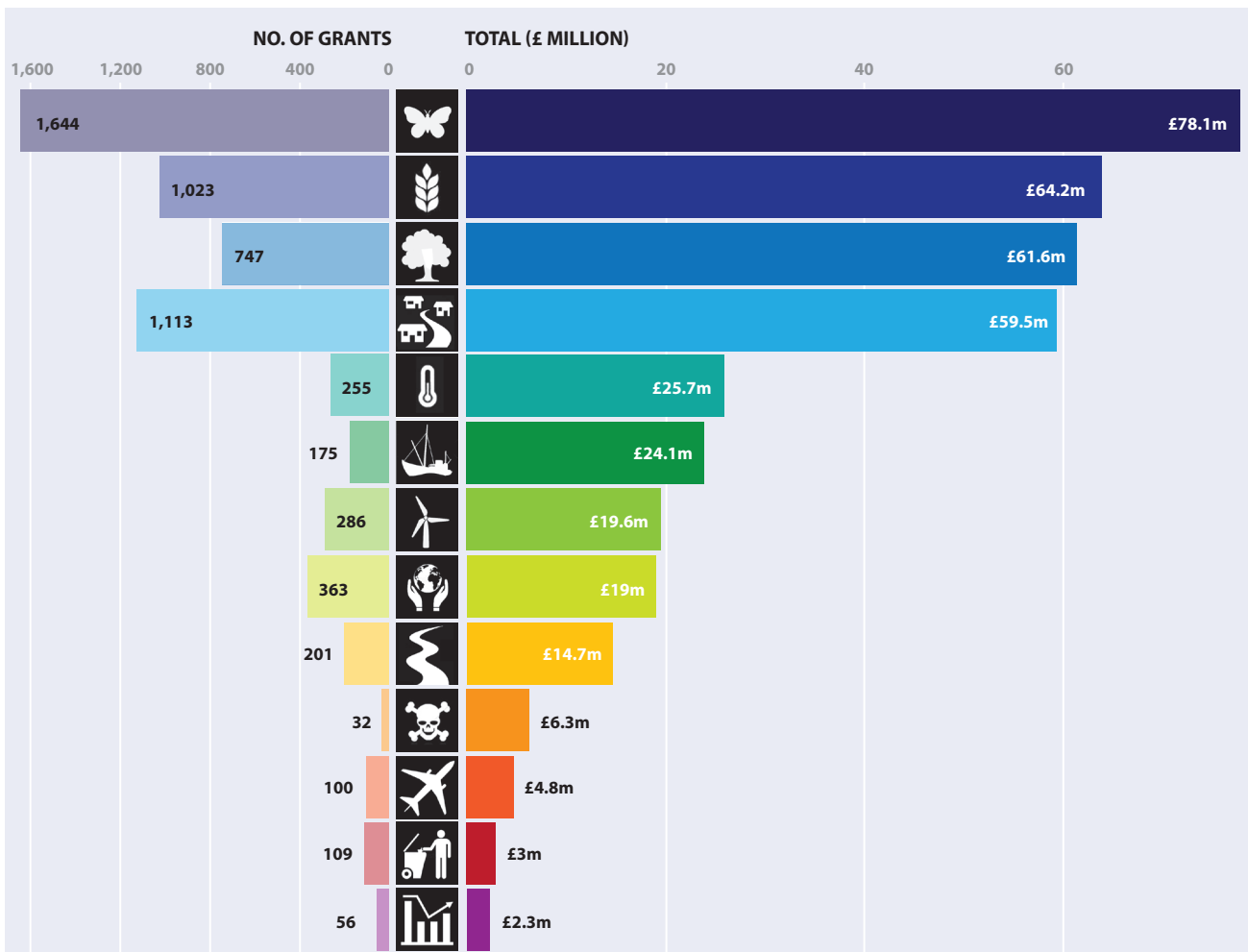
environmental damage are an even lower priority for lottery programmes than for foundations. When lottery grants to the thematic issues of *climate and atmosphere*, *energy* and *transport* are combined they amount to just £2.3 million in 2010/11, and £3.0 million in 2011/12. For the two years taken together the share of grants directed to these three thematic issue categories is 2.9% of total lottery funding, compared to 24.2% for the foundations.

Chart 10 combines the grants from the foundations with those from the lottery, for the two years 2010/11 and 2011/12. The fact that the lottery grants are heavily concentrated into four of the thematic issue categories means that these four categories come out top in Chart 10. In descending order they are *biodiversity and species preservation*

(20.4%), *agriculture and food* (16.8%), *terrestrial ecosystems and land use* (16.1%) and *sustainable communities* (15.5%). Together these four categories account for £263 million across the two financial years, or 68.8% of the total grants made.

The lack of funding for work around systemic issues such as *consumption and waste*, or *trade and finance* becomes even clearer when grants from foundations are combined with those from the lottery. Together these two categories accounted for less than 1.5% of all the grants given, with under £5.5 million allocated to them. With less than £5 million the *transport* category accounted for just 1.3% of grants from philanthropy and the lottery, despite the transport sector's significant impacts on the environment and human health.

**Chart 10:** Foundation plus lottery grants, thematic issues (2010/11 and 2011/12 combined)



### WHAT ARE THE IMPLICATIONS?

*If the funding community is to respond to the needs identified in Passionate Collaboration? with respect to work on systemic challenges like redefining economic growth and progress then it is abundantly clear that foundations need to take a lead role. With the lottery's environmental grants likely to remain focused on projects with tangible*

*benefits for members of the public there is a very real resource 'gap' that foundations are arguably best placed to fill. Although foundation grants tend to be smaller than those from both the lottery and public sector funding programmes, they have particular value in terms of 'responsiveness' and their potential for supporting less mainstream work.*

## ISSUE FOCUS FOR PUBLIC SECTOR GRANTS

We were unable to get hold of grants-level data for most of the public sector programmes listed in Table 7, and have therefore not been able to allocate the different funding streams to the 13 thematic categories with the level of accuracy achieved for the foundation and lottery grants. We have, however, attempted a 'top-level' categorisation which captures the overall focus of the programmes. The results are shown in Table 10 below.

**Table 10:** Public sector grants programmes, thematic issue breakdown (2010/11 and 2011/12 combined)

Thematic category	Amount granted over two years (£)	% of total
Terrestrial ecosystems and land use	97,047,007	46.6
Energy	49,325,037	23.7
Multi-issue work	25,229,006	12.1
Climate and atmosphere	15,260,000	7.3
Trade and finance	11,200,000	5.4
Biodiversity and species	7,833,333	3.8
Fresh water	2,000,000	1.0
Consumption and waste	492,594	0.2
<b>TOTAL</b>	<b>208,386,977</b>	<b>100</b>

This shows that the main focus of the programmes set out in Table 7 is on landscape-scale conservation and biodiversity work, with 11 of the 23 programmes listed corresponding most closely to the thematic categories of *terrestrial ecosystems and land use* or *biodiversity and species preservation*. A further five of the programmes were categorised as *multi-issue* and these often incorporated some kind of biodiversity-related and landscape-based activities, in addition to work that we would normally include under the *sustainable communities* heading, such as environmental education initiatives or behaviour change projects carried out in urban settings. While grants from foundations towards *terrestrial ecosystems and land use* projects appear to have been falling in recent years (as shown in Part B), this remains an important focus for public sector programmes.

Our top-level analysis of the programmes in Table 7 suggests that no grants were being made in five of the 13 thematic issue categories. Public sector funding therefore seems to be even more focused on a limited set of issues than is the case for lottery or foundation grants. As with the grants from foundations and lottery sources, the sums available for work around *consumption and waste* are absolutely tiny as a proportion of the £208.4 million granted over the two years.

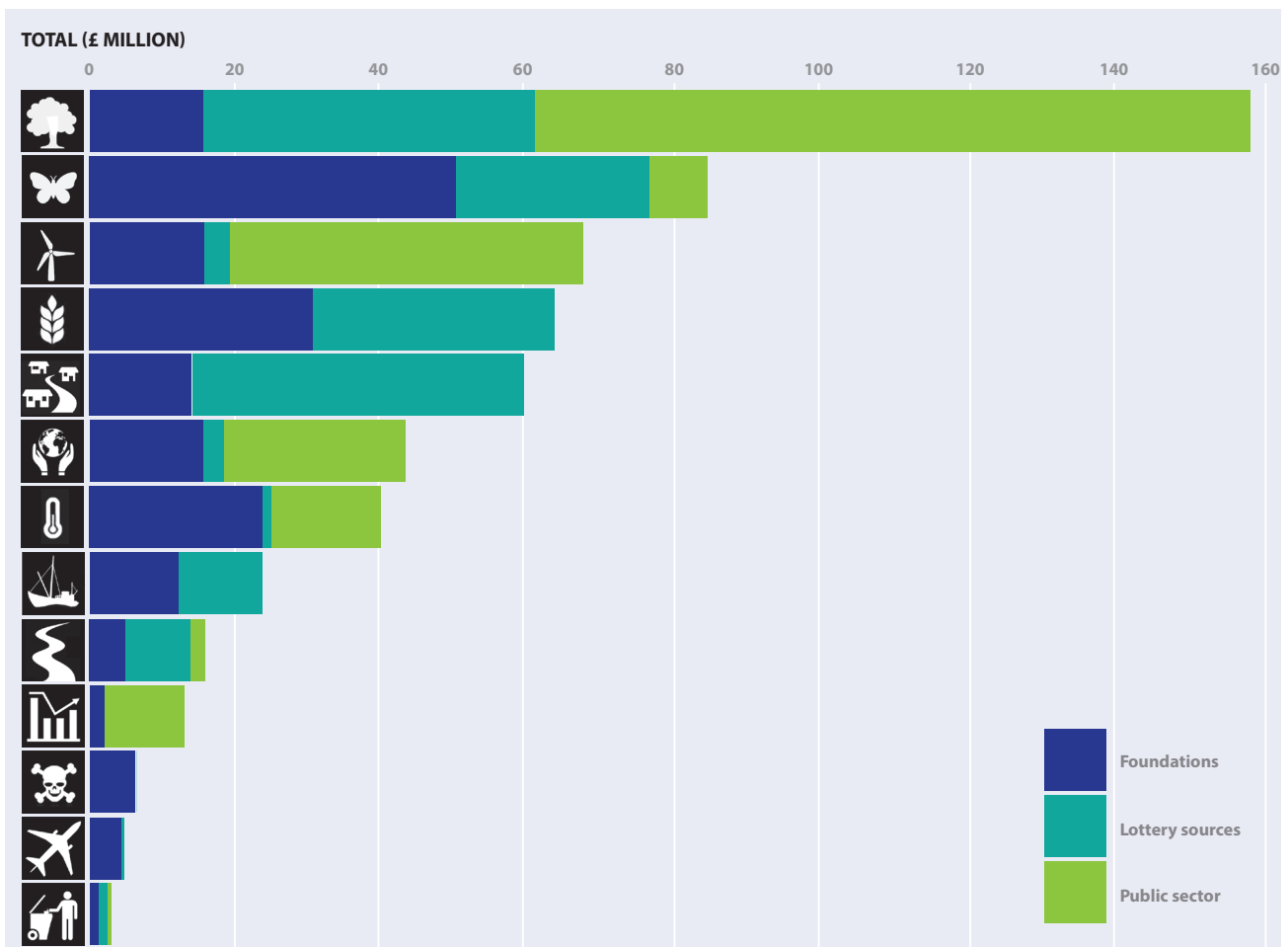
## ISSUE FOCUS FOR GRANTS FROM ALL THREE SOURCES

If we combine the data on thematic issues from the three different funding sources then we arrive at Chart 11 below.

The chart shows that ‘natural environment’ initiatives receive the largest share of support when grants from foundations, the lottery and the public sector are added together, with grants to the categories *terrestrial ecosystems and land use* and *biodiversity and species preservation* accounting for more than two-fifths of the available funding

(£244.5 million, or 41.3% of the total). By contrast the four ‘Cinderella’ categories of *trade and finance*, *toxics and pollution*, *transport*, and *consumption and waste* together account for just £28.2 million of all grants, or 4.8%. Foundation grants are particularly important in these four categories, and also account for more than 50% of the total funding in the categories of *biodiversity and species preservation*, *climate and atmosphere*, and *coastal and marine ecosystems*, and for close to 50% in *agriculture and food*.

**Chart 11:** Foundation, lottery and public sector grants by thematic issue (2010/11 and 2011/12 combined)





## REFLECTIONS ON PART C

The willingness of foundations to support diverse environmental issues comes across strongly in Part C, particularly when compared with the tighter thematic focus of grants from lottery and public sector sources. The dominance of the 'natural environment' categories of *terrestrial ecosystems & land use* and *biodiversity & species preservation* also stands out, when grants from all three sources are added together. Chief executives responding to the *Passionate Collaboration?* survey strongly endorsed the need for more resources to be spent on systemic challenges such as redefining economic growth and 'progress'. It is hard for CSOs to raise money from members of the public for such work, because the work may lack tangibility, or may implicitly or explicitly challenge the behaviour of prospective donors. If foundations are not prepared to rise to the challenge then how are civil society groups going to secure the funding they need? As Jamie Arbib notes, foundations are uniquely well placed to take on these issues, as they can take risks and support innovative approaches. Should foundations be working collaboratively to make funds available to tackle the systemic drivers of environmental harm, leaving other grantmakers to support more mainstream work?

## UK ENVIRONMENTAL PHILANTHROPY COMPARED WITH THAT IN OTHER COUNTRIES

Since the last edition of this report the US Environmental Grantmakers Association has published the fourth volume of its *Tracking the Field*<sup>20</sup> research, and the European Foundation Centre has published a second volume of research tracking grantmaking by European environmental foundations.<sup>21</sup> These reports allow us to compare UK environmental philanthropy with that in other countries.

**Table 11:** Distribution of philanthropic grants to thematic issues, international comparison

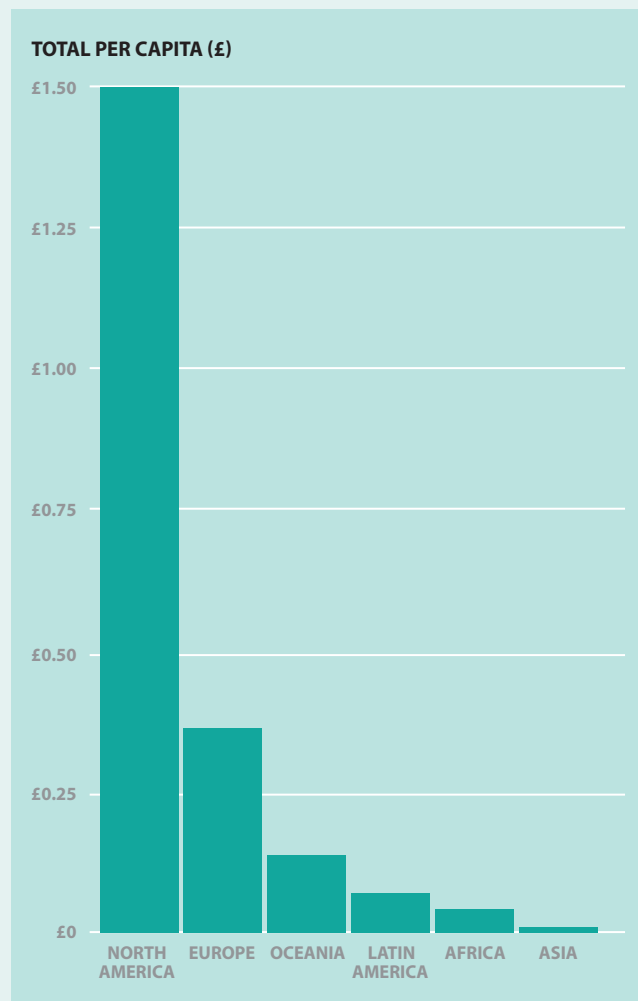
	<b>UK 2010-12 (%)</b>	<b>Europe 2011 (%)</b>	<b>USA 2010-11 (%)</b>
Biodiversity and species preservation	25.6	24.2	16.9
Agriculture and food	15.4	4.8	5.1
Climate and atmosphere	12.2	14.3	7.9
Energy	8.0	7.8	18.8
Multi-issue work	8.0	5.0	7.9
Terrestrial ecosystems and land use	7.8	12.3	12.3
Sustainable communities	6.8	2.8	3.1
Coastal and marine ecosystems	6.2	9.2	10.4
Toxics and pollution	3.2	1.5	1.6
Fresh water	2.7	6.3	7.1
Transport	2.2	4.2	3.2
Trade and finance	1.2	6.2	0.7
Consumption and waste	0.8	1.5	0.9
Other categories <sup>22</sup>	n/a	n/a	4.0
<b>TOTALS</b>	<b>100</b>	<b>100</b>	<b>100</b>

There are some notable differences, with European funders focusing more strongly on *biodiversity and species preservation* than their American counterparts, and also investing more into work on *climate and atmosphere*, but less into the *energy* category. *Agriculture and food* receives a much higher share of the grants from UK foundations (15.4%) than is the case for Europe as whole (4.8%) or the United States (5.1%). By contrast, work in the category *terrestrial ecosystems and land use* is more strongly supported by European foundations as a whole and by those in the United States.

The lack of funding from UK foundations for work on the systemic drivers of environmental damage has been referred to above. Table 11 makes it clear that foundations in both the United States and across Europe also have very little appetite for working on these issues. Work on *trade and finance* received less than 3% of foundation environmental grants on average<sup>23</sup>, while work in the category *consumption and waste* received just 1% when averaged across the three studies.

In order to explore the availability of environmental philanthropy in different continents we combined the grants from the UK, European and US research. The total grants given to each continent were then divided by the population of that continent, to give a per capita figure. Chart 12 below shows the results.

**Chart 12:** Per capita availability of environmental philanthropy, European and US foundations combined (2011)



The differences between the availability of philanthropic capital in different continents are very striking, with North America receiving nearly 180 times as much environmental philanthropy as Asia, when measured on a per capita basis. Domestic environmental philanthropy is developing quickly in some of the BRICS countries and in other emerging markets, but for the time being it doesn't come close to matching the volume of giving from foundations in North America and Europe. Given the speed with which the environmental footprint of countries like China and India is increasing there is a real need for philanthropic capital to flow both south and east, bringing with it the strengths identified in Part A.

## CONVERSATIONS WITH FUNDERS 3

### SARAH BUTLER-SLOSS: Ashden Trust and Ashden Awards



*Sarah set up the Ashden Trust, a Sainsbury Family Charitable Trust, in 1989 and is chair of the trustees. The trust has initiated and supported a wide range of environmental, sustainable development and social regeneration projects in the UK and the developing world.*

*She also founded the Ashden Awards for Sustainable Energy in 2001, now renamed Ashden, for which she is the founder director. Ashden's mission is to encourage the greater use of local sustainable energy to help combat climate change and poverty. Ashden rewards, promotes and supports best practice sustainable energy programmes in the UK and the developing world. Ashden runs one of the leading annual awards schemes in the field of sustainability, and past speakers at the Awards have included former US Vice-President Al Gore, Sir David King, Sir David Attenborough and the trust's Patron HRH The Prince of Wales.*

*Sarah is also a trustee of the sustainable development charity Forum for the Future and sits on a number of advisory panels on matters relating to sustainable energy and development.*

#### **EFN** Perhaps we could start by you telling me about the different environmental initiatives you are involved in?

**SBS** I wear two hats. Firstly, there's the Ashden Trust, which is a foundation that makes international environmental grants mainly focusing on avoided deforestation, and UK environmental grants focused on sustainable farming and transport. The trust also works to alleviate poverty by encouraging real sustainable development. And then the second hat I wear is for the Ashden Awards for which I'm the Founder Director, which runs an awards scheme [for local energy solutions], and works to promote and support our winners. It is a charity, not a foundation.

At Ashden Trust impact investing is a big issue for us, in terms of using our capital in a way that is aligned with our grants programme so we do not invest in any fossil fuel companies, for example, and 10% of all our capital goes into impact investing in relation to reforestation, renewable energy, and microfinance funds and enterprises.

We've also set up something called the Climate Change Collaboration with three of the other Sainsbury Family Charitable Trusts, and we've put some of our capital into this because climate change is such a big issue, and there our main focus is energy

efficiency and retrofit programmes in the UK.

We're also looking at sustainable finance, and at the cultural aspects of climate change. So we've been supporting research into how to communicate climate change and other environmental issues through the arts.

#### **EFN** How do you try to effect change when it comes to grantmaking?

**SBS** Well we try to find the real change-makers and then support them. Generally speaking, we fund small organisations that are able to move fast and where our funding will have a bigger impact. We don't generally give grants larger than £30,000 a year and we often make multi-year grants. I'm a great believer in providing at least three years of funding.

#### **EFN** What do you find most rewarding in terms of giving to the environment and to wider social issues?

**SBS** Through the Ashden Awards process we are seeing small organisations become really big players. So, for example, Grameen Shakti was one of our early winners. At that point they had 60,000 solar home systems installed. They now have 1.5 million installed and every one of those solar home systems is transforming at least five people's lives. All our Indian

winners now have access to policymakers in India, and having the Ashden name has a huge impact on them being able to engage with the government.

#### **EFN** What would you say was the most frustrating aspect of your environmental giving?

**SBS** It's really depressing to see how slowly change has happened. When I set the Ashden Trust up in 1990 I had no idea how strong the vested interests are compared to those pushing for environmental protection. I used to think, "show people the exemplars, show people what can be done, show people the huge benefits of renewable energy" and that will be enough. We've done that but on its own it still doesn't change things.

#### **EFN** Do you have any advice for either funders or grantseekers, given that you wear both hats?

**SBS** For grantseekers I would encourage people to really understand the foundations that they are approaching, rather than sending generic funding requests, and then to work with their funders. As a fundraiser I really enjoy working with a whole range of funders and what they bring in addition to money is often new and interesting ideas. I think that the ideal funder for the environmental movement is one who says: "I really respect what you're doing, I really like it, I want to fund you and what I'm particularly interested in is X and Y, and can we fund that." The hardest funder that I encounter is the one that says: "We're doing X, Y and Z, is there any chance you can do Z for us", which therefore means, change what you're doing to fit our agenda. So my biggest advice as a funder would be to fund organisations you really respect, rather than trying to change significantly what a charity is doing. There are some funders that we go to who

say: "We are wanting to sort out this problem" and you soon realise they are wanting to reinvent the wheel and don't seem to want to see or listen to what's happening on the ground. I think that's the biggest mistake a funder can make, going in with the belief that they know best. Listen to the people that are working on the ground. I've learnt this the hard way because the one really bad programme that we tried to set up involved working overseas on sustainable energy in schools and we tried to dictate to people on the ground and it didn't work at all. I learned a huge amount from that. We should have gone with the people that we thought were doing the best job on the ground and worked with them.

#### **EFN** What do you feel are the biggest challenges facing philanthropy today?

**SBS** I think the biggest challenge for environmental philanthropy is that there are so few environmental funders. Until recently we had a great fundraiser for Ashden, who had worked as a fundraiser for a long time, mainly for music and arts charities. He worked with us for five years and he was absolutely amazed at how difficult it was to fundraise for environmental organisations compared to the arts. He has gone back to fundraising for the arts. So it's tough for the environmental charities and it's tough for encouraging environmental funding because there isn't much of a direct incentive to fund in this area. If you're an arts charity then you can offer free concert tickets, DVDs etc. Someone gives you £10,000 and you offer them a series of nice events to attend. There isn't the equivalent for environmental funding. It doesn't bother me because that's not my incentive. My incentive as a funder is that I see a huge set of environmental challenges and I want to help address them and I want to see change. I'm not bothered by kudos or any of those give-backs but many funders are.

*"I think that the ideal funder for the environmental movement is one who says: I really respect what you're doing, I really like it, I want to fund you and what I'm particularly interested in is X and Y, and can we fund that."*

## PART D: THE GEOGRAPHIC FOCUS OF GRANTS

### FOUNDATION GRANTS ANALYSED BY COUNTRY

The environmental grants from the 180 foundations were distributed internationally as shown in the map below.

The distribution of foundation grants across the continents tends not to vary significantly from year to year, with the exception of a few large one-off grants, such as a £4 million grant on climate and atmosphere to Latin America in 2011/12. The proportion of grants supporting work in the United Kingdom remains around half of the total, averaging 52.3% for the two years combined.

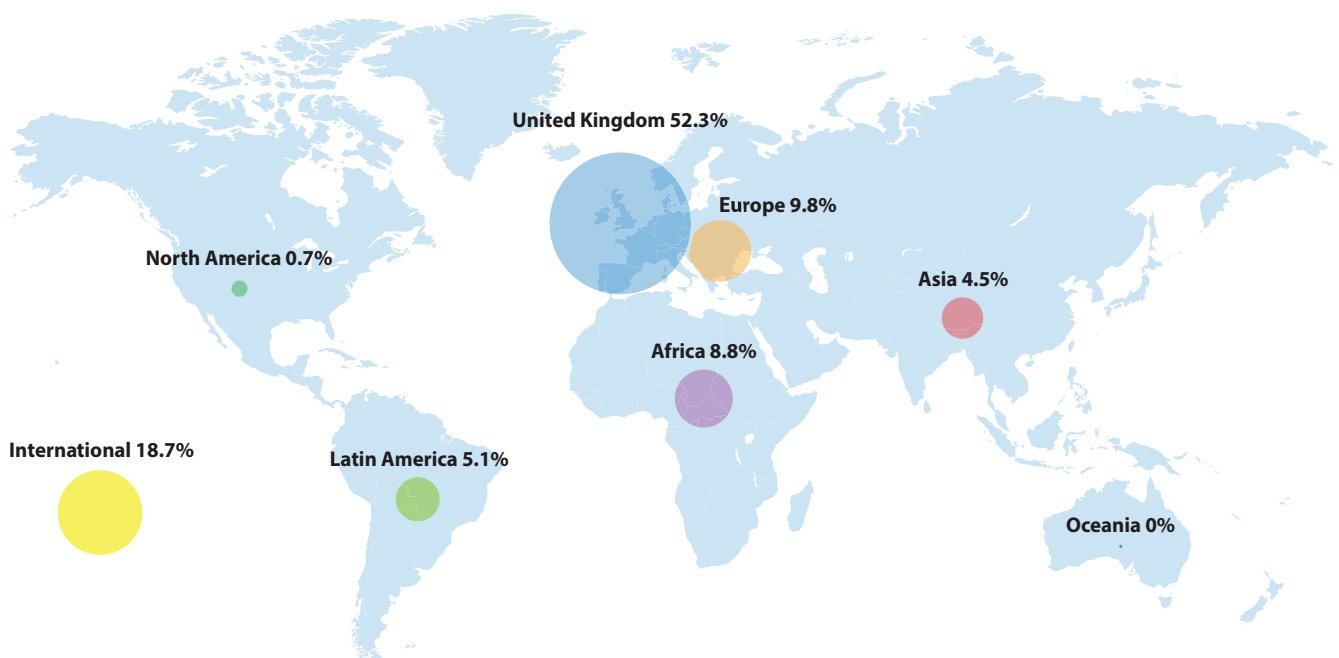
UK environmental philanthropy remains more internationally focused than that in other countries. The fourth edition of *Tracking the Field* reports that 61% of total US environmental philanthropy in 2011 was focused on work in the United States.<sup>24</sup> The foundations that are members of the Environmental Grantmakers Association were even more focused on funding US initiatives, with 75% of their environmental grants domestically focused in 2011.

It remains the case that UK foundations are more internationally oriented in their grantmaking than the CSOs that they support. Some 73.3% of the expenditure of the CSOs responding to the *Passionate Collaboration?* survey was directed to work within the UK, compared to 52.3% of foundation grants.

Environmental grants from UK foundations are distributed to a wide range of countries, with a total of 68 beneficiary countries identified in 2010/11 and 69 in 2011/12. Regional projects involving several countries are also funded, particularly in Africa.

Grants directed to organisations that carry out work internationally and with no details on the specific beneficiary country accounted for 16.5% of total foundation grants in 2010/11 and 20.4% in 2011/12. Large conservation organisations are major beneficiaries of this type of funding, as are university departments undertaking research on issues such as climate change, and award schemes that re-grant to projects internationally.

**Chart 13:** *Distribution of foundation grants by geographical region (2010/11 and 2011/12 combined)*



## WHERE THE GREEN GRANTS WENT 6

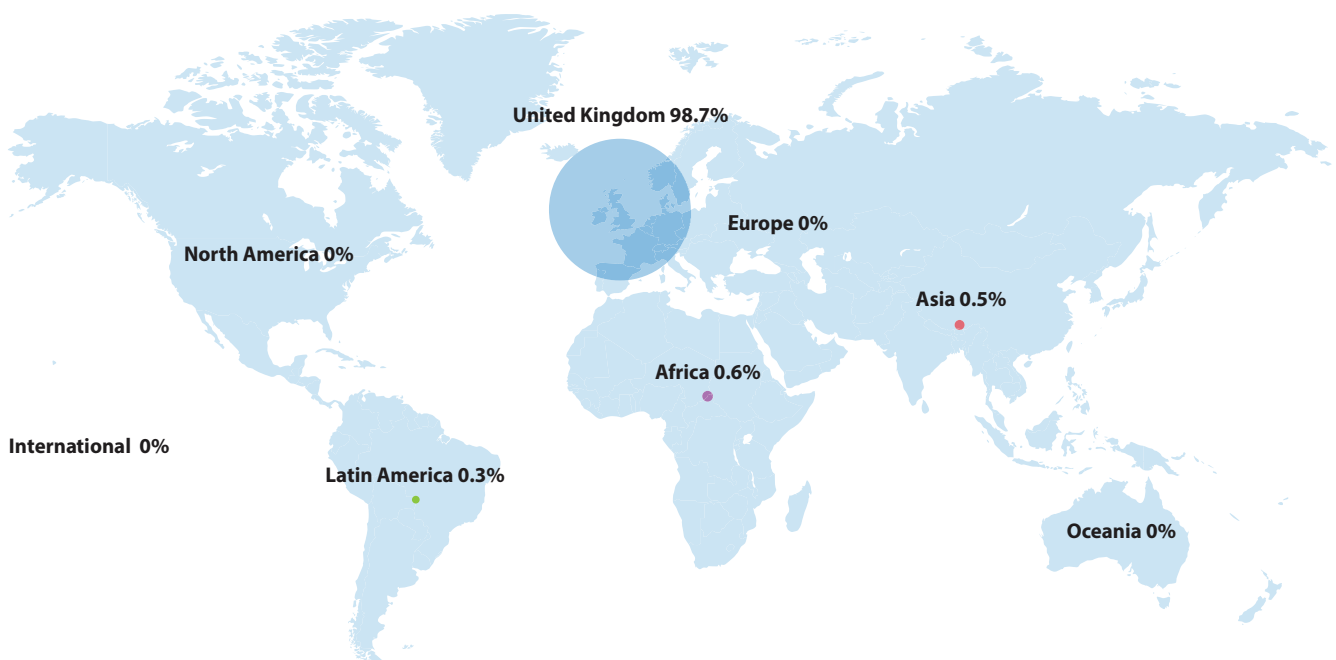
**Table 12:** *Distribution of foundation grants by geographical region, 2010/11 and 2011/12*

	2010/11			2011/12		
	No. of grants	Total (£)	%	No. of grants	Total (£)	%
Africa	134	8,779,350	10.1	147	8,869,695	7.9
Asia	76	2,931,338	3.4	87	6,122,705	5.4
Europe	72	9,210,532	10.6	63	10,369,417	9.2
International	187	14,360,505	16.5	202	23,043,542	20.4
Latin America	38	1,466,131	1.7	37	8,808,749	7.8
North America	21	925,008	1.1	18	476,399	0.4
Oceania	1	10,000	0.0	3	20,000	0.0
United Kingdom	1,470	49,561,112	56.8	1,402	55,046,582	48.8
<b>TOTAL</b>	<b>1,999</b>	<b>87,243,976</b>	<b>100</b>	<b>1,959</b>	<b>112,757,090</b>	<b>100</b>

**LOTTERY GRANTS ANALYSED BY COUNTRY**

As with the grants from the foundations, all 2,146 lottery grants were coded in terms of the country that they benefited. Chart 14 shows the distribution of grants at the continental level,

while Table 14 on page 43 shows the distribution of lottery grants at the sub-national level within the UK. Comparison is made with foundation funding below.

**Chart 14:** *Distribution of lottery grants by geographical region (2010/11 and 2011/12 combined)*

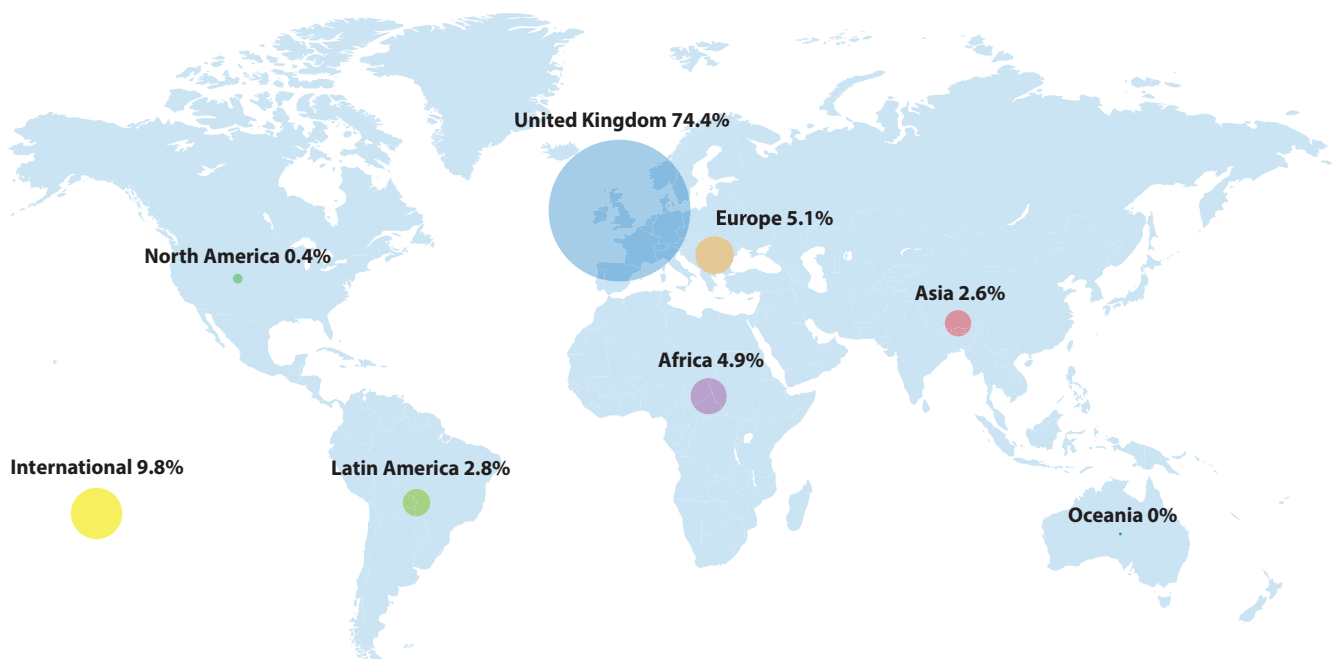
## FOUNDATION AND LOTTERY GRANTS COMBINED

As with thematic focus, the geographical distribution of lottery grants is very different to that from foundations. For 2010/11 we identified just one environmental grant from the lottery that was supporting work outside the UK and for 2011/12 we found just 14 international grants worth £2.4 million, compared to £78.4 million directed domestically. Across the two years, 98.7% of lottery environmental grants went to work benefiting the UK, with the remaining 1.3% split between Africa, Asia and Latin America. None of the lottery's environmental grants were directed to work in continental Europe, North America, Oceania, or at an international level.

### WHAT ARE THE IMPLICATIONS?

*As with thematic focus the geographical distribution of lottery grants is completely understandable given that it is members of the UK public who are buying the tickets. The implications for foundations are, however, important, as this means that philanthropic grants are one of the few sources of grant funding for initiatives outside the UK. Foundations grants can represent a vital source of capital for strengthening civil society internationally.*

**Chart 15:** Foundation plus lottery grants, geographical distribution (2010/11 and 2011/12 combined)



## PUBLIC SECTOR GRANTS ANALYSED BY COUNTRY

Given the lack of grants-level data for the programmes listed in Table 7 we have not attempted a detailed geographical breakdown of the grants being made by public sector bodies. The programmes being managed by the Department for International Development and the Foreign & Commonwealth Office (FCO) are, not surprisingly, international in their focus, and in the case of the FCO are targeted at countries that are increasingly

important economic and political actors, including Brazil, China, India, Mexico, Russia, South Africa, South Korea and Turkey. Together the DFID and FCO programmes amounted to £38 million across the two years, or 18.2% of the grants covered in Table 7. The remaining £170.4 million (81.8%) was directed at work within the United Kingdom, as compared to 98.7% for the lottery programmes, and just 52.3% for the foundations.

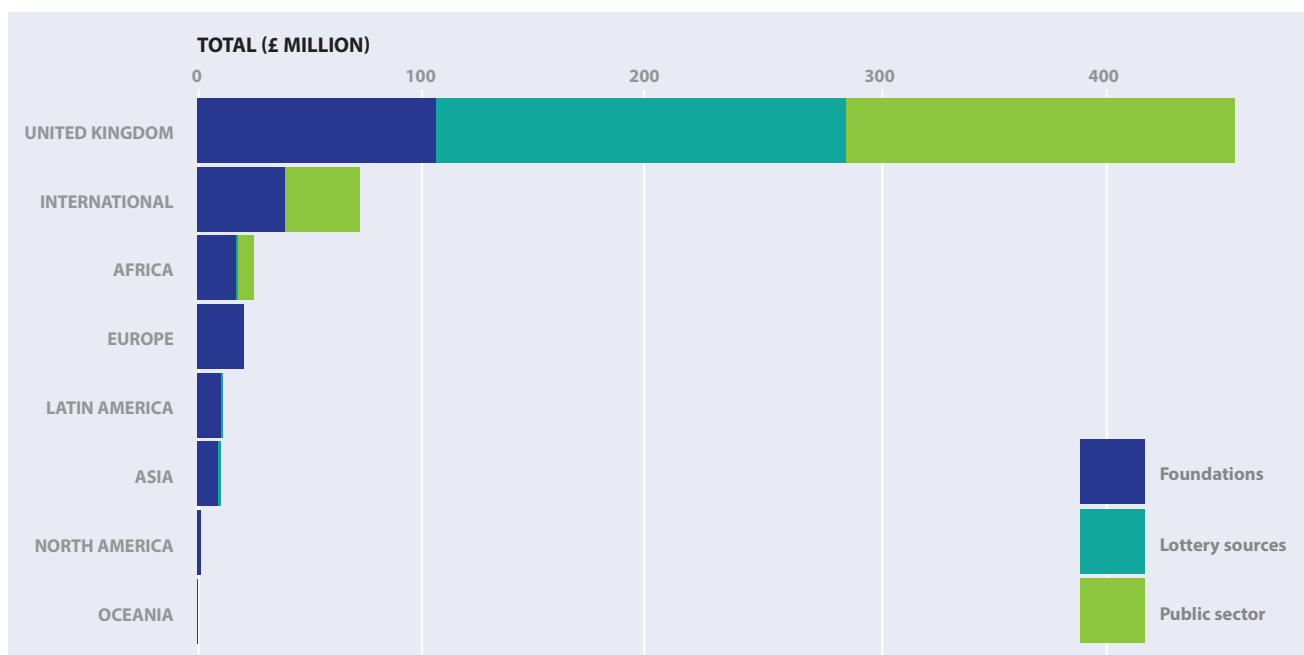
## COUNTRY FOCUS FOR GRANTS FROM ALL THREE SOURCES

If we combine the data on international funding from the three different funding sources then we arrive at Chart 16 below.

The very heavy concentration of funding on work within the UK is immediately clear, with 77% of the combined grants from foundations, lottery and the public sector supporting UK initiatives. Less than 2% of the funding supports work in Asia.

As with the systemic issues considered in Part C, the importance of foundation grants as a source of support for international work stands out. They account for more than 70% of the funding that we tracked for each of the continents shown in Chart 16, and 100% for continental Europe, North America and Oceania. By comparison they only account for 23% of the total funding being directed to initiatives in the UK.

**Chart 16:** *Foundation, lottery and public sector grants by continent (2010/11 and 2011/12 combined)*



## FOUNDATION AND LOTTERY GRANTS IN THE UNITED KINGDOM

Combining data from 2010/11 and 2011/12 we find that 2,872 foundation grants worth a total of £105 million were made to support environmental work in the UK. Of these, 1,228 grants worth £56.8 million (54.3%) supported work at the national level. The remaining 1,644 grants worth £47.8 million (45.7%) were directed to work within specific UK regions.

The proportion of UK grants being allocated to work at the national level has risen from 51.8% in the last edition, to 54.3% here. This may be a consequence of falling levels of environmental grants from smaller and medium-sized trusts, as noted in Part B above. Average grant sizes for national level work are significantly higher than for regional level work, at £46,282 as opposed to £29,059.

As Table 13 shows, London and the South West stand out as the regions receiving the largest shares of sub-national grants, both receiving 18.5% of grants by value. Scotland has witnessed a decrease in its share of funding, from 14.4% in the previous edition of this report to 9.9%, representing a fall in annual spending per capita from 58 pence to 45 pence.

Three of the four regions which typically receive the smallest share of grants (East Midlands, Northern Ireland, West Midlands, Yorkshire & the Humber) have seen small increases in environmental grants per capita, but without significant changes to the proportion of total funding that they receive. Average grant sizes vary from £46,400 for London down to just £14,500 for the North East. The South West receives the highest level of per capita environmental philanthropy, with 84 pence per person in 2011/12, more than four times as much as the West Midlands or Yorkshire and the Humber.

The major difference between foundation grants for projects in the UK and those made by the lottery (see Table 14 and Chart 17 opposite) is that more than half of the foundation grants made to UK organisations support work at the national level, whereas only 2% of the lottery grants supported national level work. Lottery-funded projects tend to operate at a community or regional level, with very few grants supporting the kind of national behaviour change or policy advocacy initiatives that foundations support.

**Table 13:** 'Sub-national' grants from foundations (2010/11 and 2011/12 combined)

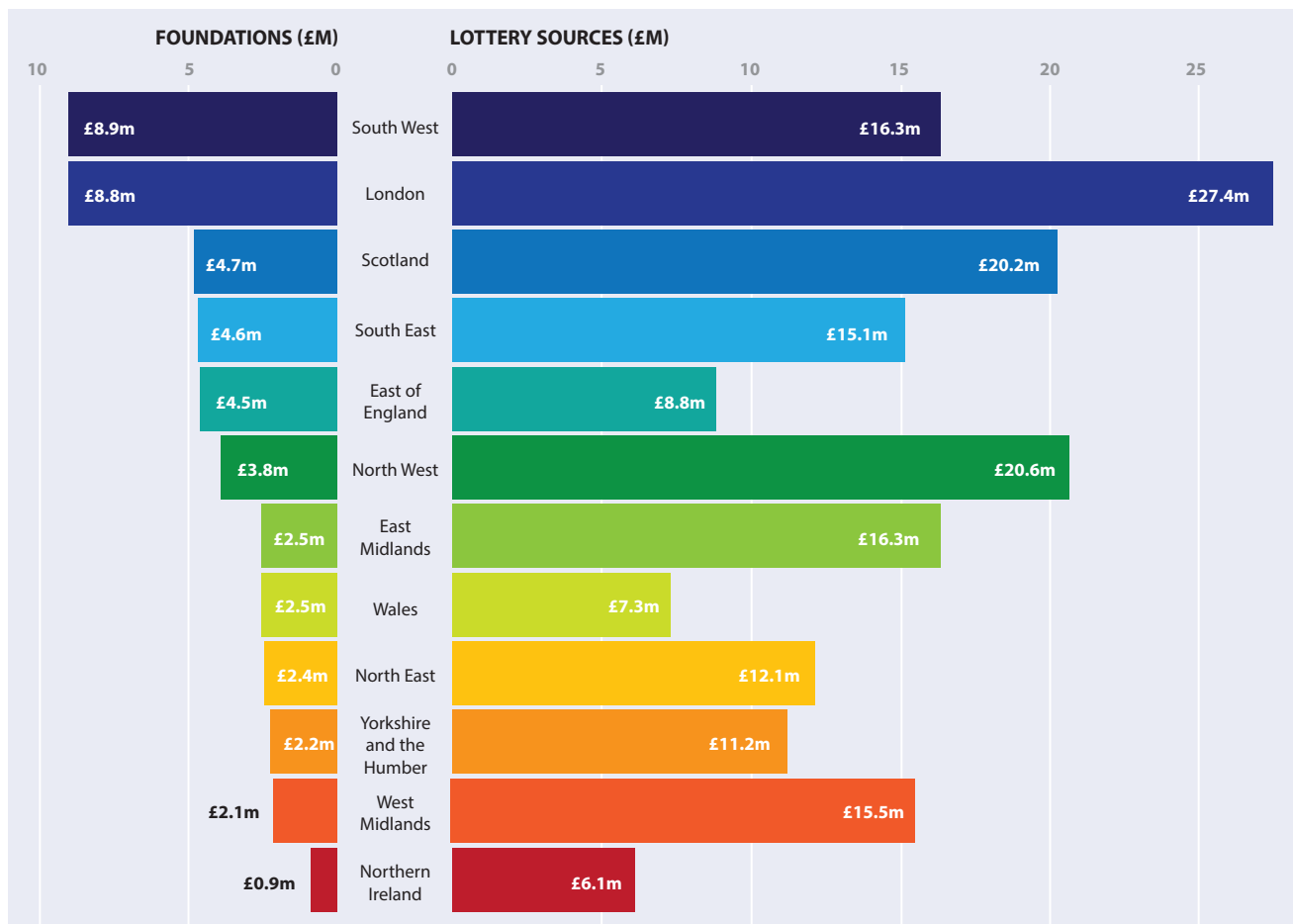
	No. of grants	Total (£)	% of sub-national grants	% of population	Per capita per annum
East Midlands	84	2,490,889	5.2	7.2	£0.27
East of England	157	4,512,307	9.4	9.3	£0.39
London	190	8,823,089	18.5	12.9	£0.54
North East	164	2,370,244	5.0	4.1	£0.46
North West	179	3,819,161	8.0	11.2	£0.27
Northern Ireland	21	856,528	1.8	2.9	£0.24
Scotland	196	4,713,117	9.9	8.4	£0.45
South East	179	4,560,544	9.5	13.7	£0.26
South West	229	8,850,340	18.5	8.4	£0.84
Wales	76	2,477,049	5.2	4.8	£0.40
West Midlands	89	2,094,290	4.4	8.9	£0.19
Yorkshire and the Humber	80	2,206,251	4.6	8.4	£0.21
<b>Total sub-national grants</b>	<b>1,644</b>	<b>47,773,809</b>	<b>100</b>	<b>100</b>	<b>n/a</b>



## WHERE THE GREEN GRANTS WENT 6

**Table 14:** 'Sub-national' grants from the lottery (2010/11 and 2011/12 combined)

	No. of grants	Total (£)	% of sub-national grants	% of population	Per capita per annum
East Midlands	171	16,266,270	9.2	7.2	£1.79
East of England	147	8,832,276	5.0	9.3	£0.76
London	207	27,423,302	15.5	12.9	£1.68
North East	146	12,081,550	6.8	4.1	£2.33
North West	320	20,638,344	11.7	11.2	£1.46
Northern Ireland	32	6,143,872	3.5	2.9	£1.70
Scotland	135	20,238,121	11.4	8.4	£1.91
South East	193	15,067,253	8.5	13.7	£0.87
South West	240	16,272,509	9.2	8.4	£1.54
Wales	65	7,283,004	4.1	4.8	£1.19
West Midlands	219	15,508,792	8.8	8.9	£1.38
Yorkshire and the Humber	233	11,152,921	6.3	8.4	£1.06
<b>Total sub-national grants</b>	<b>2,108</b>	<b>176,908,213</b>	<b>100</b>	<b>100</b>	<b>n/a</b>

**Chart 17:** Foundation and lottery grants to UK regions (2010/11 and 2011/12 combined)

## FOUNDATION AND LOTTERY GRANTS COMBINED

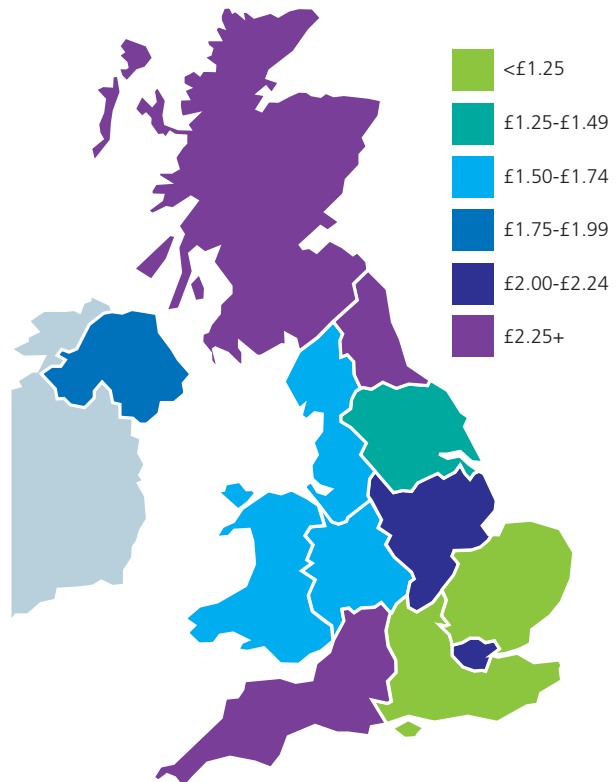
Table 15 below shows how foundation grants plus lottery grants break down across the UK regions. Chart 18 shows the per capita allocation of these grants. The average per capita funding for the whole of the UK is £1.85. The North East, South

West and Scotland are the regions receiving the largest amounts of funding per capita, while the East of England, South East, and Yorkshire and the Humber receive the least.

**Table 15:** Foundations plus lottery, grants to UK regions (2010/11 and 2011/12 combined)

	No. of grants	Total (£)	% of sub-national grants
East Midlands	255	18,757,159	8.3
East of England	304	13,344,583	5.9
London	397	36,246,391	16.1
North East	310	14,451,794	6.4
North West	499	24,457,504	10.9
Northern Ireland	53	7,000,400	3.1
Scotland	331	24,951,238	11.1
South East	372	19,627,797	8.7
South West	469	25,122,849	11.2
Wales	141	9,760,053	4.3
West Midlands	308	17,603,082	7.8
Yorkshire and the Humber	313	13,359,172	5.9
<b>Total sub-national grants</b>	<b>3,752</b>	<b>224,682,022</b>	<b>100</b>

**Chart 18:** Foundation and lottery grants combined, per capita per annum



### WHAT ARE THE IMPLICATIONS?

*In the Passionate Collaboration? report we found that nearly 43% of expenditure by UK environmental organisations is directed to work at the sub-national level in the UK. Chart 18 shows that foundation and lottery grants are unevenly distributed across the UK*

*in support of such activity, when analysed on a per capita basis. Are there opportunities for funders supporting work of this kind to collaborate with a view to increasing the level of funding to regions that are currently receiving less money?*

**REFLECTIONS ON PART D**

Part D has shown that foundation grants are much more internationally focused than those from either the lottery or public sector grants programmes. As such they represent a vital source of capital for strengthening civil society internationally. The difference in emphasis between grants to UK projects from foundations and from the lottery is also clear, with lottery projects much more focused on sub-national work within specific communities, rather than on the kind of behaviour change or policy advocacy initiatives that foundations support at the UK level. Should foundations look to work together more actively in the future to provide grant support to environmental organisations working in particular countries around the world, so as to take advantage of their greater ability to make grants outside the UK?

## CONVERSATIONS WITH FUNDERS 4

### HARVEY JONES: Pig Shed Trust



*Harvey's family were engaged in commercial inshore fishing in Chichester Harbour on the South Coast of the UK. He has first-hand knowledge of the motivations and experience of those working in this sector. He also has a degree in Drama.*

*In 1999, Harvey founded Wiggle, the online cycle retailer, remaining as managing director until 2009. Over that decade, Wiggle grew to employ over 100 people, and exported cycles and accessories worldwide. In 2004, private equity company ISIS acquired a stake in Wiggle and helped to professionalise the company. This gave Harvey the opportunity to learn a new level of business organisation and to develop skills that he believes are transferrable to other sectors.*

*After leaving Wiggle, Harvey went sailing for a year around the Atlantic, spending a summer in the Arctic among the whales, icebergs and Inuit. Since then, he has become a trustee of ClientEarth, an environmental law organisation, and founded the Pig Shed Trust, a charity that funds work to create a naturally flourishing world.*

#### **EFN** How did you come to be interested in the environment?

**HJ** I was brought up a country boy. I'm a yokel. My earliest memories are of going out with ferrets catching rabbits in the back of Transit vans, or being down on the shore catching any kind of fish that couldn't move quick enough. I didn't have a paper round, I had a cockle round. So my childhood was very connected to the natural world. But it was the natural world as prey.

#### **EFN** What are the main environmental priorities you have identified for your giving?

**HJ** We work mostly in marine conservation. It's clear that the environment is a small proportion of philanthropic giving in the UK, and that the marine aspect is an even tinier fraction. We've also worked with Hampshire Wildlife Trust and we've supported Greenpeace in relation to the Arctic.

#### **EFN** How did you come to be interested in the environment?

**HJ** Our priority is to see tangible outcomes. We're not particularly wedded to education or values or trying to make people 'better', we think it's really important that we actually achieve some measurable gains for the environment. We're interested in how we can do environmental work in a businesslike way so that it becomes self-sustaining and doesn't need constant

philanthropic funding. I really see Pig Shed Trust funds as seed capital to start a series of projects that will become self-sustaining and possibly able to repay the capital so that we can apply it to the next project.

For example we're funding Hampshire Wildlife Trust in order to help them develop extensive cattle grazing so they can get their reserves back to a good healthy biodiverse state. What we've done is fund against the cattle themselves, so that we're acting like a bank. We're making a loan to the Hampshire Wildlife Trust to purchase cattle against a charge on the value of the cattle, but the loan is repayable in relation to the outcomes of the project. If the cows do their job and the grass on the reserve has a better structure, then the loan gets written off over 10 years. If they don't then they get made into pies.

#### **EFN** Could you talk a bit about how you came to have that approach?

**HJ** A lot of third sector organisations want to achieve what businesses achieve, and they would like to have someone like me come along and tell them what that is. The problem is that when I do that they really don't really want to hear it. What they really want is for me to sign the cheque, that would be the best thing, or if I tell them how to rub the magic lamp and the genie of business comes out and makes them loads of money,

that's a second best. What they don't really want to hear is: "well we need to work out what our strategy is, we need to work out our tactics, we need to know what our USP (Unique Selling Proposition) is, we need to work out what our product is, how we're going to market it, what our benchmarks are..."

#### **EFN** How would you describe your theory of change when it comes to giving to the environment?

**HJ** We're concerned with how you motivate people to change their behaviour. If you think you're not going to sort the environment out until you've made people 'better', you know, 'more moral', then we're not going to sort the environment out are we? You know, the Babylonians wished people were nicer to each other. It would be great, but in the meantime we have to deal with people as they are, and accept that they aren't rational. We need to make sure our solutions are to the benefit of the people we are working with. There are a few saints in the world, but not enough.

#### **EFN** What have you found most rewarding in your grantmaking and what have you found most frustrating?

**HJ** I find it rewarding being part of a much bigger movement. Particularly with Greenpeace I find that, for example with their Arctic campaign. It's also rewarding working alongside the Wildlife Trust and ClientEarth people who are very practically focused, really proper, motivated people.

*"We need to build trust between grantmakers and NGOs so that funders feel confident that their money will be spent wisely without wanting every penny counted against a particular outcome. That's going to require some hard work from both parties."*

I'm pretty phobic about bureaucracy so I sometimes find that frustrating, as is the lack of focus in some of the environmental organisations. I find it really difficult when organisations have people at the top level who are not as good as they ought to be. It's a British disease isn't it, 'lions led by donkeys'. There are some amazing people working really hard at the lower level in some big organisations and they are being let down dramatically by the people at the top. In a business environment those people would have been spending more time with their family a long time ago. We're lacking in really good leadership.

#### **EFN** Why do you think that is?

**HJ** I think it's because there are a lot of people in the environmental movement, and the wider charity sector, that don't like the idea of leadership. I think it's this conflation of altruism with socialism. I'm really passionate about equality of opportunity. I'm really not passionate about equality of outcome. People are not equal. We need to accept that management is a skill, and people are either good at it or they're not. And particularly in the charity sector we have a really hard time accepting this. This isn't a problem in all organisations. There are some amazing leaders out there and the sector achieves an enormous amount with very little, but I do see a need for a fundamental change in culture.

#### **EFN** Do you have any reflections to share in terms of the way in which grants are made?

**HJ** I'm aware how difficult it is to raise unrestricted funding. There's this very project-based approach that everyone's got, where they won't fund overhead. From a charity's point of view you're then forced to pretend that what you're doing is a project, when clearly it isn't. This suits grantmaking trustees, who can say: "We funded this project and it had that outcome, aren't we clever and can I have my MBE please!" It's not quite so sexy to say: "We funded the backroom team and they're doing this and they're monitoring that and they've got people all over Africa looking at what's going on and they've been doing it for ten years and it's really important that they keep going." We need to build trust between grantmakers and NGOs so that funders feel confident that their money will be spent wisely without wanting every penny counted against a particular outcome. That's going to require some hard work from both parties.

## CONCLUDING THOUGHTS

### MEETING THE SECTOR'S NEEDS

In Part A we identified a range of needs for the non-profit environmental sector, drawing on the views of the 139 chief executives responding to the *Passionate Collaboration?* survey and the perspectives of our four funder interviewees. To what extent are grants from foundations, the lottery, and public sector programmes likely to be able to meet these needs?

As noted above, the larger grants from both the lottery and public sector sources tend to be focused on the delivery of particular projects, and tend to have limited lifespans, often of two to three years. This makes it less likely that they will be able to provide either the unrestricted core funding that is so important in providing flexibility to CSOs, or the 'patient' capital needed to allow the sector to invest in skills development for the medium to long term. By contrast, philanthropic funders are well placed to help meet these needs, providing they are willing to adopt a patient approach.

It is also clear that philanthropic funders have a particular role to play in providing independence to the sector, enabling it to challenge the status quo, and potentially to work on more systemic issues which receive very little funding from lottery and public sector programmes. Whether foundations are prepared to seize this opportunity in a more conscious way (as advocated by our interviewees) remains to be seen.

Innovation is another area of comparative advantage for philanthropic funders, especially when projects are high-risk. Respondents to the *Passionate Collaboration?* survey highlighted the way in which foundation grants often provide the seed funding that enables organisations to demonstrate a project, and then attract larger blocks of funding from either the lottery or public sector sources. As noted earlier

there is a trade-off here with fragmentation of the environmental sector.

International grantmaking is also something that foundations are well placed to do relative to either the lottery or public sector grants programmes, both of which tend to concentrate on delivering projects in the UK. The text box on page 35 shows the wide disparities in the availability of philanthropic capital in different continents around the world. Foundations have the flexibility to help fill gaps in civil society capacity beyond the UK.

As we saw on page 27 most foundations focus their grants in a limited number of thematic issue categories, and lottery and public sector programmes also tend to have a tight focus in terms of the projects they support. Given this, where is the funding likely to come from to enable the sector to tackle the structural challenges summarised in Part A, such as the need for increased collaboration, consolidation, and space for reflection?

Comparison of the thematic and geographic priorities of foundations with those of the environmental groups they fund suggests that the foundations are in some respects 'ahead of the field' in terms of supporting issues like climate change, and in making grants beyond the UK. This is not surprising given the lack of constraints that philanthropic funders have. It suggests that foundations are well placed to take the initiative and create pools of capital that would allow the sector to invest in the approaches, skills and thematic work identified in Part A, but in order for this to happen foundations will have to collaborate more actively. Is the foundation community ready to take a leadership role in this respect?

PM, JC, HG, KS, March 2014

## APPENDIX A: ADVANTAGES OF PHILANTHROPIC FUNDING

In this Appendix we provide quotes from chief executives responding to the survey that underpins EFN's *Passionate Collaboration?* report, in relation to the themes identified in Part A.

### **The need to focus on project work rather than receiving core funding.**

*"Insufficient 'core' funding. Most funders want 'project' funding with specific deliverables at the end. Funders are not keen on supporting skills development and other internal capacity."*

*"Access to funding for the managerial posts at organisations; being able to offer a competitive salary to people with the right skill sets within the environmental sector. A reliance on current, under-qualified staff to do these tasks; more training and funding to support current staff to progress into higher level posts."*

*"There needs to be more recognition that charitable organisations are like any other business, we need 'core' staff with specific skill sets to facilitate delivery. Private business acknowledges a requirement for 'core' staff as well as those that 'sell'."*

### **Novelty and the pressure to focus on short term measurable goals rather than long term development.**

*"It is difficult to raise funds for projects that are well established and have been operating for a number of years."*

*"The pressure for novelty instead of continuing with existing success."*

*"Knowing that such change takes time and 'results-based approaches' sometimes present more problems than solutions."*

### **Innovation and risk-taking.**

*"It [philanthropic funding] can enable ideas and approaches that no one else will support because at its best it is prepared to facilitate experimentation and considered risk taking."*

*"At its best [philanthropic funding] it can be flexibly applied to support genuine innovation and approaches that do not have sufficient track record for state investment."*

*"It enables innovative, ahead of the curve work in a fast and resource efficient way, so enabling the environment sector to rise the scale and speed of the challenge ahead."*

### **Support for systemic work that challenges the status quo.**

*"Our belief that change cannot be achieved through existing institutions and systems makes it much harder to secure funding as most funding bodies are far more geared towards lobbying activities."*

*"Funders still pay disproportionate attention to greenspace/ wildlife projects, rather than systemic threats like climate change."*

*"[We have trouble] getting funding that is not tied to keeping quiet about the root of the problems."*

### **Less bureaucracy.**

*"We find with a lot of institutional grants that the amount of effort to get the funding is disproportionate to the grant itself."*

*"Tight procurement rules requiring public sector to run expensive and time consuming tenders before supporting projects, even where these have been initiated by non-profits, and development time carried out at our risk."*

*"Less bureaucracy, less mindless and repetitive form filling and reporting."*

### **Issue prioritisation and too tight a focus on the part of funders.**

*"Generally speaking, most funders and environmental groups working on a specific topic (i.e. marine, biodiversity, transport, etc.) tend to have a focused perspective and leave out MACRO issues which are of key relevance to their area such as for example: • High-fuel prices • Cuts in public spending • Shortcomings of an economic model that fails to account for environmental and social impacts • Connecting environmental issues to things that matter to people (i.e. jobs)."*

*"Approaches that link together issues in a broad picture can be harder to fund than focused campaigns."*

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**WHERE THE GREEN GRANTS WENT 6**

*“The continued dominance of single issue funding that undermines the opportunity for bigger picture investment in transformational change.”*

*“Our work tends to be holistic so it takes a good donor to realise that and not set out criteria that requires work to be split apart into smaller projects.”*

**Proactive versus reactive funding.**

*“There is a shift in the philanthropic community towards addressing the income gap rather than environmental causes; we must articulate the case for supporting environmental approaches to addressing the income gap as the world’s poorest people are disproportionately affected by climate change.”*

*“The challenge as always is getting donors to focus on the medium–long term threats as opposed to more immediate and populist concerns that also resonate with politicians whose time frame is limited to 3 – 5 years.”*

*“Many funders incorrectly assume communities have skills/resources to establish new enterprises (e.g. energy generation) – yet most need considerable hand-holding to achieve this, and limited funded support is available”*

**More than money.**

*“Donors become strong, long-term advocates for the work of the charity. They are more accepting and will help with challenges along the way.”*

*“They [philanthropic funders] are more secure given the long term relationships you can build and loyalty value.”*

*“Specifically when compared to corporate organisations, trusts and foundations are set-up to receive funding requests in a relatively transparent manner.”*

The CEOs were asked to complete the following sentence: ‘The advantages of philanthropic funding, compared to other forms of income for my organisation, are...’. The responses that we received are shown here, in no particular order. Taken together they provide useful insights into the strengths of philanthropic capital relative to other funding that supports environmental initiatives.

*“It tends to be quicker and easier to set up and report against. • We can tackle grassroots issues more effectively. • It gives us room to innovate and try new programmes to address local needs.”*

*“It is more flexible and, on the whole, philanthropic funders engage with you to get the best results for the money. • More government style funding tends to be less well spent as the bureaucratic load is usually much greater.”*

*“You don’t have to invent a business in order to secure funding for your work. • Often philanthropic funding comes with contacts, support, and encouragement. Essential nutrition when most other funding is in spite of your cause.”*

*“Often this funding is unrestricted and this allows us to use it for difficult to fund areas, core running costs, and the development of new project ideas, rather than it being ring-fenced for specific projects with strict criteria for its use.”*

*“It provide the means to achieve significant outcomes for the environment with a balance of independence, structure, specialist expertise, real world experience and challenge, that multiplies our impact.”*

*“We do not have to shape our work for commercial interests and government priorities, but have the freedom to follow our own analysis. Colleagues in academia and research inform us they increasingly have to shape their work to these interests, i.e. private, commercial funding increasingly seems to shape academic research.”*

*“Philanthropic funding provides more freedom to take risks and take the radical approaches that are required to effect real change. It is more likely to fund projects that ‘push boundaries’ which is often hard to get funding for in other places.”*

*“The flexibility to tackle the specific issues we are facing versus more restricted funding where aims and outcomes are prescribed. • The ability to build a relationship with the funder to develop a programme to address the specific needs relevant to our work.”*

*“The ability to work in partnership with radical and progressive people and institutions and share ideas and research, multiplying the effect we all have.”*

*“Philanthropic funding is particularly important because most government funds seem to have strict guidelines, (e.g. they cannot fund core funding or areas outside of the main mandate that nonetheless affect it), whereas philanthropists can be more flexible.”*

*“It is more likely to fund policy change campaigns, and to respond quickly to emerging issues. The reporting requirements are usually less onerous and these funders tend to be more sympathetic to the sector.”*

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 WHERE THE GREEN GRANTS WENT 6
 

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*"Philanthropic funding tends to be more open to new, controversial research findings than other sources."*

*"Flexibility in the ways that we are allowed to spend the money, so long as the original objectives are met."*

*"The values and outcomes frequently mirror our organisational ones and the reporting is usually less onerous."*

*"We would have been unable to campaign in such a consistent way without philanthropic funding. If we had to raise our funds from members of the public, that would require much of our time and we would be less able to take a strategic view of our campaign objectives."*

*"Flexibility – the ability to trial new approaches and to accept a higher risk profile that may also bring higher awards – most institutionalised donors are looking for scaling up of tried and tested methodologies which have to start somewhere."*

*"It can provide more flexibility in terms of how the money is spent and reported on."*

*"Available for things [that are] not a first priority for government • Connects to a community of influential people whose views can be changed • Can be spent on areas difficult to fund • Supported by personal commitment, skills, knowledge in addition to financial support • Flexible – tailored in discussion with individual."*

*"Useful engagement with the donor organisation, the ability to plan ahead through multi-year grants, raising our profile with the public and other funders."*

*"Massive! It gives us the space and freedom to apply our skills, knowledge and contacts in an effective way, focus more on policy change and communicate more forcefully relative to other funding."*

*"It enables innovative, ahead of the curve work in a fast and resource-efficient way, so enabling the environment sector to rise to the scale and speed of the challenge ahead."*

*"Less administration in accessing it, more flexibility in how it is used."*

*"It allows us to be more strategic in the work we do; is less directive and hence more flexible to react to upcoming challenges in time, and allows us to support our partners more effectively."*

*"Philanthropic funding is more likely to support core costs allowing it to be used where it is most needed. Philanthropic grants also generally have lower administration demands and costs."*

*"It enables us to apply our broad range of expertise to an international context, through the establishment of science and conservation projects in over 50 countries around the world. Philanthropists with similar passions to ours can help us to meet the most pressing conservation needs."*

*"Generally such funding is unrestricted, or restricted to a key area within the portfolio with contribution to overhead, whereas grant/corporate funding is more often strictly tied to outputs/impacts."*

*"More flexible in terms of the way funds can be allocated to priority work, understanding of the value of low-input long-term support particularly to local NGOs."*

*"At its best, it provides intelligent, engaged supporters who can understand the realities of funding and organisational needs; who are willing to be ambassadors for the cause; and who are willing to share their contacts to broaden the supporter network."*

*"Often able to call on funds quickly, no strings attached."*

*"More related to values and philosophy, rather than outcome driven. It is possible to establish a very positive relationship with funders."*

*"It enables us to put into practice our ideas for better solutions to energy problems, and it enables our ongoing work helping the most vulnerable people to manage their energy where there is no statutory obligation or private profit to be made (e.g. fuel poor households)."*

*"It comes without strings usually and doesn't require a high level of maintenance – we are very dependent on business sponsorship and a lot of resources are spent keeping sponsors happy rather than delivering the work."*

*"Provides the opportunity to develop projects that both meet the aims of the funder while enabling us to achieve our strategy; this funding provides us the flexibility to pilot new ideas, significantly scale-up successful pilots or secure match funding to leverage statutory grants."*

*"We have been able to use this type of funding to develop projects that enable us to tap into much greater sources ... especially EU funding. This funding plays two important roles. Enabling us to develop projects. Matching them when this is required."*

*"Philanthropic income has provided a useful source of income to pilot/pump prime new initiatives."*



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**WHERE THE GREEN GRANTS WENT 6**

*“Unrestricted, non-project based grants and donations permit us to undertake background institutional development and policy advocacy work and to explore/pre-test new ideas before they are ready for submission as full project-funded bids.”*

*“Our output is too wide for businesses or government to be interested in funding. We do not like to ask our supporters to pay a membership subscription, preferring that they give their time and effort in spreading the word about climate change and Christian responsibility for care for creation.”*

*“Income is generated with fewer people than via fundraising events.”*

*“The ability to support innovative work that can herald wider take up or recognition.”*

*“Forming long-term relationships with the philanthropic community offers a more predictable and sustainable model of support than over-reliance on funding from central government.”*

*“Easier to secure unrestricted funding. • Easier to secure support for ‘difficult’ projects. • Perhaps more ‘proofed’ against the economic climate.”*

*“Philanthropic can be very flexible, have less burdensome administrative requirements and fund less tangible outputs such as policy work.”*

*“The opportunity to secure multi-year funding and to match projects to funders’ interests, and that it offers more stability and control than legacy income. • Philanthropy also helps demonstrate the mandate we have from citizens and wider society to call for further change in food and farming.”*

*“At its best, less bureaucracy and form-filling, more innovation, more honesty or subtlety – with mass appeals to individuals, messages are inevitably simplified.”*

*“The chance to widen our footprint in terms of supporters who are interested in and support our cause; in-kind support is often as useful as actual donations.”*

*“Complements membership subscription income • Affords independence from government, which is important especially for the advocacy and lobbying roles.”*

*“It is only through philanthropic funding that we have been able to effectively pursue our charitable aims because other funding sources have proved insufficient and/or would require us to lose our integrity and direction.”*

*“Private philanthropy has the capacity to remedy cultural deficit – that is, to step into areas where corporate or bureaucratic approaches are either inappropriate or less effective. Every type of funding brings its own cultural values – philanthropy of this kind is generally highly motivated, differentiated and pointed in its execution.”*

*“Reduced bureaucracy and greater scope to work on emerging themes”*

*“Not having to pursue commercial objectives which compromise principles.”*

*“Flexibility to achieve multiple objectives rather than ‘pigeon-holed’ funding.”*

*“We receive very little as most don’t understand how to fund processes that result in political change. This is a fast moving space and funders seem stuck in a cycle of funding traditional NGOs vs. more dynamic bodies and those that work with legislators.”*

*“Strong ideas engagement, committed to results reporting but combined with an ease of transaction, respect for our professionalism – less obsessive about very detailed reporting. Less worried about the risks of media coverage and distortion.”*

*“Not having to write grant bids, or reports to funders. These can be quite time consuming, and when time is at a premium this can detract from our work.”*

*“Philanthropic funding helps us to provide continuous information services and to maintain expertise. Without it employees would need to find contract work on a wider range of subjects making it more difficult to pick up our specialist subjects again later.”*

*“Less strings attached, greater willingness to risk and experiment, greater freedom from pre-determined policy objectives.”*

*“We are able to avoid having to spend large amounts of our very limited capacity building up a supporter network purely to fundraise from. Also it means that we do not need to contemplate ‘sponsorship’ deals with questionable companies.”*

*“It will ensure projects can go ahead even when resources (individual or NGO) are tight.”*

*“As a small organisation we cannot sustain the administration and services we would need to provide for a membership. We need grants that enable us to carry out work independently which challenges current political and financial systems. This is seen as far too radical for 95% of funders.”*

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 WHERE THE GREEN GRANTS WENT 6
 

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*"Philanthropic funding allows a more diverse and therefore more resilient funding base, and lessens dependence on government funding and the perceived impact on an organisation's independence that this can bring. • It enables us to build relationships, and therefore powerful allies for the issues, with individual funders."*

*"Complete independence from the organisations that we are trying to influence, and complete reliance on individuals who give to us because they are aligned with what we do, and they see us deliver year after year."*

*"It is relatively stable and is not generally restricted."*

*"The flexibility it often offers. Trusts and foundations are instrumental in providing funding for work which otherwise cannot get funding - i.e. is not covered by an institutional grant. Often the funds allow us to be more innovative and creative – or piloting new ideas."*

*"It can be more flexible and unrestricted and often is low-cost in terms of stewardship."*

*"Philanthropic funding is usually more flexible and less restrictive than other grants, allowing new issues/regions to be scoped out in advance of longer-term work plans, and making it easier to respond to emerging issues more quickly."*

*"The advantages are in keeping with the ethos of our organisation, self-sustainability with a moral code of conduct. It allows the organisation to focus directly on achieving its charitable goals."*

*"Philanthropic funding enables my organisation to be more creative, take more risks, deal with issues that are not yet mainstream and not be beholden to the commercial drives of corporations."*

*"Flexible reallocation of scalable funding across our evolving range of art programmes, outreach projects, exhibitions, and international expeditionary voyages. Creative freedom, and full artistic license to engage the wider community on a human scale – in whichever way the artists, as communicators, best envisage."*

*"The scope to work more strategically in line with our core aims and objectives; and the independence to develop our own perspective based on objective analysis."*

*"Philanthropic funding is good because the foundations providing the funding share the organisation's values and it makes for a much stronger partnership. This is in stark contrast to public money e.g. from the EU. The administrative burden is also generally much less which is an advantage."*

*"Philanthropic funding comes in much larger chunks and is much less onerous to administer than DFID grants, that is for sure."*

*"This source tends to be less bound by bureaucracy and rules."*

*"It allows us to concentrate on doing the work we think will be most likely to influence political decision-making without having to water down or alter our messages for funders. Our only other sources of income would be sponsors or people who might commission us to do similar analysis but for their own ends and this would be time-consuming to secure and would tie our hands in terms of the outputs we produced."*

*"It comes with fewer strings attached than other sources and is (and is seen as) less tainted than some others, especially business."*

*"It is often more long-term than other forms and may require less box ticking, particularly of contracts. Normally the reasons for giving are most in tune with the organisation's philosophy. There is also less likely to be a conflict of interests, particularly compared with corporate donations."*

*"Ability to focus on need and beneficiaries."*

*"The advantage should be the provision of sources of funds that are responsive to the shifting priorities of climate change and low carbon transition. The reality falls short of that."*

*"Gives a wonderful freedom to do more radical and experimental work."*

*"Greater flexibility to amend work programme to respond to external pressure/changes so we keep focused on the most significant challenges."*

*"It allows organisations, or teams within organisations, to transcend the managerialism that's increasingly stymying more creative and spontaneous approaches to campaigning and organising – many of which have been very successful in activist groups like UK Feminista, UK Uncut and Climate Camp."*

*"The benefits of creating partnerships with funders as stakeholders in our work, increasing the long-term impact in a given programme area through mutual commitment to funding, and the capacity to solve complex problems."*

*"It is viewed as independent and allows us to work in areas would not be easily funded by appeals to the general public. We also value the multi-year nature of some grants and long-term relationships that allow us to plan ahead."*

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**WHERE THE GREEN GRANTS WENT 6**

*“Availability of sufficient funds without investment in individual fundraising, plus the opportunity to fund the background research, investigation and policy work needed to inform debate before the issue hits the headlines and impacts on people’s lives.”*

*“More targeted, less bureaucratic and often unrestricted.”*

*“When funded by government and private sector, it is harder to publicly voice opposition to their policies. With philanthropic funding, we have the freedom to speak out.”*

*“There is much less demand for box ticking and form filling so more time to deliver projects that make a difference.”*

*“Often funds areas which others don’t such as advocacy work. It also comes with less restrictions.”*

*“Philanthropic funding is more flexible and generally shows a great level of empathy towards the charity. As they are supportive of the charity and its objectives there is generally less of a ‘what is there in it for me’ attitude. • Reporting processes are normally more straightforward and grants are often paid in advance rather than arrears. • Other forms of income are usually very restrictive, focused on the donor’s priorities, paid in arrears, and often to unrealistic targets and deadlines.”*

*“Where it is possible to match the ‘ask’ with the ‘offer’, significant donations from rich supporters can have major benefits for specific projects.”*

*“The money is freely given, often with the heart winning over the mind to a cause that the donor believes in, and where they are prepared to back our judgement on what we do with the money, rather than our having to report progress against target after target.”*

*“Where it allows for capacity building alongside funding of specific work.”*

*“Unrestricted funding that supports development work, research etc. that is difficult to fund. This unrestricted work allows for project work to be delivered. • Plus often a local connection and figurehead to promote activity.”*

*“One can have a closer relationship with the provider of the funds who takes a greater interest in the use of their money on the ground.”*

*“It allows a laser-like focus on mission-driven actions, leverages greater scale through public funding and allows us to be both entrepreneurial and planned in our approach.”*

*“It can be highly strategic, outcome focused, and risk-taking.”*

*“It enables us to concentrate our time on our core charitable work, without putting cost barriers in the way for the groups and individuals we support. It also means we don’t need to spend valuable time on income generation that could otherwise be spent on our core work.”*

*“It can fund work in currently unfashionable subjects and can fund core costs to help develop the capacity of the organisation.”*

*“The main advantage is that it provides unrestricted funds that can also be used to support core costs. Another advantage is that there are less reporting requirements from funders.”*

*“That the funding is longer term, often 2-3 years’ support, and allows us to tackle more challenging issues.”*

*“They are unrestricted and therefore can be used as we see best.”*

*“Independent operation, being able to ‘do the right thing’ without profit being the ultimate objective.”*

*“The donor relationship is built on trust between the charity and the donor, which makes philanthropic funding the most productive form of income for our organisation – in contrast to contract funding, which can often be fraught with unnecessarily complicated reporting requirements.”*

*“The opportunity to build a relationship with a funder who sees their support as a long-term investment rather than a one-off contract. • The assurance that the trustees and their managers invest time in understanding the large scale issues as well as the objectives of our particular bid. • The willingness of funders to support capacity building within my organisation, for IT, management development etc. is invaluable.”*

*“More opportunities to invest in the ‘whole’ organisation at a strategic level, rather than being obsessed with short term projects. • Can be very focused and business-like (normally a good thing). • Can be very open minded and certainly less bureaucratic than some other sources of funding.”*

*“Philanthropic funding allows organisations to achieve long term environmental change, by investing in strategic projects and core funding. It enables environmental NGOs to build organisational capacity and resilience, to step change their work and impact.”*

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**WHERE THE GREEN GRANTS WENT 6**

*“Being often based on a personal relationship, rather than a corporate budget, philanthropic funding has often consisted of longer-lasting and more flexible grants than corporate support, with a greater propensity to fund both core costs, and a diverse range of our projects.”*

*“Relatively new for us, but our limited experience to date indicates advantages of flexibility and imagination, freedom from political ‘status quo’ control, ability to think outside box, more dynamic response, not tied in to specific time scales, e.g. financial years. Can respond to beneficiaries’ needs rather than public administration/commercial aims.”*

*“Multi-year stability.”*

*“The potential to do the development work that is hard to do when you are just delivering services and have little slack to step back and think about new ways to develop your services. Also, making your work available to people that would not know about you otherwise.”*

*“Our organisation chooses not to accept money from any governmental or corporate entities, due to our desire to remain independent and self-sufficient, yet it is difficult to sustain ourselves by individual donations, sales, benefits and subscriptions only, so ethical philanthropic foundations are an important source of funding for our stability.”*

*“Because they provide us with the flexibility we need to cope with the unexpected events within the issues on which we campaign and also enable us to change approaches if required. We would not get this from more rigid funding sources, such as the lottery, which tend to be project based and target driven.”*

*“Allowing us to focus on, and specialise in, what we do best; rather than spreading our capacity towards income-generating activities, or contractual work.”*

## APPENDIX B: THEMATIC ISSUE CATEGORIES

**1 Agriculture and food** – a very broad category. It includes: support for organic and other forms of sustainable farming; training and research to help farmers in developing countries; campaigns relating to the control of the food chain; initiatives opposed to factory farming; horticultural organisations and projects; education on agriculture for children and adults (e.g. city farms); opposition to the use of genetically modified crops and food irradiation; work on food safety and on the genetic diversity of agriculture (including seed banks); and soil conservation.

**2 Biodiversity and species preservation** – again a broad category, focused on work that protects particular species, be they plant or animal, vertebrate or invertebrate. Included within this is support for botanic gardens and arboreta; academic research on botany and zoology; the protection of birds and their habitats; funding for marine wildlife such as whales, dolphins and sharks; projects that aim to protect endangered species such as rhinos and elephants; and defence of globally important biodiversity hotspots, including the use of refuges, reserves and other habitat conservation projects; and wildlife trusts.

**3 Climate and atmosphere** – the bulk of the money in this category is targeted towards work on climate change, with a much smaller sum directed towards the issue of ozone depletion. Also included: work on acid rain, air pollution and local air quality.

**4 Coastal and marine ecosystems** – this category includes support for work on fisheries; aquaculture; coastal lands and estuaries; marine protected areas; and marine pollution (such as marine dumping).

**5 Consumption and waste** – this category covers work directed at reducing consumption levels; initiatives that look to redefine economic growth; projects on waste reduction, sustainable design and sustainable production; recycling and composting schemes; and all aspects of waste disposal, including incinerators and landfills.

**6 Energy** – this category covers alternative and renewable energy sources; energy efficiency and conservation; work around fossil fuels; hydroelectric schemes; the oil and gas industries; and nuclear power.

**7 Fresh water** – this category covers all work relating to lakes and rivers; canals and other inland water systems; issues

of groundwater contamination and water conservation; and projects relating to wetlands.

**8 Sustainable communities** – this category covers urban green spaces and parks; community gardens; built environment projects; and community-based sustainability work.

**9 Multi-issue work** – there remain grants that are hard to allocate to specific categories, generally because they take the form of core funding to an organisation that works on a range of different issues, or because the grant supports environmental media titles (e.g. *Resurgence & Ecologist*) or environmental education projects covering a wide range of issues. Some grants provided to generalist re-granting organisations are included in this category as it is not possible to identify which issues will be supported when the funds are re-granted.

**10 Terrestrial ecosystems and land use** – as with ‘agriculture’ and ‘biodiversity’, this is a broad category encompassing land purchases and stewardship; national or regional parks; landscape restoration and landscape scale conservation efforts; work on land use planning; tree planting, forestry, and work directed to stopping deforestation; and the impacts of mining.

**11 Toxics and pollution** – this category covers all the main categories of toxics impacting on the environment and human health: hazardous waste; heavy metals; pesticides; herbicides; radioactive wastes; Persistent Organic Pollutants; household chemicals; other industrial pollutants; and noise pollution.

**12 Trade and finance** – the trade and finance category encompasses work on corporate-led globalisation and international trade policy; efforts to reform public financial institutions (such as the World Bank, International Monetary Fund, and Export Credit Agencies); similar work directed at the lending policies of private sector banks; initiatives around the reduction of developing country debt; and local economic development projects and economic re-localisation.

**13 Transport** – this category includes all aspects of transportation, including public transport systems; transport planning; policy on aviation; freight; road-building; shipping; alternatives to car use plus initiatives like car pools and car clubs; the promotion of cycling and walking; and work on vehicle fuel economy.

## APPENDIX C: TOP 100 RECIPIENTS OF FOUNDATION FUNDING

Table 16 shows the 100 environmental organisations (not including those who are re-granting organisations) that received the most funding from the 180 foundations covered by this report. The table shows the combined grants received for the two years 2010/11 and 2011/12 and where applicable compares their rank in this table to their rank in the equivalent table for the period 2007/08 to 2009/10.

The table also shows the number of foundations from the group of 180 that funded each organisation during the two years. There is large variation in this figure from just a single foundation to a total of 25 different foundations. All 100 CSOs received income of over £320,000 across the two years.

There were 23 CSOs that received only one grant in the two years, and 29 that received more than 10 grants. Conservation groups are well represented in the list, with no fewer than fourteen of the Wildlife Trusts' county branches included.

Nineteen organisations have moved up the ranking compared with the last edition, 31 have moved down, and there are 47 new entries to the list. The large number of new entries conveys a sense of the turn-over or 'churn' within philanthropic funding. Nineteen of the 23 organisations receiving only one grant are newcomers to the list, suggesting that they may have received one-off grants that will not be repeated.

**Table 16:** Top 100 CSO recipients of foundation grants, in terms of the total amount received (2010/11 and 2011/12 combined)

Grantee	No. of grants	No. of foundations	Income (£)	Rank in WTGGW5	Change in rank
1 WWF UK	25	17	5,857,669	18	▲
2 Tanzania Gatsby Trust	2	1	5,328,931	new entry	n/a
3 Royal Society of Wildlife Trusts	7	3	4,582,798	15	▲
4 SouthSouthNorth Trust	1	1	4,170,000	new entry	n/a
5 Envirofit International	5	1	4,111,250	3	▼
6 Compassion in World Farming	14	7	3,665,500	6	-
7 Royal Society for the Prevention of Cruelty to Animals	1	1	3,432,107	23	▲
8 Marine Conservation Society	15	9	3,211,156	36	▲
9 World Society for the Protection of Animals	4	3	3,020,000	73	▲
10 Hampstead Heath Charitable Trust	1	1	3,000,000	new entry	n/a
11 Fauna & Flora International	43	25	2,954,655	38	▲
12 World Resources Institute	3	2	2,615,534	8	▼
13 Latin American Climate Forum	1	1	2,464,000	new entry	n/a
14 Oceana	5	3	2,275,009	7	▼
15 Buglife	11	8	2,273,104	67	▲
16 Royal Society for the Protection of Birds	45	20	2,230,903	2	▼
17 Royal Botanic Gardens Kew	14	11	2,162,356	14	▼
18 University of Cambridge	11	3	2,069,262	9	▼
19 CottonConnect South Asia	2	1	1,871,931	77	▲
20 Yale University	4	1	1,865,936	new entry	n/a
21 C40 Cities Climate Leadership Group	1	1	1,606,000	new entry	n/a
22 Porter School of Environmental Studies	2	1	1,591,983	new entry	n/a
23 Environmental Defense Fund	1	1	1,410,000	new entry	n/a
24 Game & Wildlife Conservation Trust	17	11	1,333,050	81	▲
25 The Great Crane Project	1	1	1,301,324	new entry	n/a
26 National Trust	27	15	1,293,089	42	▲

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Grantee	No. of grants	No. of foundations	Income (£)	Rank in WTGGW5	Change in rank
27 ClientEarth	13	9	1,197,500	new entry	n/a
28 Institute for Governance & Sustainable Development	1	1	1,097,000	new entry	n/a
29 Woodland Trust	32	21	1,059,600	3	▼
30 Kilimo Trust	1	1	1,035,900	1	▼
31 Pond Conservation Trust	9	7	1,033,048	48	▲
32 New Economics Foundation	14	10	1,000,452	20	▼
33 Wiltshire Wildlife Trust	6	3	920,500	22	▼
34 Berkshire, Buckinghamshire & Oxfordshire Wildlife Trust	9	8	916,690	21	▼
35 Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire	13	9	903,165	43	▲
36 BirdLife International	12	7	866,524	17	▼
37 Portland - Island in Peril	1	1	850,000	new entry	n/a
38 Marine Conservation International	7	3	832,108	new entry	n/a
39 Groundwork London	6	4	825,606	new entry	n/a
40 LEAD International	1	1	811,000	new entry	n/a
41 European Environmental Bureau	1	1	780,000	35	▼
42 Soil Association	27	18	775,819	34	▼
43 Plantlife International	17	14	766,971	74	▲
44 <i>The Ecologist</i> magazine	13	1	755,000	58	▲
45 Yorkshire Wildlife Trust	12	5	751,495	95	▲
46 Social Investment Scotland	1	1	750,000	new entry	n/a
47 Global Witness Trust	6	5	733,000	16	▼
48 Kent Wildlife Trust	15	12	727,666	46	▼
49 London Wildlife Trust	9	6	725,374	37	▼
50 Pew Environment Group	1	1	700,000	new entry	n/a
51 Butterfly Conservation	12	6	698,383	26	▼
52 Kenya Gatsby Trust	2	1	694,608	51	-
53 The United Nations Foundation	2	1	680,760	new entry	n/a
54 Green Alliance	9	7	657,865	56	▲
55 Eden Trust (Eden Project)	6	5	655,000	new entry	n/a
56 Zoological Society of London	24	16	649,556	27	▼
57 BioRegional Development Group	9	8	644,975	new entry	n/a
58 Earthwatch Institute	6	4	640,208	new entry	n/a
59 Slow Food UK Trust	6	3	635,187	new entry	n/a
60 The Prince's Foundation for Building Community	2	1	629,000	60	▲
61 The Better Trading Company	3	1	622,535	new entry	n/a
62 SolarAid	6	5	620,050	50	▼
63 Friends of the Earth (England, Wales & Northern Ireland)	28	17	600,306	29	▼
64 Forest People's Programme	7	5	580,829	new entry	n/a
65 Greenpeace UK	14	9	575,050	62	▼
66 10:10 Trust	7	6	546,298	new entry	n/a
67 Envirofit Carbon Holding LLC	1	1	538,400	new entry	n/a
68 Wildlife Conservation Research Unit, University of Oxford	22	10	529,037	61	▼
69 d.light	1	1	525,000	new entry	n/a

## WHERE THE GREEN GRANTS WENT 6

Grantee	No. of grants	No. of foundations	Income (£)	Rank in WTGGW5	Change in rank
70 Durham Wildlife Trust	11	5	521,035	new entry	n/a
71 Northumberland Wildlife Trust	11	5	505,557	new entry	n/a
72 LEAD Africa	1	1	501,385	new entry	n/a
73 Global Action Plan	3	2	483,000	new entry	n/a
74 Gajam Group Limited	2	1	460,075	new entry	n/a
75 Pori Natur a Threftadaeth (PONT)	1	1	457,889	new entry	n/a
76 Berkeley Air Monitoring Group	2	1	453,379	82	▲
77 FERN	1	1	450,000	89	▲
78 Cumbria Wildlife Trust	9	4	431,814	new entry	n/a
79 Wildfowl & Wetlands Trust	26	17	430,484	40	▼
80 The Shark Trust	1	1	430,000	new entry	n/a
81 Pawlett Hams, Bridgwater Bay	1	1	424,474	new entry	n/a
82 Galapagos Conservation Trust	10	6	424,143	new entry	n/a
83 Scottish Wildlife Trust	6	3	418,250	45	▼
84 Global Canopy Programme	9	9	407,525	28	▼
85 Middleton Lakes	1	1	406,000	new entry	n/a
86 Corporate Europe Observatory	7	4	403,609	87	▲
87 PLATFORM	5	5	396,437	69	▼
88 The Conservation Volunteers	16	12	395,921	new entry	n/a
89 Sustain: The alliance for better food and farming	8	7	381,957	new entry	n/a
90 Practical Action	10	9	377,937	44	▼
91 Federation of City Farms and Community Gardens	5	4	364,999	64	▼
92 Torbay Coast & Countryside Trust	2	1	364,583	new entry	n/a
93 Staffordshire Wildlife Trust	6	4	358,408	new entry	n/a
94 Madagasikara Voakajy	4	3	356,000	new entry	n/a
95 Husk Power Systems	1	1	353,325	new entry	n/a
96 Perth & Kinross Countryside Trust	3	1	350,000	new entry	n/a
97 Transition Network	8	7	347,000	84	▼
98 Norfolk Wildlife Trust	3	2	338,441	90	▼
99 Leicestershire & Rutland Wildlife Trust	9	5	337,998	new entry	n/a
100 Durrell Wildlife Conservation Trust	9	7	331,384	85	▼



## NOTES

1 Elsewhere in the report we use the term ‘foundations’ to refer to philanthropic organisations that are supporting environmental initiatives, whether or not these are constituted as trusts, foundations, or with some other legal structure.

2 Across the two years of lottery grants that we analysed only 42 organisations received lottery funding in both years.

3 25% is the combined total for the three thematic issue categories of *climate and atmosphere*, *energy*, and *transport*.

4 The lack of funding for trade-related work is particularly significant given the threat to environmental regulations posed by the EU–US Transatlantic Trade and Investment Partnership.

5 Jon Cracknell, Florence Miller and Harriet Williams, *Passionate Collaboration? Taking the pulse of the UK environmental sector*. London: Environmental Funders Network, November 2013.

6 Grants-level data here meaning a list of individual grants with specific details of amount and grantee.

7 We intend to publish longer versions of these interviews later in 2014, alongside interviews with other environmental philanthropists.

8 Jon Cracknell and Heather Godwin, *Where the Green Grants Went 3*. London: Environmental Funders Network 2007, pp. 16–20; Jon Cracknell, Heather Godwin, Nick Perks and Harriet Williams, *Where the Green Grants Went 5*. London: Environmental Funders Network, 2012, pp. 31–33.

9 Jon Cracknell, Florence Miller and Harriet Williams, *Passionate Collaboration?*, p. 23.

10 Estimates of the total giving from UK trusts and foundations tend to range between £2 billion and £3 billion, with no definitive figure available.

11 *The Guardian*, ‘Van Gogh Sunflowers to be reunited in National Gallery Exhibition’, 28th October 2013; Coutts, *The Million Dollar Donors Report 2013*, accessed at: <http://philanthropy.coutts.com/united-kingdom/findings>.

12 National Council for Voluntary Organisations & Charities Aid Foundation, *UK Giving 2012: Summary of findings*. London: November 2012, p. 4.

13 On average the 139 organisations responding to the *Passionate Collaboration?* survey received 10% of their income in the form of grants from foundations.

14 Across the two years of lottery grants that we analysed only 42 organisations received lottery funding in both years.

15 The main reason for the fall in HLF grants was the reduction of expenditure on the ‘Parks for People’ programme, where funding fell from £20.9 million to £3.0 million.

16 NESTA has been an independent charity since 2012, but was a public body at the time the grants featured in Table 7 were made.

17 *Daily Telegraph*, ‘Gareth Bale finally seals £86 million pound move from Tottenham Hotspur to Real Madrid’, 25th August 2013.

18 The lack of funding for trade-related work is particularly significant given the threat to environmental regulations posed by the EU–US Transatlantic Trade and Investment Partnership.

19 Jon Cracknell, Heather Godwin and Harriet Williams, *Where the Green Grants Went 4: Patterns of UK funding for environmental and conservation work*. London: Environmental Funders Network, November 2009.

20 Environmental Grantmakers Association, *Tracking The Field, Volume 4: Analyzing Trends in Environmental Grantmaking*. New York: EGA, September 2013.

21 Jon Cracknell, Marilena Vrana and Petros Theodorou, *Environmental Funding by European Foundations, Volume 2*. Brussels: European Foundation Centre, November 2013.

22 The Environmental Grantmakers Association adds a number of thematic categories to the 13 that are shared by environmental grantmaking networks in different parts of the world, meaning that US grants are distributed across a larger number of categories than those in Europe.

23 This figure would have been lower still had the European numbers not been boosted by one particularly large one-off grant.

24 Environmental Grantmakers Association, *Tracking The Field*, p.24.



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