The Environmental Funders Network (EFN) aims to strengthen the funding for and effectiveness of the environment sector. As an organisation, we are a network for trusts, foundations and individuals making grants on environmental issues, and a resource for the environment sector at large.

Our mission is to increase the overall level of financial support for environmental causes and to help environmental philanthropy to be as effective as it can be.
Our theory of change

EFN exists to support a thriving, ecologically diverse and sustainable world. Along with our members, we work towards this by improving the resourcing and effectiveness of the environment sector.

We work to strengthen and inspire the work of existing and potential environmental funding organisations and donors. We do this by forging connections between them and bolstering their sense of agency. These steps support and encourage funders to increase or maintain their levels of funding to environmental issues and ensure that their funds are more responsive to needs, and thereby more impactful.

In addition, we work to strengthen the work of environmental organisations, by identifying gaps in the sector’s effectiveness, encouraging funders and others to address those gaps, and developing our own programming around them where appropriate.

Ultimately our work supports an environment sector that is better resourced and more effective in supporting a thriving planet.

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**EFN empowers funders, advisors and eNGOs**

- **Increased awareness, skills, knowledge and networks**
  - Fundraisers feel sense of agency
  - eNGOs feel sense of agency
  - Improved effectiveness of environmental fundraising
  - Improved effectiveness of eNGOs

- **Improved effectiveness of environmental philanthropy**
  - Funders feel sense of agency
  - Advisors feel sense of agency

- **Funders and wealth advisors feeling inspired to act**
  - Increased philanthropic funds for environmental issues

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**A WORLD THAT IS ECOLOGICALLY DIVERSE AND SUSTAINABLE**

Collective responsibility across all sectors and communities to stop the damage and support the repair of the natural world
How we support change in partnership with existing and prospective environmental funders and donors

We provide funders with increased access to relevant information than they would have had outside the network; strengthened connections to other funders, NGOs and thought leaders; increased skills and knowledge around the various elements of effective environmental philanthropy; and increased awareness of the need and gaps in funding. In turn, these steps increase funders’ sense of agency around giving to environmental causes and inspire them to give.

Feeling an increased sense of agency means feeling equipped and able to be effective and strategic as a donor. It involves a sense of confidence in one’s role and potential to do something meaningful.

Being ‘inspired’ in this context means feeling a desire to donate to environmental causes, to increase donations to environmental causes, and/or to improve the effectiveness of one’s giving. Our theory is that if donors can take part in an enjoyable and positive.

**Increased awareness, knowledge, skills and networks**
- Increased access to relevant information
- Strengthened, more diverse networks
- Increased skills and knowledge in effective philanthropy
- Increased awareness of the need and gaps in funding

**Feeling inspired to act**
- Feeling a desire to start giving, continue giving, or increase giving to environmental causes
- Feeling a sense of enjoyment and satisfaction, that environmental giving is rewarding, meaningful and effective

**Feeling a sense of agency**
- Feeling equipped and able to be effective and strategic as an environmental donor
- Feeling confident in one’s role and potential to do something meaningful

**Improved effectiveness of environmental philanthropy**
- Increased collaboration
- Increase in good practice grant making and funder behaviour
- Increased peer-to-peer knowledge exchange and larger funders sharing insights
- Increased collective insight relating to the environmental sector and philanthropy’s place within it
- Increased targeting, systemic support and experimentation with different ways of giving
forum in which they can access relevant information, strengthen their connections with other funders, and enhance their skills and knowledge, then their sense that giving to environmental causes is meaningful, enjoyable and effective will increase. That in turn will inspire them to continue, expand or begin their giving.

We see the following as key elements of ‘effective environmental philanthropy’ – though note that we recognise that this list is both subjective and will change with time:

- Good practice in grantmaking and funder behaviour (for example, minimising bureaucracy as far as possible; making long-term funding commitments; providing unrestricted or core funding where possible)
- Collaboration, where feasible and adding value, between funders and between funders and other actors
- Exchange of knowledge with other funders to maximise understanding of the need and prevent unnecessary duplication or ‘reinventing the wheel’
- Increased collective insight relating to the environment sector and philanthropy’s place within it
- An awareness of gaps and priority needs to be filled
- An analysis of power structures and power imbalances and how funding flows can (and have) perpetuate(d) them – and deployment of methods for redressing these imbalances
- More specifically, an incorporation of the principles of justice, equity, diversity and inclusion into grantmaking – because funding without these lenses has meant that innovative and effective people, organisations and solutions have gone un- or underfunded, and that environmental work has in some instances been unjust
- An understanding of how environmental issues and social issues interrelate, and deployment of funding at the intersection of the two
- Support for work addressing the root causes of environmental degradation as well as the symptoms
- Willingness to experiment with new or different ways of giving
- Willingness to fund not only new and untested initiatives and approaches that have potential, but also tried and tested initiatives that may not be new or innovative but need long-term support to be effective or to expand
How we support change in partnership with philanthropy and wealth advisors

Among philanthropy and wealth advisors, we work to increase awareness of the need for environmental action, while also increasing knowledge of environmental issues, their solutions and the organisations and initiatives deploying them. We do this through meetings and events specifically designed for advisors, inviting them to join our meetings and events for funders; and producing philanthropy briefings. Together, these measures increase the skills and confidence of advisors to help their clients to support environmental issues, therefore increasing the level of philanthropic funding for environmental issues as well as its effectiveness.

**Increased awareness, knowledge, and skills**
- Increased awareness of the need for environmental action
- Increased knowledge of environmental issues, their solutions and the organisations and initiatives deploying them
- Increased skills and confidence
- Strengthened and more diverse networks

**Feeling inspired to act**
- Feeling compelled to encourage more environmental philanthropy

**Feeling a sense of agency**
- Feeling confident and able to encourage and help clients support environmental issues effectively

**Increased environmental philanthropy**
How we support change in partnership with environmental fundraisers

We provide fundraisers with increased access to relevant information (e.g. insights into the funding landscape, and funder interests); strengthened connections to other fundraisers and thought leaders; and increased skills and knowledge around the various elements of effective fundraising, including communications.

Our theory of change is that more networking between fundraisers will improve knowledge exchange between them, that training and information will bolster fundraisers’ skills, and that these changes will lead to better fundraising.

Overall, these measures will lead to the increased ability of fundraisers to make a compelling case for funding their work to funding organisations and donors, which in turn will lead to increased funding for the environment sector and therefore enhance the effectiveness of the sector.

**Increased awareness, knowledge, skills and networks**
- Improved skills and knowledge around elements of effective fundraising, including communications
- Increased access to relevant information
- Strengthened connections to other fundraisers (including peer-to-peer knowledge exchange) and with funders
- Increased collaboration amongst fundraisers

**Feeling a sense of agency**
- Feeling a sense of agency to be effective and strategic

**Increased environmental philanthropy**
We seek to identify gaps in the environment sector’s effectiveness through research (including surveys of sector leaders) and consultation with a broad variety of leaders and thinkers from inside and beyond the sector. We then seek to highlight those gaps so that funders and environmental actors can respond to them. Where necessary and feasible, we develop our own programmes to fill gaps, including through training or convening. These gaps may be skills-based (e.g. communications and framing) or in terms of issues or approaches (e.g. collaborations with other sectors). Our theory is that gathering the collective intelligence of the sector and reflecting it back will help actors across the board to know better what to do to improve their effectiveness, and, likewise, that our work to address gaps will strengthen the sector overall.

In addition, we seek to help the environmental sector better understand the funding landscape and funder interests, through our research and events, in order to support more effective and efficient fundraising.

**How we support change in partnership with the environment sector beyond fundraisers**

- **Increased awareness, knowledge and skills**
  - Increased collective insight relating to the sector’s needs and gaps
  - Improved skills and knowledge addressing identified gaps in the sector, such as communications
  - Increased insights into the funding landscape and funder interests
  - Increased ability to fundraise (see also ‘How we support change in partnership with environmental fundraisers’)

- **‘Gaps’ in effectiveness (skills, networks, approaches) increasingly filled**
  - Increased development among environmental actors of initiatives to address key gaps, e.g. around communications or collaboration
  - Increased support from funders to address key gaps

- **Improved effectiveness and funding of environmental initiatives**
Towards a world that is thriving, ecologically diverse and sustainable

Our theory of change holds that greater and more effective resourcing of the environment sector will allow it to do its work better preventing environmental damage and supporting the restoration of the natural world, thus helping us achieve our vision of a world that is ecologically diverse and sustainable. Each of our members, and the other stakeholder groups we support, plays a crucial role in moving us to this destination.

The role of justice, equity, diversity and inclusion in our theory of change

The UK environment sector has a long way to go to reflect the diversity of the British people: by one estimate it is the second least diverse sector, with farming coming first. The philanthropy sector is undoubtedly even less diverse. It is EFN’s belief that this lack of diversity has limited the effectiveness of environmental work and environmental philanthropy overall. What has not been funded as a result of a limited sense of what works, who leads, what is possible, what is needed? What has been funded without an understanding of unintended consequences, who is excluded, who is affected, what has been missed? A key part of our theory of change is increasing the knowledge, skills, awareness and networks of environmental funders; we see integrating lenses of justice, equity, diversity and inclusion as a vital part of this. What is a just approach to environmental philanthropy? What is needed from environmental philanthropy to redress inequities and further environmental progress in tandem? How can the environment sector be as inclusive as possible in all that it does? These and other questions inform our work both internally as we develop the organisation and externally in terms of our programming.

How this theory of change was developed

Our theory of change was developed by the board of trustees and staff of EFN in collaboration. We are hugely grateful to trustee Liz Gadd for initiating and stewarding the process, and helping us to translate our thoughts into words.
Our assumptions underpinning our theory of change

Our theory of change is based on assumptions - both those we are aware of and those we are not. By using our theory of change to underpin our activity we will further understand our theory and assumptions, continuously improving how we best support a world that is ecologically diverse and sustainable.

Need
- Climate change and wider environmental degradation are urgent challenges that need to be addressed quickly
- The environment sector and environmental philanthropy could be more effective, and it is possible to identify areas for improvement
- The environment sector as a whole is facing significant funding challenges (exacerbated by the Covid-19 pandemic)
- Environmental philanthropy can support a just transition to a post-carbon, nature-rich world
- EFN understands target groups' motivations for joining EFN
- Wealth advisors feel they need environmental knowledge to be effective in their jobs

Delivery
- Addressing root causes will have more long-lasting, systemic results than addressing symptoms of environmental degradation
- Root causes are more challenging for funders and NGOs to address
- The more exposure target audiences have to EFN, the more influenced they will be
- Peer-to-peer knowledge and story exchange is effective in motivating people to act differently
- Stakeholders will take on board and act upon the skills and insights shared
- Stakeholders participating in EFN are operating from different values bases, and are not homogeneous, for example in what they consider a 'win' to look like, and that does not prevent effective networking and collaboration - indeed this diversity within the network is a strength
- EFN is able to offer leadership whilst representing a diverse network

Impact
- Philanthropy has a vital and catalytic role to play in addressing environmental issues
- We recognise that the ability of a small percentage of the population to hold a high percentage of the monetary wealth brings its own intrinsic challenges and that environmental philanthropy must address this if it is to be as effective as possible
- More money, more strategically directed, is a key element in effectively addressing environmental issues
- Grant making is one element of environmental philanthropy and effective approaches can also include mission-aligned investments, advocacy, convening etc.

Process of developing the TOC
- EFN's research and active network ensure that EFN has a strong understanding of the external environment
- EFN's assumptions are hard, but not impossible, to test
- EFN's ToC will be applicable to all nations and overseas territories of the UK