

Where the Green Grants Went 9: Scotland Edition

Patterns of UK funding for environmental work in Scotland in 2021/22

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Introduction

The Environmental Funders Network (EFN) works to transform environmental philanthropy in the UK: increasing funding levels, improving effectiveness and supporting people and organisations helping to create a thriving planet.

We provide tailored support across the funding community to strengthen their work – whether that's within our membership network for funders and advisors, or in our forum for fundraisers. We share knowledge, expertise and research and foster connections. We also work to motivate and inspire those not yet funding environmental causes to give.

The ninth edition of our Where the Green Grants Went (WTGGW) research (published in September 2024) collected and analysed data on 6,555 grants supporting environmental work in the financial year 2021/22 from UK-based funders (private trusts and foundations, landfill funding distributors and lottery sources). WTGGW9 also includes an important new section dedicated to exploring what effective philanthropy looks like and how it may be implemented by environmental funders. Building on this, we conducted further research into fundraisers' experiences and developed a set of recommendations for funders, set out in our report on *Increasing the* effectiveness of funder-fundraiser relationships (published in October 2024).

For this Scotland edition of our WTGGW9 research, we've distilled what our grants dataset tells us about funding for environmental work in Scotland. We've also included short case studies of two funders based in Scotland that environmental fundraisers highlighted repeatedly for being progressive in their approaches to grantmaking (see p31 in *Increasing the effectiveness of funder-fundraiser relationships*).

We hope that this report is helpful for you, and encourage you to get in touch with any feedback or for further guidance, sign-posting or useful connections at info@greenfunders.org.



Environmental funding in Scotland in 2021/22

Key takeaways

- We compiled data on environmental funding from UK foundations and lottery sources in 2O21/22, the latest year for which data were available at the time of analysis. We found that 55 philanthropic funders made 727 grants to 538 recipients for environmental work in Scotland, totalling £25.1 million (£14.5 million from lottery sources and £10.6 million from foundations).¹
- Foundation funding for environmental work in Scotland has increased by 52% in the three years since our previous analysis, although this increase is smaller than the nearly three-fold growth in environmental funding globally from UK foundations. Despite this growth, environmental funding remains a very small proportion of total UK foundation funding for philanthropic causes (8.5%).
- The share of funding from Scottish-based foundations has increased and now accounts for more than two thirds of foundation funding for environmental work in Scotland.
- Lottery funding for environmental work in Scotland has increased by 30% since 2018/19; this is in contrast to the 17% decrease in total environmental funding from UK lottery sources.
- Biodiversity & species preservation continues to attract the highest share of funding in Scotland relative to other environmental issue areas. Two issue areas that received the lowest shares of environmental funding globally (termed 'Cinderella' issues) also received very low shares in Scotland: toxics & pollution and fresh water.²
- Funding continues to be spread widely and thinly across the Scottish environment sector, a trend that is not specific to Scotland; there are very large numbers of grant recipients, most of whom receive only very small amounts of funding, with a median grant size of £9,500.





EFN has been tracking and analysing environmental grants from UK-based funders since 2002 through our *Where the Green Grants Went* report series, which aims to identify funding trends and highlight potential gaps that might otherwise remain hidden. We know that many funders have used our analyses to inform their grantmaking strategies.

UK funding trends

Our research has shown that environmental funding from UK sources has grown significantly in recent years, albeit from a very low base, with new funders entering the space and some established funders scaling up their environmental giving. In 2021/22, funding to environmental causes from UK foundations³ and lottery sources amounted to £687 million; an increase of more than double (212%) from 2018/19. Environmental funding from UK foundations alone nearly trebled between 2018/19 and 2021/22, reaching £606.5 million, and outpaced the overall growth in UK foundation funding; the estimated proportion of total funding from UK foundations that was directed towards environmental causes increased from 5.8% to 8.5% in this period.

Scotland funding from foundations

In Scotland, environmental funding from UK foundations is on a clear upward trajectory, reaching £10.6 million in 2021/22; a 52% increase from 2018/19 (Chart 1). Nonetheless, this increase is much smaller than the nearly three-fold increase in environmental giving from UK foundations to all countries over this period; the share of this funding going to Scotland decreased from 3% in 2018/19 to 1.75% in 2021/22. This reflects an overall decrease in the proportion of environmental funding from UK foundations supporting work within the UK relative to other countries or internationally. Looking at funding within the UK only, the share of this funding going to Scotland did increase slightly from 9.4% in 2018/19 to 10.1% in 2021/22.



³ Except where otherwise specified, 'foundations' includes Landfill Communities Fund, Scottish Landfill Communities Fund and Welsh Landfill Disposals Tax Community Scheme distributors, as well as philanthropically-funded trusts and foundations.

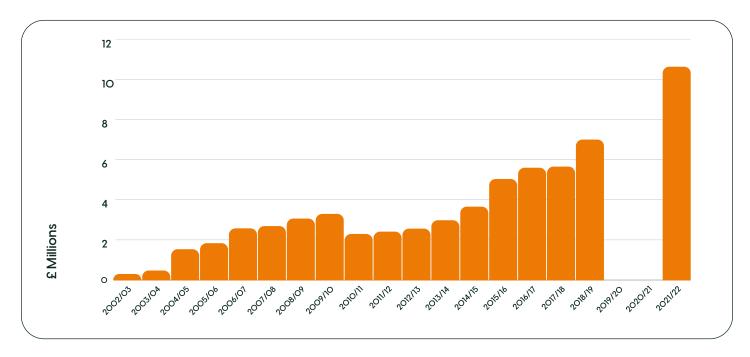


Chart 1: Funding from UK foundations to environmental work in Scotland over time (nominal figures). (Note that data have not been collected for the financial years 2019/20 or 2020/21.)

Top foundations funding in Scotland

Our dataset includes 132 UK-based foundations that have given at least one grant for environmental work in Scotland since 2002, and 52 in 2021/22 alone (an increase from 41 in 2018/19).⁴ The five foundations that gave the largest amounts of funding for environmental work in Scotland in 2021/22 were:

- Inspiring Scotland (33%)
- Esmée Fairbairn Foundation (13%)
- Foundation Scotland (11%)
- Garfield Weston Foundation (5%)
- Gannochy Trust (4%)

Percentages indicate the proportion out of total UK Foundation funding for environmental work in Scotland.

Three of the top five foundations funding in Scotland are based here: Inspiring Scotland, Foundation Scotland and Gannochy Trust. In 2O21/22, more than two thirds (69%) of foundation funding for environmental work in Scotland came from Scotlish foundations; this compares to just 17% in 2O18/19.



⁴ Appendix II lists these 52 foundations together with the three lottery sources, and identifies the thematic issue areas that each one supported in 2O21/22 across their environmental funding in all countries, not just Scotland.



Scotland funding from lottery sources

There has been significant fluctuation in environmental funding in Scotland from lottery sources (The National Lottery Community Fund, The National Lottery Heritage Fund and the People's Postcode Lottery; Chart 2), which reflects the picture for lottery funding in the UK as a whole. However, while total UK environmental funding from lottery sources decreased by 17% between 2018/19 and 2021/22, lottery funding in Scotland increased by 30% over the same period, reaching £14.5 million.

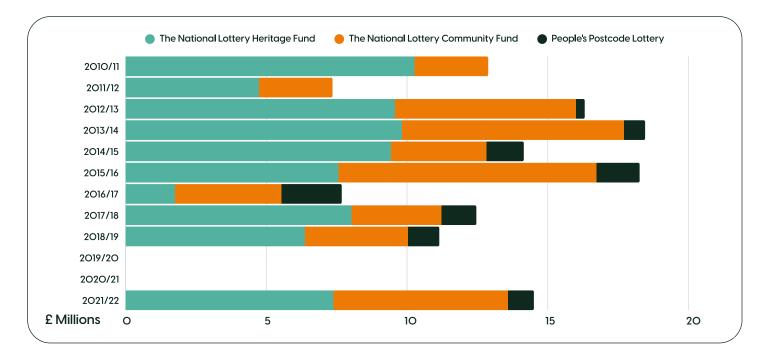


Chart 2: Funding from UK lottery sources to environmental work in Scotland over time (nominal figures). (Note that data have not been collected for the financial years 2019/20 or 2020/21.)

Funding by issue in Scotland

As in 2018/19, biodiversity & species preservation was the issue area that received the largest share of environmental funding in Scotland in 2021/22, accounting for a third of environmental funding from UK-based foundation and lottery sources combined (Chart 3). Ranking second and third are terrestrial ecosystems & land use (19%) and consumption & waste (12%). These three issue areas all attracted higher shares of funding in Scotland compared to the shares across all countries, in some cases significantly so.

Biodiversity & species preservation alone accounted for nearly half (47%) of lottery funding for environmental work in Scotland, followed by terrestrial ecosystems & land use (18%) and consumption & waste (17%). Terrestrial ecosystems & land use was the top environmental issue area in Scotland for foundations (21%), with coastal & marine ecosystems ranking equally to biodiversity & species preservation (both at 14%), closely followed by energy (13%) and transport (12%).

'Cinderella' issues in Scotland

The two issue areas that received the lowest shares of environmental funding globally also received very small shares in Scotland: toxics & pollution and fresh water (O.4% and 1.4% of environmental funding in Scotland, respectively). We have generally termed these 'Cinderella' issues as we believe they deserve far more attention from funders than they have been receiving for many years; chemical pollution (including in fresh water systems) is not only a significant driver of environmental degradation, but also has severe implications for human health.

It is interesting to see that *consumption & waste* and *coastal & marine ecosystems* – two issue areas that received very small shares of funding across all countries – rank relatively highly in Scotland (12% and 6% of environmental funding in Scotland, respectively, compared to 3% and 2% of environmental funding in all countries).



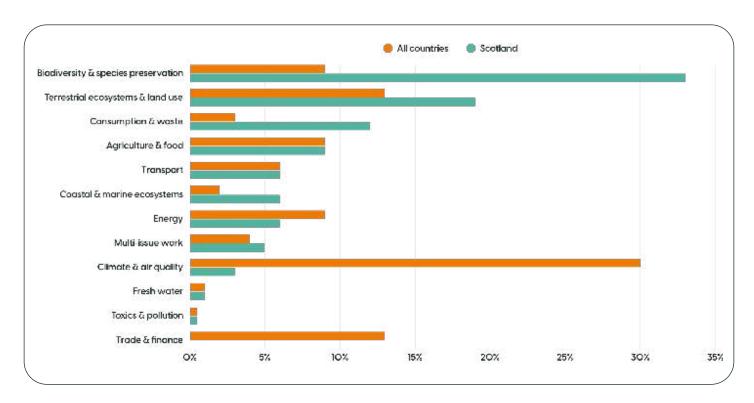


Chart 3:

The distribution of funding from UK foundation and lottery sources for environmental work across different thematic issue areas, in Scotland and globally, in 2021/22.

Environmental grantees in Scotland

A total of 538 organisations and individuals received funding for environmental work in Scotland from UK foundation and lottery sources in 2021/22. Chart 4 lists the 15 organisations that received the highest amounts of funding for environmental work in Scotland from the funders in our dataset.

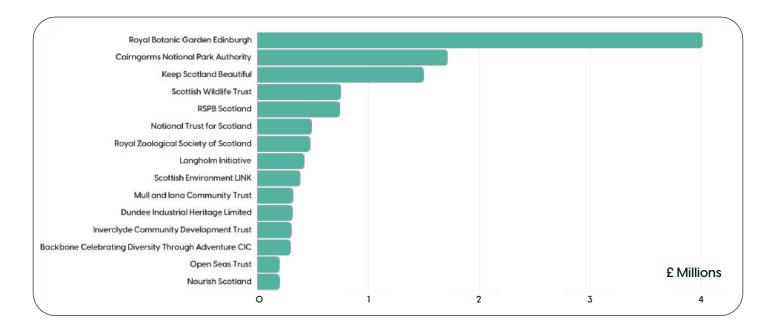


Chart 4:

The 15 organisations that received the highest levels of funding for environmental work in Scotland from UK foundation and lottery sources in 2O21/22.



Funding levels across the Scottish environment sector

Of the 538 recipients of grants for environmental work in Scotland in 2021/22, 82% received less than £50,000 in total from the funders in our dataset, and 52% received less than £10,000. This reflects a similar picture when looking at funding from UK foundation and lottery sources to all countries – environmental funding is spread extremely widely and thinly across the sector. The median size of environmental grants in our dataset is around £9,500, both for grants in Scotland specifically and for grants to all countries; this is very similar to the median size for grants to all issues (£10,000 5). When looking at foundations specifically, however, the median size of environmental grants in Scotland is just £5,600, compared to £10,000 for lottery grants. This does not reflect the picture for environmental grants to all countries, the median size being £10,000 for foundation grants and £8,500 for lottery grants.

⁵ Based on grants from multiple funder types in 2022/23, taken from https://www.ukgrantmaking.org/2024/grants-recipients/#Grants

Effective environmental grantmaking in Scotland

Our research shows that there continues to be a serious shortfall in philanthropic funding for the environment sector in Scotland. While one obvious solution is to grow the available funding, another important strategy is to increase its effectiveness, ensuring maximum impact for every pound spent.

Environmental groups have been telling us for many years that they often encounter significant hurdles in securing funding that adequately meets their needs, which creates substantial administrative burdens and severely limits their effectiveness. Despite some funders demonstrating leadership in tackling these issues (see below), sector-wide progress remains slow.

We call on funders to adopt more flexible, trusting and collaborative funding models that are suited better to tackling the urgent and broad-ranging environmental challenges we face.

In our <u>Increasing the effectiveness of funder-fundraiser relationships</u> report, two Scotland-based funders were amongst those highlighted repeatedly by fundraisers for their efforts in reducing the administrative burden on grantseekers and grantholders, and being progressive in their approaches to grantmaking.

The case studies on the following pages illustrate the approaches that these funders take, written in their own words.



William Grant Foundation

The William Grant Foundation distributes over £4 million annually to organisations in Scotland, supporting young people and families, health, culture, heritage, and the natural and built environment. Its vision is 'a Scotland where everyone has the opportunity to thrive.'

Acknowledging the risks climate change and nature loss pose to the achievement of that vision, the Foundation aims to take an integrated approach to environmental philanthropy. It combines explicitly environmental grantmaking with climate-informed strategies in other sectors and supports wider collaborations around research, capacity building and innovative funding models.

The Foundation proactively identifies grantees through research and networks and has around 13O funding relationships at a time. Its grant processes are flexible and often light touch, tailored in a proportionate way to reduce the burden on its partners, build trust and encourage openness.

Primarily funding organisations rather than projects, the Foundation commits grants for one to three years at a time, but often renews funding for key partners: over 40% of its current relationships extend beyond five years. It makes its grants unrestricted whenever it can – just over half its grants in 2024 were unrestricted. It believes this flexibility is critical to enable its funded partners to adapt, innovate, learn and improve.

In the environmental space, the Foundation focuses on four key areas:

- Marine and freshwater: Enhancing knowledge and conserving species and habitats, with an emphasis on engaging communities via local citizen-led projects.
- Warm homes: Funding projects that improve energy efficiency, decarbonisation, and promote a just energy transition.
- Community assets: Aiding the preservation and repurposing of heritage buildings.
- Environmental sector infrastructure: Building capacity and facilitating collaboration among environmental organisations, including research and advocacy.

Within its other funding themes it seeks opportunities to make practical links to the environment:

- Supporting the cultural sector's
 potential to inspire societal shifts toward
 sustainability as well as decarbonise its
 own operations.
- Backing efforts to engage young people in climate action and the environment, fostering young people's leadership and voice in shaping a sustainable future.
- Focusing much of its social grantmaking on enhancing resilience and empowerment of people experiencing disadvantage or marginalisation – who stand to be most affected by environmental harms.

It also aims to support non-environmental charities to take climate action in ways that relate to their own missions and reflect their strengths and capabilities. It has funded carbon literacy training for grantees and is co-funding wider sector initiatives such as <u>SCVO's Growing Climate Confidence</u> initiative and <u>NPC's Everyone's Environment programme</u>.

The Foundation is active in funder networks, aiming to learn with and from others about how to support the kind of shifts we need to achieve a just transition to a sustainable future. This includes collaborating in joint funding initiatives such as the *Independent Human Rights Fund for Scotland* and the *Regenerative Futures Fund in Edinburgh*, and sharing its approaches at events hosted by *Culture for Climate Scotland* and the Scotland Funders Forum.



People's Postcode Lottery

From the highlands to the islands, coast to coast, soil to sky and in our communities, funds raised by players of People's Postcode Lottery help restore nature, protect biodiversity, and enable climate action. Operating in the early days from a small office in Leith, Edinburgh, via George Street and now Charlotte Square, the players of People's Postcode Lottery have been supporting environmental conservation and protection in Scotland since 2008.

Our funding philosophy

We believe strong communities and charities play an important role in creating a healthier, fairer and greener world. Based on our Funding Philosophy and working with the Postcode Trusts, we provide long-term and flexible (unrestricted) funding, allowing our charity partners the freedom to use these funds where they consider they will be most effective. It enables charities to meet their strategic goals faster without the need to adjust their plans to meet donor interests. Long-term partnerships give our charity partners the flexibility to address the most pertinent and pressing issues. It allows them to formulate long-term strategies, adapt rapidly and redirect their priorities to changing needs and evolving situations. Our trust-based philanthropic approach enables our charity partners to maximise their positive impact.

We champion diversity and human rights by promoting inclusion, fairness, and opportunities for all. Funding supports charities' development of their own specific approaches to equity, diversity and inclusion (EDI) throughout their operations, as well as the delivery of their programmes and services to Scotland's diverse communities so that everyone can enjoy and access nature.

Fostering a culture of collaboration and learning

We connect charities with each other, facilitating powerful collaborations aimed at tackling global, national and local issues. We organise events, providing opportunities for charity experts to meet, share learning and create impactful solutions.

We organise funding workshops for charities and good causes to learn how to apply for the openapplication grant programmes we manage. Our network of 126 long-term charities share best practice, positive pathways and barriers to change on EDI and sustainability. With our convening power, we have also been able to bring together diverse experts from across the charity sector to champion progress and inspire action in operational environmental sustainability and in carbon reduction initiatives.

Recognising that the leadership and expertise of charities is best enabled by flexible funding, we support charities to leverage funding, and share our positive experiences with others, demonstrating positive impact with funders. Working with the Postcode Trusts we participate in formal funder initiatives. We've signed the Institute of Voluntary Action Research's pledge to adopt open and trusting practices; are members of the Funder Safeguarding Collaborative; are a signatory to the Funder Commitment on Climate Change and share grant data with 360Giving.

Our support in Scotland

Reflecting the growth of People's Postcode Lottery, in recent years, player support for environment in Scotland has expanded and deepened, with a wide range of support available. Since 2021, People's Postcode Trust, which awards grants to smaller charities and good causes in Scotland, has awarded over £627,000 to more than 30 organisations. Support from our players for larger organisations has raised more than £12 million directly supporting Scotland-based environmental charities including Coast, Hebridean Whale and Dolphin Trust, National Trust for Scotland, Royal Botanic Garden Edinburgh, Royal Zoological Society of Scotland and Scottish Wildlife Trust. Our wider environmental support in Scotland includes Blue Marine Foundation, Fauna and Flora International, Friends of the Earth Scotland, Marine Conservation Society, RSPB, Soil Association, The Conservation Volunteers, Woodland Trust, and WWF.



Appendix I: Thematic issues categories

										
CATEG	ORY	DESCRIPTION								
Agric	:ulture & food	Includes work that supports the development of, or education about, farming, food production or horticultural techniques that are sustainable or regenerative; and opposition to such techniques that are associated with negative environmental impacts, such as factory farming and genetic modification. Also includes work to conserve agricultural genetic diversity. (Note that work on polluting agricultural chemicals is categorised under Toxics $\boldsymbol{\epsilon}$ pollution, and work on food waste is categorised under Consumption $\boldsymbol{\epsilon}$ waste.)								
	versity & species ervation	Includes work to protect or restore species of animals, plants or fungi, whether in situ or ex situ in zoos, botanic gardens or arboreta; as well as academic research and education about this work. Also includes work to protect and restore biodiversity globally or in a particular site, such as through the establishment of a wildlife reserve.								
Climo	ate & air quality	Includes work to mitigate climate change and other forms of air pollution, including particulate pollution and pollutants causing ozone depletion. (Note that work specifically on energy, transport, the finance sector, or ecosystem protection and restoration is categorised under the relevant categories for these issues, even if this work is undertaken primarily to meet climate or air pollution objectives.)								
	tal & marine ystems	Includes work to protect and restore marine ecosystems, as well as coastal ecosystems such as mangroves and estuaries. This includes work to improve the sustainability of marine and coastal fisheries and aquaculture, to establish marine protected areas, and to mitigate threats affecting marine habitats specifically, such as marine pollution.								
Cons wast	umption & e	Includes work aimed at reducing levels of consumption and waste, including the development of more sustainable economic systems and production methods, efforts to move away from consumer culture, as well as recycling and composting schemes.								
- Energ	ЭУ	Includes work to develop and promote renewable energy sources, reduce the use of fossil fuels, and improve energy efficiency. (Note that work on divestment in the finance sector is categorised under Trade $\&$ finance, and work on transport fuels is categorised under Transport.)								
Fresh	water	Includes work to protect and restore freshwater ecosystems, such as rivers, canals and inland wetlands, including work to improve the sustainability of freshwater fisheries and aquaculture, and to mitigate threats affecting freshwater habitats specifically, such as freshwater pollution.								
S Multi-	-issue work	Includes work that is not specific to any particular environmental issue, such as environmental journalism or education initiatives that cover a range of issues, core grants to more generalist environmental organisations, or grants to re-granting organisations that focus on a range of environmental issues.								
Popu	lation	Includes work that focuses on reducing the rate of human population growth specifically as a means of fulfilling environmental goals, which may involve promoting the reproductive and broader rights of women and girls, including equitable access to family planning and education.								
	strial ecosystems d use	Includes work to protect and restore terrestrial ecosystems, including the establishment of terrestrial protected areas and other landscape-scale conservation efforts, and the mitigation of threats affecting terrestrial habitats specifically, such as environmentally damaging developments. Woodlands and tropical forests are included in this category.								
Toxic	s & pollution	Includes work to address chemical pollutants that impact on the environment, including industrial, agricultural and household chemicals and radioactive waste, as well as noise and light pollution. (Note that work on air pollution is categorised under Climate $\&$ air quality, and work on pollution that specifically impacts freshwater and marine ecosystems is categorised under the relevant ecosystem categories.)								
Trade	e & finance	Includes work to reduce the environmentally damaging impacts of international trade policies and the finance sector, including private banks and public financial institutions, such as work to promote divestment and highlight the risk of stranded assets. Also includes economic development initiatives that are specifically focused on achieving environmental objectives, such as debt cancellation in exchange for environmental investment.								
* Trans	sport	Includes work to reduce the environmentally damaging impacts of transport, whether for people or goods, including work to develop and promote sustainable transport options.								

Appendix II: Foundations and lottery sources funding in Scotland

UK foundations and lottery funders that made at least one grant for environmental work in Scotland in 2021/22, in alphabetical order, and the thematic issue areas they each supported across their total environmental funding in that year (in all countries).

		×				7	3	Z	•			×
ALA Green Charitable Trust		•						•	•			
Aurora Trust		•	•			•		•	•		•	
Banister Charitable Trust		•	•	•			•	•	•			
Bank of Scotland Foundation*		•				•		•	•			•
Calouste Gulbenkian Foundation		•	•	•	•			•				
Carman Family Foundation*		•						•	•			
Community Foundation Tyne, Wear & Northumberland	•	•			•	•	•	•				•
Co-Op Foundation	•	•				•		•	•			
Corra Foundation*		•	•	•	•	•	•	•	•			•
County Durham Community Foundation		•			•	•		•	•			•
Craignish Trust*		•	•	•	•	•		•	•			
Daphne Hamilton Charitable Trust*		•						•				
D'Oyly Carte Charitable Trust		•		•			•	•	•			
Dulverton Trust		•					•		•			
EB Scotland*		•				•	•		•			
Esmée Fairbairn Foundation		•	•	•	•	•	•	•	•	•	•	
European Nature Trust		•			•		•	•	•			
Finnis Scott Foundation	•	•							•			
Fishmongers' Company's Fisheries Charitable Trust				•			•					
Foundation for Integrated Transport			•					•	•			•
Foundation Scotland*	•	•	•	•	•	•	•	•	•			•
Frederick Mulder Foundation		•	•					•	•		•	
Gannochy Trust*		•	•						•			•
Garfield Weston Foundation	•	•	•	•	•	•	•	•	•			
Highlands and Islands Environment Foundation*		•		•						•	•	
Inspiring Scotland*	•	•		•	•	•	•	•	•	•		•
John Ellerman Foundation	•	•	•	•			•	•	•	•		
John Swire 1989 Charitable Trust	•	•		•	•		•	•	•			
Lund Trust	•	•		•		•			•			
Marjorie Coote Animal Charity Fund		•	•						•			
MCS Charitable Foundation						•		•				
Millichope Foundation		•		•	•		•	•				
MJ Camp Charitable Foundation	•	•		•	•		•		•			
Network for Social Change	•	•	•	•	•	•	•	•	•		•	•
Nineveh Charitable Trust			•		•		•		•			
OVO Foundation			•			•			•			
Paul Hamlyn Foundation								•				
People's Health Trust	•	•				•		•				
People's Postcode Lottery*	•		•	•	•	•	•	•	•			•
Polden-Puckham Charitable Foundation	•	•			•	•		•	•		•	
Q Charitable Trust		•							•			
Robertson Trust*	•				•		•	•	•			
Scottish Forestry Trust												
Scottish Power Foundation*		•		•			•	•				
Simon Gibson Charitable Trust	•			•								
Stanley Smith (UK) Horticultural Trust												
·												
Swire Charitable Trust The Mushroom Trust*				•	•		•	•	•			
The Mushroom Trust*			•	•	•	•	•			•		•
The National Lottery Community Fund	•			•								
The National Lottery Heritage Fund Tudor Trust											•	
	•		•					•				
Waterloo Foundation					•							
Wheatley Foundation*												
Whitley Animal Protection Trust			•	•			•	•		•		
William Grant Foundation*												

^{*}Headquartered in Scotland



Environmental Funders Network is a charity registered in England and Wales (no. 1181318) and Scotland (no. SCO5O579).

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