WHERE THE GREEN GRANTS WENT

5

Patterns of UK Funding for Environmental and Conservation Work

Jon Cracknell, Heather Godwin, Nick Perks and Harriet Williams

With a foreword by Chris Cooper-Hohn

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The network is guided by a steering group chaired by Angela Seay (David & Elaine Potter Foundation), and including Simon Brammer (Sainsbury Family Charitable Trusts), Harriet Gillett (Polden-Puckham Charitable Foundation), Jason Mollring (Unltd), Matt Phillips (European Climate Foundation) and Steph Stares (Waterloo Foundation). The authors would like to take this opportunity to thank them for their leadership and ongoing support.

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THE ENVIRONMENTAL FUNDERS NETWORK (EFN)

The Environmental Funders Network (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.

EFN DOES NOT HOLD FUNDS, CONSIDER OR MAKE GRANTS, OR ADVISE FUNDRAISERS. PLEASE DO NOT SEND FUNDING REQUESTS TO EFN AS WE CANNOT RESPOND TO THEM.

Funders interested in joining EFN or finding out more about the network should contact Nick Perks, the EFN coordinator, at nick@greenfunders.org

Other recent EFN publications include:
Funding Locally, Thinking Globally (a set of six case studies).
The Food Issues Census, Food Ethics Council (a survey of UK civil society action on food and farming).
Both reports, together with all five volumes of the *Where the Green Grants Went* series, and other publications relevant to environmental philanthropy, are available on the resources page of our website: www.greenfunders.org/resources

CONTENTS

WHERE THE GREEN GRANTS WENT 5

FOREWORD

Global demand for food is expected to double by mid-century. Humanity has doubled food production before but the challenge looks much harder this time. Weather is becoming more erratic due to rising temperatures, water supplies are tightening and soils are drying out. This is not one of many future scenarios, this is happening now. I see the data every day. But climate change is not alone in putting food production at risk: watersheds worldwide are being destroyed, soil fertility is plummeting and phosphates are running out. This confluence of stresses creates unwelcome complexity. But for a foundation focused on the well-being of children, including their nutrition, acting on the environment and particularly climate change is now a no-brainer.

We know that humanity has already transgressed three 'planetary boundaries': anthropogenic climate change, interference with the nitrogen cycle and biodiversity loss. Without a radical reversal of current trends, we will be the first generation to break the inviolable code that we should always pass the world onto our children in a better state than we found it. Commodity prices have soared since 2002, wiping out 100 years of declining prices. But the market on its own is incapable of internalising environmental costs fast enough to change behaviour: far-sighted policy must help. Although we are all living longer on average, politicians are taking more and more short-term decisions. Given this context, I was shocked to discover that only 3% of UK philanthropy goes to addressing environmental problems and that climate change funding, though increasing, still only receives a paltry 0.7% of total giving. Public mobilisation, smart advocacy and practical demonstration of what works: these are the best defence against widespread abdication of leadership.

Even though no philanthropist can predict the future, there is no excuse for mediocre returns. In times of financial stress, every pound must count double. There has never been a more important time for philanthropy, especially environmental philanthropy, to be disciplined and strategic. It is essential to start every programme with absolute clarity about the mission – what success will look like and what the critical success factors are along the way – even if tactics have to vary in response to changing circumstances. Yes, we should all be taking bigger risks in the face of the environmental crisis, but we should also be spending smarter.

I encourage all philanthropists to read and reflect on this report.

Chris Cooper-Hohn
Co-founder and Trustee, Children's Investment Fund Foundation

EXECUTIVE SUMMARY

This report is the fifth edition of *Where the Green Grants Went*. It looks at the availability of grants from trusts and foundations[1] for different types of environmental work, particularly grants made during the three financial years 2007/08, 2008/09 and 2009/10. The focus is on a detailed analysis of grants data from nearly 150 UK-based trusts and foundations. This analysis is supplemented by findings from focus-group discussions and comparisons with environmental giving by government and in other countries.

The report includes the following key findings:

The size of the field

• Over this three-year period, the level of UK environmental philanthropy has reached a plateau at around £75 million per year. This follows a period of strong growth in the preceding two years.

• During 2007/08, 2008/09 and 2009/10 environmental philanthropy by established donors declined slightly, reflecting falls in the overall grantmaking of those trusts, whilst the proportion of their funding given to environmental issues remained steady. This decline has been offset by the emergence of a number of new donors and other funders supporting environmental causes for the first time.

• Environmental philanthropy still represents less than 3% of total UK philanthropy. 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.

Action on systemic environmental issues

• There has been a significant and very welcome increase in the proportion of environmental philanthropy going to tackle climate change. Over the three years covered by this research, funding for work on climate change[2] has averaged 21%, up from less than 9% in the previous edition of *Where the Green Grants Went*.

• However, even with this increase the total grants directed towards mitigating climate change account for less than 0.7% of total UK philanthropy. In 2009/10, grants made to climate change mitigation totalled £15.8 million; in the same year, the National Galleries in London and Edinburgh raised £50 million in four months to purchase a single painting.

• Several other crucial environmental issues are still given very little support by independent funders, including trade and finance, consumption, toxics and transport. International comparisons and previous EFN reports show that these issues consistently attract the least funding.

Thinking globally

• Environmental philanthropy continues to have a strong international element, with nearly half of all grants (48.3%) going for work outside the United Kingdom.

• In each of the three years of this report, UK funders made grants for environmental work in more than sixty countries. Africa remains the continent that receives the largest share of these grants (9.6% across the period) but Asia is now not far behind at 7.8% (up from just 1.4% in the previous year).

- There was also a significant increase in the proportion of grants going to continental Europe: the average was 8.5% during this period (up from 3.1% in the preceding year). This increase is very welcome, given the importance of the European Union (EU) and its member states to both regional and global environmental policy. However, non-governmental organisations (NGOs) working at an EU policy level remain very poorly resourced in comparison to lobbyists working for commercial interests.
- For local and regional environmental projects within the UK, the East Midlands, West Midlands and Yorkshire and the Humber are perennially under-funded in comparison to other areas.

The state of the movement

- Between 2005 and 2010 many environmental NGOs saw strong income growth. Across a sample of 75 NGOs, income grew on average by 21% in real terms over that five-year period.
- In the same period, environmental NGOs strengthened their balance sheets. However, there is no evidence that NGOs are hoarding cash; if anything, their reserves remain too tight, making them less resilient to sudden changes in income or unforeseen costs.
- As in other parts of the voluntary sector, many environmental NGOs are vulnerable to public sector spending cuts. The Department for Environment, Food and Rural Affairs (Defra) and its associated bodies are undergoing substantial budget reductions. Even if environmental philanthropy grows rapidly, it will not be able to replace the reductions to NGO income from statutory sources.
- In the sample, campaigning organisations showed a slight fall in income in real terms on average, in contrast to the general pattern of income growth.

Improving the conversation

- Discussion with fundraisers found that environmental NGOs appreciate when funders communicate well, have proportionate processes for application and have clear and reasonably swift decision-making timetables.
- Discussion with funders found that they appreciate when environmental NGOs communicate their proposals in plain language, pay attention to governance, fulfil formal reporting requirements and keep in touch.

The wider picture

- Since the birth of the modern environmental movement some 40 years ago there have been major changes in the way that government, business and the general public engage with environmental challenges and solutions. Philanthropy needs to recognise these profound changes, note the levers and actors that have enabled change, and consider where opportunities for further change are today.
- Environmental philanthropy provides only a relatively small part of the income of environmental NGOs, but it can play a crucial catalytic role by offering flexible support on strategically important issues.
- In a context of falling public expenditure and increasing environmental threats, there is a pressing need for increased environmental philanthropy and also for philanthropic funds to be spent wisely to help bring about transformational change to a more sustainable society.

Thalidomide withdrawn from use

1963

Partial Nuclear Test Ban Treaty

Buchanan Report foresees massive traffic congestion on UK roads

Duke of Edinburgh convenes conferences on future of UK countryside

Beeching Report leads to remodelling of British railways

INTRODUCTION

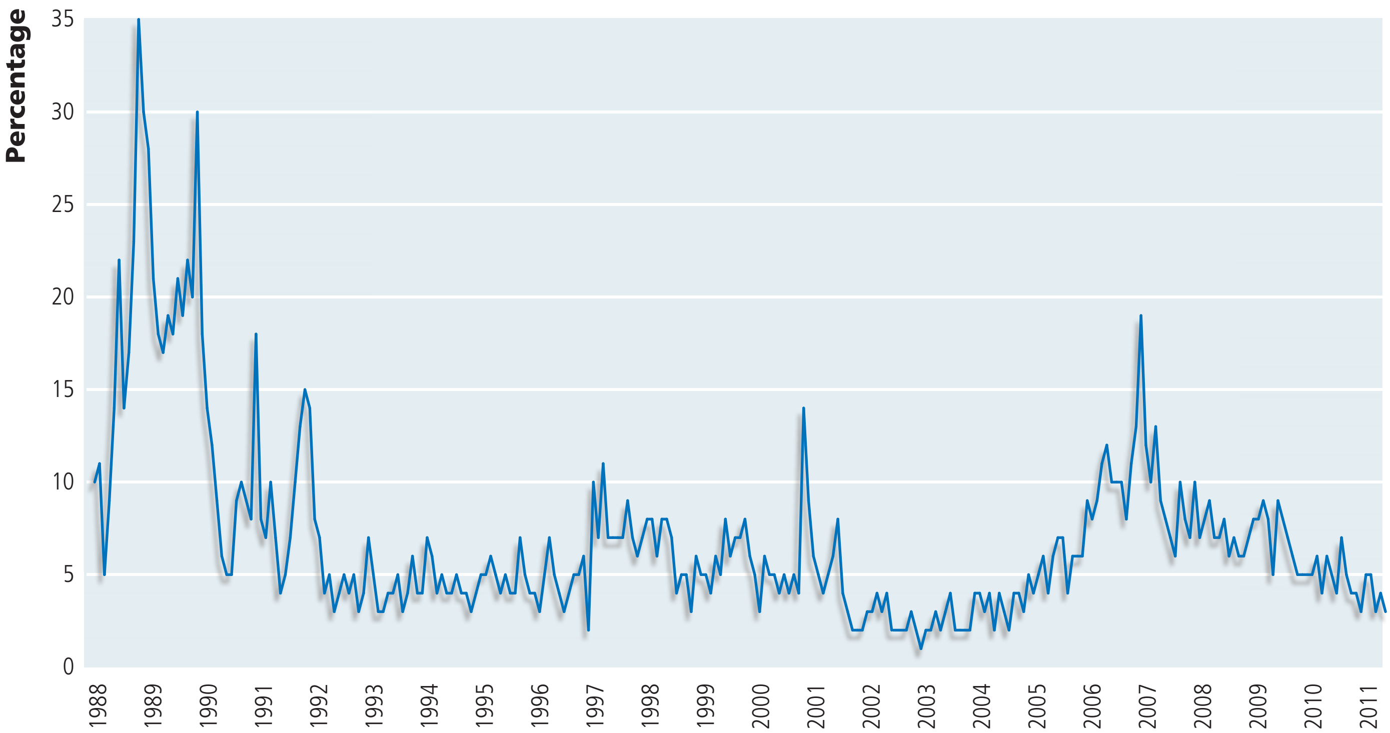
This report, the fifth in the series *Where the Green Grants Went*, provides data on UK-based trust and foundation funding for environmental work across the three financial years of 2007/08, 2008/09 and 2009/10.[3] Together with earlier reports, detailed grants data has now been collected for an eight-year time series.

Section 1 of this report explores recent trends in environmental philanthropy. It considers the availability of grants for environmental work in the context of overall UK trust funding, identifies the issues that environmental funders most commonly support and analyses the geographical spread of grants made.

Recognising that philanthropy comprises only one source of funding for environmental groups, Section 2 explores the accounts of 75 UK-based NGOs, the same sample tracked in *Where the Green Grants Went 3*. Data is provided on the sample's overall income and sources of funding, as well as identifying those who have seen the greatest increase, and decrease, in income. The top 100 recipients of trust funding are also listed.

Section 3 returns to a theme introduced in *Where the Green Grants Went 3* – the relationship between grantmakers and grantees. Two focus groups – one of fundraisers, one of grants

Figure A: *Percentage of population rating environment and pollution amongst the most important issues facing Britain today*



Source: IPSOS-Mori, Issues Index: *Trends since 1997, The Most Important Issues Facing Britain Today.*

1964

World Without Sun, **a film on ocean conservation, wins Oscar**

1965

1966

Conservation Society formed, merging with the Environment Council in 1992

US lunar orbiter beams back first images of 'spaceship Earth'

officers – comment on how the other could improve their practice.

Section 4 looks at the bigger picture, drawing comparisons between environmental philanthropy, civil society capacity and environmental performance across different countries.

The timeline running along the bottom of the report marks some defining environmental events of the last 50 years, while four special 'context' pages look at how environmental concerns have been embedded in the worlds of government, business and citizen-consumers.

This is a timely moment to look back as well as forward. There has been a flurry of anniversaries in the history of the environmental movement – 2011 marked the 50th anniversary of the founding of WWF in Switzerland, 40 years since the establishment of Greenpeace in Canada, and 40 years since a Friends of the Earth office opened in London. 2012 marks the 50th anniversary of the publication of Rachel Carson's *Silent Spring*, 40 years since the Club of Rome published *The Limits to Growth*, and 40 years since the first major UN conference on the environment was held in Stockholm. It will also be the 20th anniversary of the Rio de Janeiro Earth Summit. In today's world of rolling news, viral marketing and Twitter trends, it is important to step back and recognise longer-term patterns.

Public and political concern about systemic environmental problems is not a new phenomenon; it didn't begin with plastic bags and end at Copenhagen. As Figure A shows, it is normal for public concern to increase and decrease over time. Political and media attention also fluctuates. But the overall direction of travel in the UK is towards better environmental policies, stronger green investment and normalised green behaviours. UK beaches and rivers are cleaner today than they have been for decades. Household recycling and low-energy light bulbs are part of everyday life. Renewable energy generation is a major and rapidly expanding industry.

Of course, positive change is not yet happening fast enough to curb irreparable environmental damage. This raises the question of where environmental groups and their funders can best focus resources. The goal of this report is to provide information to support all environmental funding decisions.

1967

Compassion in World Farming founded

Torrey Canyon tanker oil spill at Land's End

1968

UNESCO Biosphere Conference

Countryside Act (England and Wales)

STATE OF FLUX: A recent history of UK environmental policy

David Cameron may have pledged to lead the 'greenest government ever' but British leadership on the environment dates back to the late 1980s, when Margaret Thatcher became the first global leader to speak out on the dangers of climate change.[a]

Margaret Thatcher is not generally remembered for her green sympathies, and during much of her term in office the United Kingdom was labelled the 'dirty man of Europe'. However, as environmental groups roused public concern – and the Green Party secured 15% of the vote in the 1989 European elections – green issues rose rapidly up the political agenda.

The current government is arguably travelling the same path in reverse. Having come to power partly on a green ticket, David Cameron is under fire for failing to deliver. The experience of these two leaders shows that political will on environmental issues is inconstant and can be created or destroyed, sometimes in very short order.

Sustainable development was a relatively new term – if not a new concept – when the Conservatives espoused it in the 1980s. Three decades on, many aspects of sustainability, from the precautionary principle to recycling, are established political terminology. Now, as then, green advocates seek to ensure principles are delivered in practice. This means influencing the word of policy and ensuring implementation via institutions such as the Environment Agency and more recently the Committee on Climate Change. With its independent status and innovative five-yearly carbon budgets, the latter is a unique environmental body based on a blueprint advocated by Friends of the Earth.

The 1980s and 1990s saw international agreements take a greater role in shaping environmental policy in Britain and other nation states. Globally, there was a flourishing of treaties and protocols, including UN agreements on biodiversity, desertification and climate change. The European Union passed large numbers of policy directives, invariably with the input of green groups in Brussels. Given how much environmental policy originates in Europe to this day, it is surprising that national groups have not developed more capacity – or attracted the funding – to do more of this work.

The number of new multilateral environmental agreements has dropped off recently, as the coverage of existing laws becomes more complete and governments look for alternatives to top-down legislation. Market instruments like taxes, codes of conduct and other 'soft' laws present their own sets of opportunities and risks for green groups.

On the international stage, the UK's environmental policy performance ranks as good to middling, depending on the policy area in question. A UN-backed study ranks the UK first among OECD countries for the ambition of its climate strategy.[b] In Yale University's respected Environmental Performance Index, the UK finishes in ninth place among OECD countries.[c]

Overall, there are many reasons to be hopeful about the UK's direction of travel. Businesses want to see investment in the low-carbon economy succeed. The public want and expect the choice of more efficient products and lower-impact lifestyles. In other words, environmentalists are no longer the only people talking about environmental policy. This can only serve to strengthen political will. As the political challenges associated with a heavily populated, heavily polluted world increase, governments will need green groups to inspire, advise and confront them for decades to come.

Notes

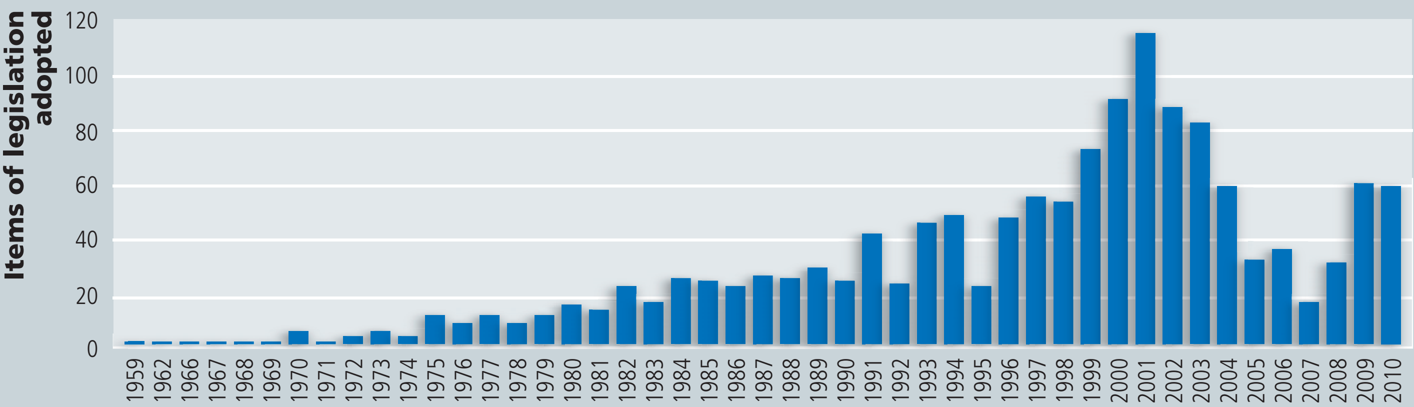
a Margaret Thatcher, speech at Second World Climate Conference, Geneva, November 1990, http://www.margaretthatcher.org/document/108237.

b Hee Ryung Lee et al., *The Climate Competitiveness Index 2010*, AccountAbility, 2010.

c Jay Emerson et al., *Environmental Performance Index*, Yale Center for Environmental Law and Policy, 2010.

Figure B: *Environment-related European legislation adopted by year*

Source: Manual of European Environmental Policy (ed. Andrew Farmer), *Institute for European Environmental Policy, Earthscan, 2010.*



So Human an Animal by René Dubos published

Population Bomb by Paul Erlich published

1969

Santa Barbara oil spill, US

Royal Commission on Environmental Pollution founded

Apollo moon landings

SECTION ONE

THE GRANTS

Overview

In 2009/10 the trusts and foundations that are the focus of this report gave a total of £75.5 million to environmental issues. This figure has been calculated by adding together the environmental grants made by the 147 trusts that now fall within the scope of this research. The previous edition of *Where the Green Grants Went* focused on 97 trusts. This new edition adds 50 trusts to the analysis, with new trusts being added to the database over each of the three financial years from 2007/08 to 2009/10, depending in part on when they become active as environmental funders. With more than 6,000 grants coded over the last three years, in addition to close to 5,700 across the first five years, there is now a rich dataset underpinning the analysis.

Total environmental funding from the trusts under analysis stood at £75.1 million for 2007/08 (128 trusts), £92.8 million in 2008/09 (143 trusts), and £75.5 million in 2009/10 (147 trusts). The total figure for 2008/09 includes one very large grant of just under £16 million received by the National Trust. The scale of this grant is very unusual and it is for work that falls near the boundary of what would be considered an 'environmental' grant under the terms of this research. If that grant were removed from the analysis[4] then the total for 2008/09 would be £76.8 million, closely in line with the total for the previous and following years. Whilst the total being given across this group of trusts remains remarkably steady from one year to the next, it remains the case that for individual trusts there can be significant volatility in their total environmental grantmaking from year to year.

A longer-term, like-for-like comparison can be obtained by focusing on the giving of the 97 trusts that were analysed in detail in the fourth edition of *Where the Green Grants Went*.[5] Those trusts gave as follows:

£46.0 million in 2005/06
£53.9 million in 2006/07
£50.3 million in 2007/08
£48.6 million in 2008/09
£48.1 million in 2009/10

The total funding of this group of trusts therefore shows a downward trend since a high point in 2006/07. This is a very worrying development, given the small share of total charitable trust grants directed towards environmental work. Within this group of 97 trusts, there is a group of 30 trusts that have been tracked since the first *Where the Green Grants Went* report in 2002/03. The funding of this group follows a similar pattern to the larger sample (Figure C, overleaf).

At the same time, however, new trusts and foundations have been starting to make environmental grants. Nearly £10 million (13%) of the total of £75.5 million of grants made in 2009/10 was granted by a group of 17 trusts and foundations that have only become environmental funders in the last few years. The remainder of the increases in total funding can be accounted for by the inclusion of funders who were already active but had not been identified in earlier editions, or for whom grants data was not easily available.[6]

The overall picture for the past three years is therefore one of a modest decline in giving from some of the more established trusts, which is compensated for to some extent by new funders entering the field. Appendix A lists the number of trusts and value of grants tracked over the five editions of *Where the Green Grants Went*.

1970

European Conservation Year

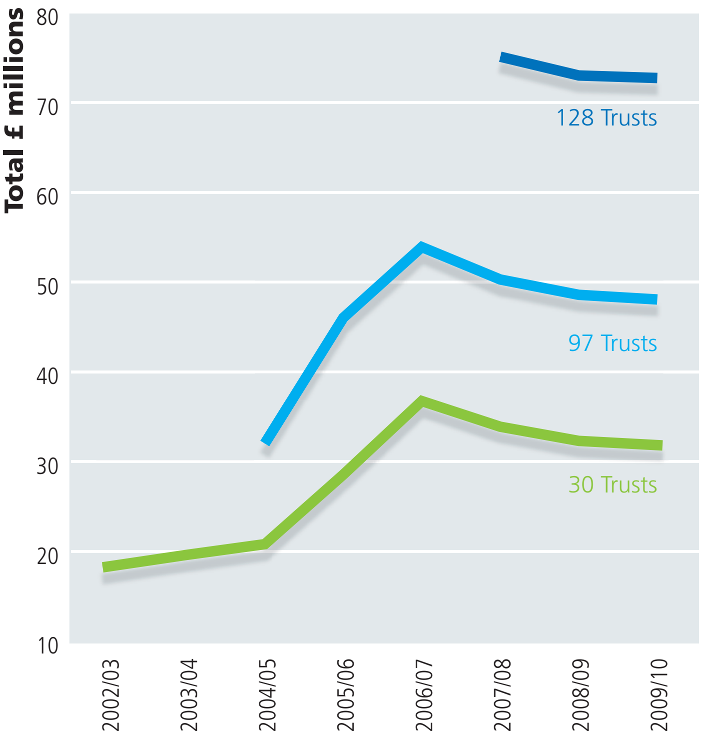
First ever Earth Day, 20 million Americans take part

UK White Paper on *The Protection of the Environment: The Fight Against Pollution*

1971

Greenpeace founded

Figure C: *Total environmental philanthropy, tracking cohorts 2002/03 to 2009/10*



UK trusts and foundations have all felt the effects of the financial crisis since the previous edition of this report was published. In order to assess the impact on trusts making environmental grants, an analysis was made of the total grantmaking for 109 out of the 128 trusts for which data has been obtained for 2007/08, 2008/09, and 2009/10 (Table 1).

As Table 1 shows, total grantmaking from the 109 trusts fell by a little over 6% in nominal terms, from £429.7 million to £403.6 million, before rising again by 4.4% to £421.5 million in 2009/10. It is noteworthy that the total grantmaking in 2009/10 was still lower than that in 2007/08. This puts the decline in environmental grantmaking shown in Figure C into context.

Environmental grants from the trusts in the sample consistently average around 14%. However, this figures masks significant variations between the 109 trusts. In practice trusts tend to fall into two groups: 'generalist' grantmakers, with less than 20% of their total grantmaking going to environmental issues, or 'specialists', with more than 80% of their grantmaking focused on the environment. Of the 109 trusts just 13 had between 40–80% of their grants directed towards environmental initiatives.

Which issues do these grants address?

As in earlier editions of *Where the Green Grants Went*, the grants analysed here span a very wide range of activities, from tree planting in Africa to research into bat habitats and from climate protest camps to healthy school meals. This report uses the same 13 thematic issue categories as earlier editions, which were developed with environmental grantmaking colleagues around the world (a full description of each category is provided in Appendix B). Table 2 shows the results when the grants made in 2007/08, 2008/09 and 2009/10 are coded by these categories. Note

Table 1: *Total grantmaking and environmental grantmaking for a sample of 109 trusts*[7]

	2007/08	2008/09	2009/10
Total grantmaking (all issues) (£)	429,674,826	403,570,170	421,501,662
Total environmental grants (£)	59,339,875	59,121,391	58,480,903
Environmental grants as % of all grants	13.8	14.6	13.9

Friends of the Earth founded

UNESCO launches Man and the Biosphere Programme

Ramsar Convention, first global treaty on nature conservation

1972

UN Conference on the Human Environment, Stockholm

First Green parties formed in Tasmania and New Zealand that Table 2 does not necessarily show the total amount of donations to a given issue from UK trusts, as grants from trusts not included in the research, such as trusts that make only occasional or very small grants to environmental causes, are not included.

In the last eight years of analysis, 'biodiversity and species preservation' has received the largest share of funding, generally between a fifth and a quarter of all grants by value in each year, spiking at 35.2% in 2006/07. 'Agriculture and food' has also received strong support, receiving between 16% and 21% of funding each year, with the exception of a dip in 2008/09. These two categories also received most support during the three-year period of this report (Figure D, overleaf), accounting for 21.7% and 16.5% of grants respectively.

A striking feature of earlier editions of *Where the Green Grants Went* has been the very small percentage of environmental philanthropy given to tackle climate change, despite the risk that unchecked climatic changes will prove catastrophic for biodiversity, marine systems, habitat and species preservation, as well as public health, international development, human rights and the welfare of future generations. However, the three years covered by this report saw a significant increase in the proportion of funding devoted to 'climate and atmosphere':

2.3% in 2006/07
6.2% in 2007/08
16.4% in 2008/09
10.6% in 2009/10

For the three-year period as a whole, this was the fourth most supported category of work.

In previous reports figures have been provided for climate change funding by combining the categories of 'climate and atmosphere', 'energy', and 'transport', on the basis that these three areas of work are central

Table 2: *Distribution of grants by issue, 2007/08 to 2009/10*

	2007/08		2008/09		2009/10	
	Total (£)	**%**	**Total (£)**	**%**	**Total (£)**	**%**
Agriculture & food	12,365,309	16.5	9,419,108	12.3	15,733,291	20.8
Biodiversity & species preservation	15,950,397	21.2	16,187,600	21.1	17,101,237	22.7
Climate & atmosphere	4,626,247	6.2	12,627,107	16.4	8,029,975	10.6
Coastal and marine ecosystems	4,963,905	6.6	1,030,166	1.3	3,431,304	4.5
Consumption & waste	492,841	0.7	441,075	0.6	196,661	0.3
Energy	4,044,246	5.4	3,369,865	4.4	4,356,201	5.8
Fresh water	3,248,313	4.3	3,562,205	4.6	2,925,995	3.9
Multi-issue work	5,600,788	7.5	8,540,217	11.1	4,453,324	5.9
Sustainable communities	6,133,742	8.2	5,005,836	6.5	4,685,273	6.2
Terrestrial ecosystems and land use	11,103,196	14.8	9,603,562	12.5	7,616,306	10.1
Toxics & pollution	2,774,281	3.7	4,383,778	5.7	3,689,571	4.9
Trade & finance	1,706,609	2.3	874,159	1.1	1,619,979	2.1
Transport	2,089,635	2.8	1,762,813	2.3	1,624,038	2.2
TOTALS	**75,099,509**	**100**	**76,807,491**	**100**	**75,463,155**	**100**

Limits to Growth published

Blueprint for Survival by Edward Goldsmith published

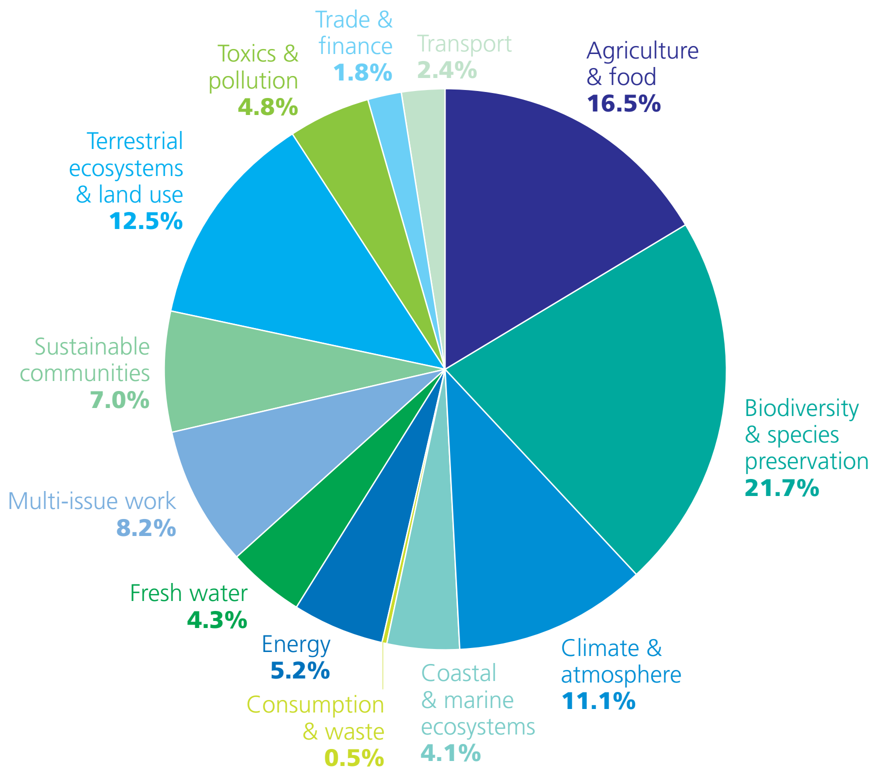
United States bans DDT

1973

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

International Convention for the Prevention of Pollution from Ships (MARPOL)

Figure D: *Distribution of grants by issue, 2007/08, 2008/09 and 2009/10 combined*



to grappling with the problem. Unsurprisingly, this combined figure has also increased:

6.7% in 2006/07
14.4% in 2007/08
23.1% in 2008/09
18.6% in 2009/10

Most of this increase was from grants in the 'climate and atmosphere' category, with a smaller growth in the proportion of 'energy' grants. If grants directed towards tropical forests are also included, the grand total for climate change funding rises to:

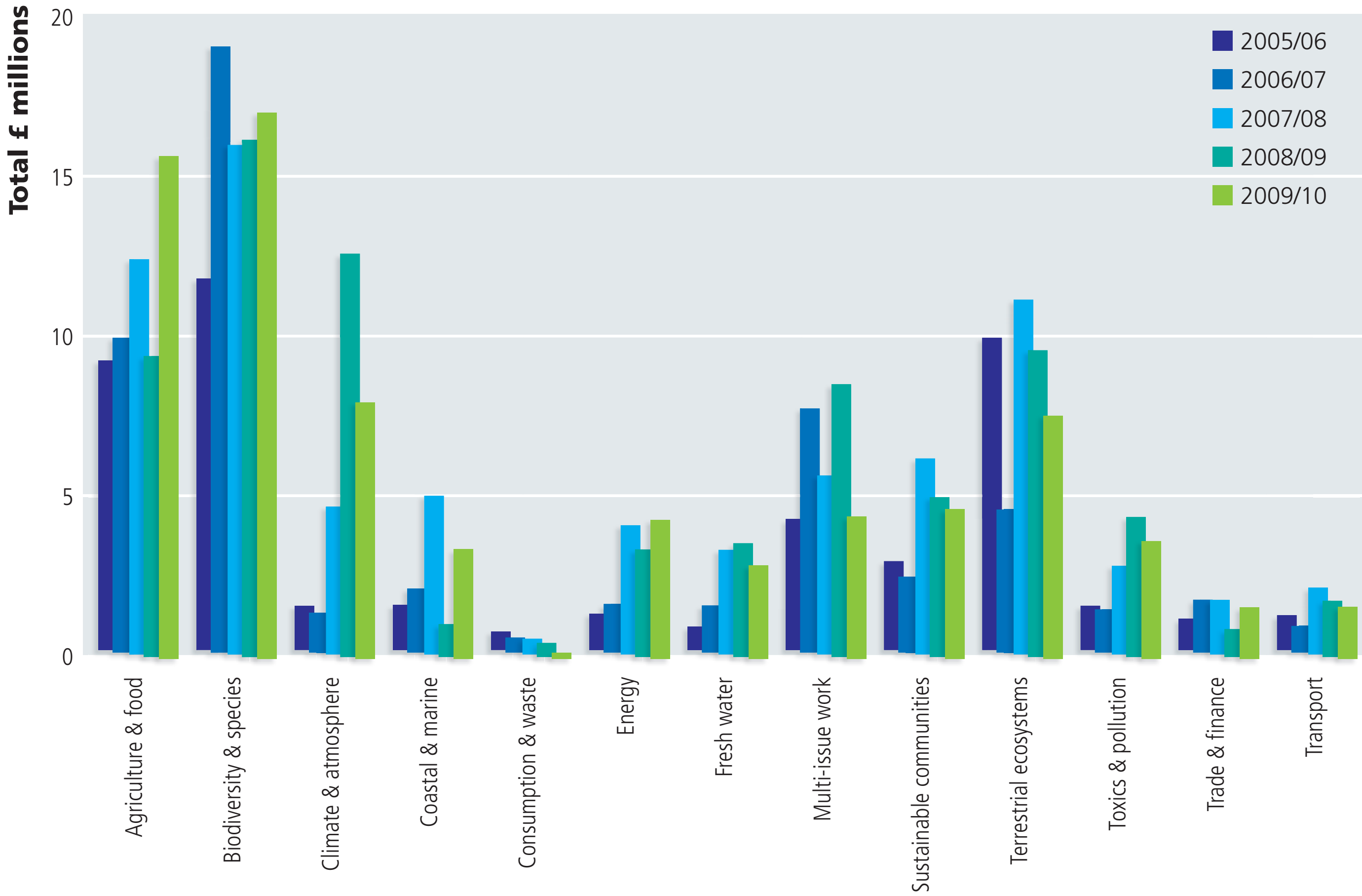
16.5% in 2007/08
25.8% in 2008/09
21% in 2009/10

There is no clear loser from this shift towards 'climate change'. The proportion of funding going to 'biodiversity and species preservation' and 'terrestrial ecosystems and land use' has fallen slightly. The share of grants going to 'multi-issue work' has also reduced, although this may be the result of more detailed grants lists, which allow more of this work to be coded into a specific category.

Whilst the increased funding for climate change work is very welcome, work to tackle other systemic environmental problems remains starved of funding from trusts. In 2009/10 'consumption and waste' received just 0.3% of all environmental grants. Across the last five years of the research it averages only 0.7%. In addition to recycling and other aspects of waste management, this category includes work directed at re-thinking economic growth and reducing overall consumption levels. These are fundamentally important tasks as we move towards a full planet of 9.5 billion people, yet environmental trusts and foundations seem to give them relatively little attention.

Support for work on 'trade and finance' also receives very limited funding, at 2.1% of all

Figure E: *Distribution of grants by issue, 2005/06 to 2009/10*



grants in the latest single year (2009/10), and as an average over the last five years of the research. This category includes reform of global financial institutions, re-thinking trade policy, and promoting economic re-localisation. These upstream issues may seem esoteric, but they are crucial drivers of environmental damage, and also have enormous potential for leveraging change. For example, the International Energy Agency currently estimates fossil fuel subsidies at $409 billion per year and rising.[8] Development finance is also problematic, with publicly funded banks lending to environmentally damaging projects. To give just one example, the $11 billion to $18 billion costs of the Belo Monte dam in the Amazon, which threatens both natural habitats and the rights of indigenous people, will be financed by Brazil's national development bank.

In addition to the coding of all 6,107 grants covered by this report against these 13 categories of environmental work, nearly 2,000 grants were tagged as relating to more specific issues. This reveals some startling results, and confirms that environmental philanthropy still gives significant weight to saving individual species. For example, in the three years under review it was possible to identify over £1.6 million of funding for moths and butterflies, and over £1.0 million for bats, but less than £0.3 million directed towards the aviation industry – one of the fastest growing sources of greenhouse gases. Nearly £8.0 million of grants could be identified for tree

World Conference on Population held in Bucharest, Romania

World population reaches 4 billion

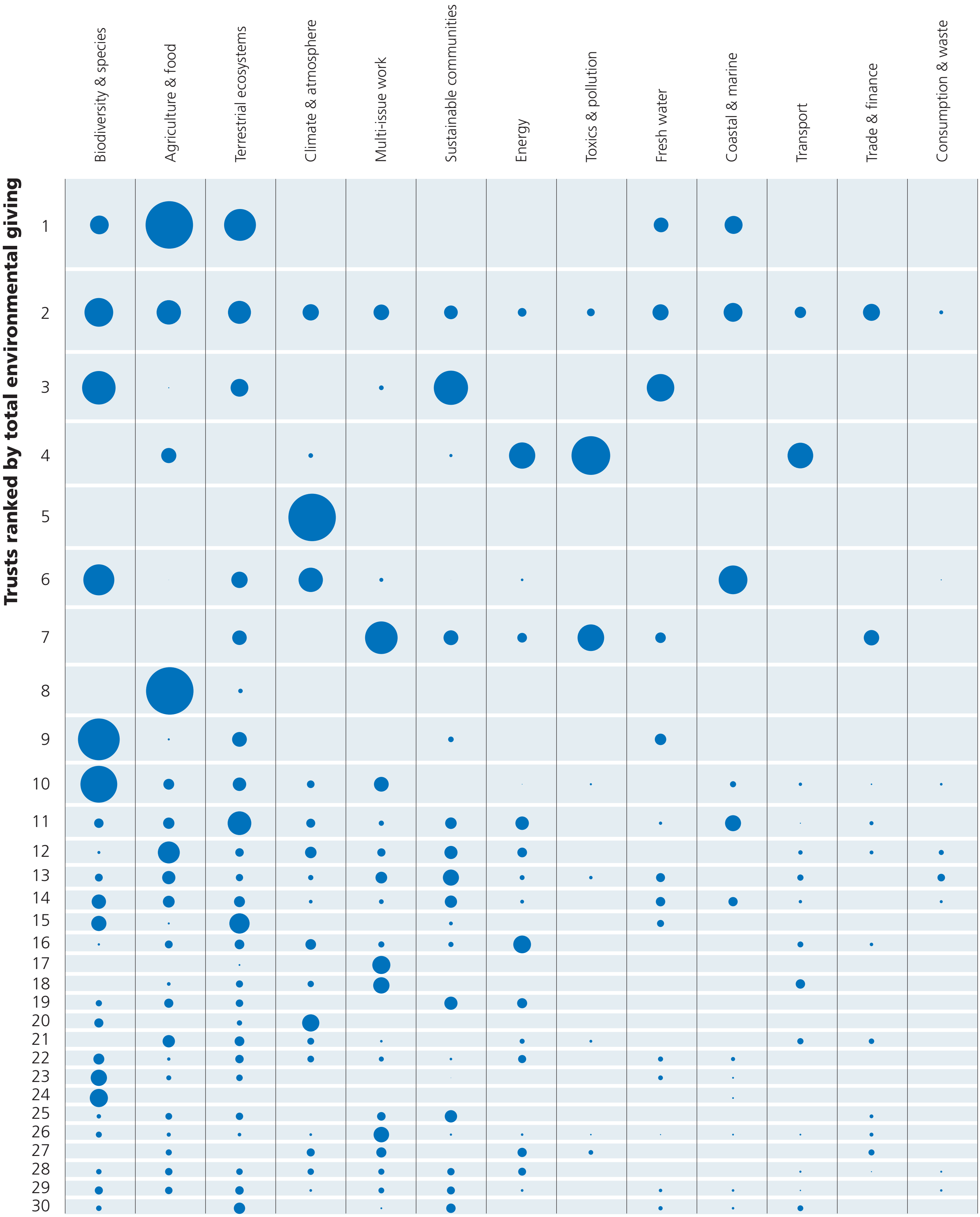
1975

France ends nuclear tests in South Pacific

1976

Barcelona Convention for the Protection of the Mediterranean Environment

WHERE THE GREEN GRANTS WENT 5



Seveso industrial chemical disaster, Italy

First Body Shop opened

1977

Conservative Ecology Group formed

Liberal Ecology Group formed

Conservation of Wild Creatures and Wild Plants Act (UK) planting and other woodland activities, whereas just £5.5 million was directed towards stopping tropical deforestation. More grants went to elephant and rhino projects (£1.4 million) than to the 'elephant in the room' – consumption and waste (£1.3 million). And while the £8.2 million spent on renewable energy projects is to be welcomed, it is striking that only £1.2 million was spent on addressing the global oil industry, only marginally more than foundations spent on protecting water voles (£1.1 million). Whilst the exact figures in this paragraph need to be treated with some caution, as there is insufficient information to code all grants at this level of detail and many projects range over several issues, the general patterns should be reasonably robust.

However, even relatively well-supported environmental issues are sparsely resourced in comparison to more traditional areas of philanthropy. For example, more than half the total value of all philanthropic donations over £1 million goes to higher education institutions.[9] The gift in 2008 of $50 million to a single Oxford college is greater than the total philanthropy recorded for 'climate and atmosphere' in the three years of this report. In 2009, £50 million was raised in four months by the National Galleries in London and Edinburgh to purchase a single painting.

The geographical distribution of grants

As in previous editions, this report analyses the geographical distribution of the grants made by the 147 trusts under analysis. Results are shown in Table 3 (next page).

The share of grants supporting work in the United Kingdom fluctuates from year to year, but has fallen slightly over time. In 2009/10, the most recent year, 51.5% of all grants analysed were for environmental projects or initiatives in the UK, compared with 53.6% of all grants across the past eight years.

UK trusts and foundations give a high proportion of environmental grants outside the United Kingdom – 46.4% across the past eight years, and 48.5% in 2009/10. This remains high both in relation to our perception of UK trusts working on other philanthropic issues[10] and when compared with the international grantmaking of environmental foundations in other parts of the world. For example, the most recent US data shows that only 29% of grants by value from American environmental foundations support work outside the US.[11]

Figure F: *Distribution of grants by top 30 trusts by issue, 2007/08 to 2009/10 combined*

Figure F shows the distribution of grants from the 30 trusts that provided the most environmental funding across the three years 2007/08 to 2009/10. The trusts have been ranked in order of total environmental giving, with the largest funder in the top row. The circles are scaled according to the amount given by each trust within the 13 thematic issue categories. If there is no circle or dot in a cell then it means that the trust in question did not make any grants on that thematic issue. The columns have been arranged from left to right in descending order of the total amount of grants made on each issue.

The graphic reveals the very different funding strategies of trusts within the top 30 largest grantmakers. Some, like Trusts 2, 11, and 13, spread their grants across many different thematic issues. Other trusts are very focused, funding work across just one or two categories, e.g. Trusts 5 and 8.

Figure F also shows the breadth of support each issue receives. For example, 25 out of the top 30 trusts made a grant towards work on 'agriculture and food', 23 made at least one grant towards 'biodiversity and species preservation' and 27 out of the 30 top trusts made a grant to support work on 'terrestrial ecosystems and land use'. Not only do these issues receive the largest overall shares of grant funding, they also have a reasonably strong spread of funders making grants. In contrast, issues such as 'transport', 'trade and finance' and 'consumption and waste' not only receive less funding, but are also heavily reliant on a few funders.

1978

1979

Three Mile Island nuclear accident, US

Gaia by James Lovelock published

First Green MP elected to a national parliament (Daniel Brelaz, Switzerland)

World Meteorological Organization sponsors climate conference in Geneva

Table 3: *Geographical distribution of the work supported by grants, 2007/08 to 2009/10*

	2007/08		2008/09		2009/10	
	Total (£)	**%**	**Total (£)**	**%**	**Total (£)**	**%**
United Kingdom	42,325,417	56.4	36,463,076	47.5	38,869,831	51.5
General international	15,506,004	20.6	12,746,679	16.6	14,767,956	19.6
Africa	7,218,881	9.6	7,189,781	9.4	7,462,689	9.9
Continental Europe	4,543,677	6.1	10,072,691	13.1	4,690,961	6.2
Asia	4,356,423	5.8	7,659,199	10.0	5,695,124	7.5
Latin America	941,875	1.3	1,959,358	2.6	2,978,031	3.9
North America	182,260	0.2	680,289	0.9	986,063	1.3
Oceania	24,971	<0.1	36,420	<0.1	12,500	<0.1
TOTALS	**75,099,509**	**100**	**76,807,491**	**100**	**75,463,155**	**100**

Environmental grants from UK trusts are distributed to a wide range of countries – 71 beneficiary countries can be identified in 2007/08, 69 in 2008/09, and 62 in 2009/10.

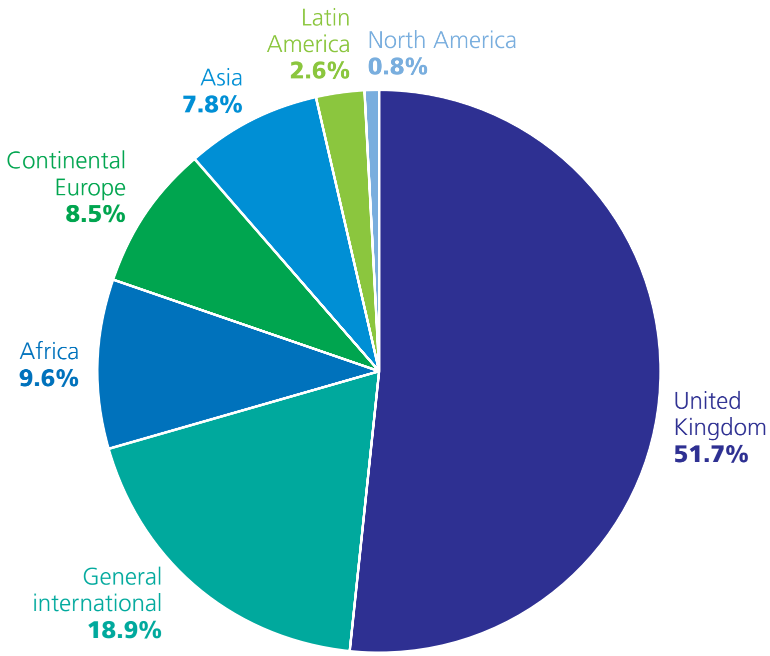
As in earlier reports, some of the grants recorded as supporting international work were made to UK-based organisations, but for international work rather than domestic projects. This forms the bulk of 'general international' grants, which fell back to 19.6% of all environment grants in 2009/10, from an unusually high peak of 36.9% in 2006/07. The 'general international' category accounts for a little over a fifth of all grants, at 22.1%, across the eight years as a whole. Large international conservation organisations receive much of this funding, together with award schemes that re-grant to projects internationally.

As the share of funding going to UK projects has fallen slightly over time, funding has risen for projects in continental Europe and in Asia. Funding for work in continental Europe rose as high as 13.1% in 2008/09, before falling back to 6.2% in 2009/10, whilst funding for work in Asia made up 10% of all grants by value in 2008/09 and 7.5% in 2009/10. These shares are much higher than those found in earlier editions of this research. For example, in 2006/07 just 3.1% of grants by value were directed to continental Europe, and 1.4% to Asia.

The increase in funding for initiatives in continental Europe is a welcome development, given the importance of the European Union as a standard-setter in international environmental policy, a point made in past editions of *Where the Green Grants Went*. Given the increasing economic and political power of Asian economies and their rapidly increasing environmental footprints, the fact that more funding is being directed towards work in Asia is also encouraging. The decisions taken by these emerging economies will clearly have a major bearing on environmental conditions in the United Kingdom and globally in coming decades.

While grants to continental Europe and Asia have increased over the last eight years, those to Africa have held fairly steady, declining slightly from a high of 13.4% in 2004/05 to 9.9% in 2009/10. Across the eight years as a whole, African projects received 10% of UK trust giving on environmental issues, comfortably the highest share for an

Figure G: *Distribution of grants by geographical region, 2007/08, 2008/09 and 2009/10 combined*



individual continent. Most of the grants for work in Africa support either conservation projects or sustainable agriculture initiatives.

The European Union

Whilst the increasing share of grant funds being directed to continental Europe is welcome, environmental organisations that focus directly on the EU institutions are poorly resourced, relative both to environmental groups within countries like the United Kingdom, and to the large numbers of industry lobbyists that now operate at the EU level. Recent research showed that the 'Green 10' group of leading environmental organisations working with the EU institutions had the equivalent of 118 full-time policy, campaign and communications staff in Brussels.[12] In contrast, it is estimated that over €1 billion per annum is spent by the private sector on lobbying in Brussels, with at least 10,000 staff working to represent business interests.[13]

Research recently published by the European Foundation Centre[14] (EFC) shows the importance of the United Kingdom, alongside the Netherlands and Italy, as a source of environmental philanthropy at the European level. Foundations based in these three countries appear to provide the lion's share of the environmental grants made within the EU.

The EFC report also reveals that European foundations funding on the environment directed less than 5% of their grants towards work on EU legislation and policies, despite the fact that more than 80% of the environmental legislation that applies in EU member states is framed at the EU level. There are clear opportunities for UK-based trusts to increase their impact through funding EU-level work.

In addition to funding European work at the level of the EU institutions, there is a need for increased funding for environmental organisations in specific member states. The gap in awareness and policy

Table 4: *'Sub-national' grants, by government region 2007/08, 2008/09 and 2009/10* combined

	Total (£)	No. of grants	% of sub-national grants	% of population	per capita per annum
East Midlands	3,228,353	109	5.1	7.2	18p
East of England	6,729,322	254	10.6	9.4	50p
London	8,404,695	218	13.2	12.6	36p
North East	3,687,648	140	5.8	4.2	47p
North West	5,508,947	207	8.7	11.1	26p
Northern Ireland	1,198,623	30	1.9	2.9	22p
Scotland	9,139,147	395	14.4	8.4	58p
South East	7,082,872	310	11.1	13.7	28p
South West	8,884,901	338	14.0	8.5	56p
Wales	3,632,614	167	5.7	4.8	40p
West Midlands	2,571,092	103	4.0	8.8	16p
Yorkshire and the Humber	3,589,768	134	5.6	8.5	23p
Total sub-national grants	**63,657,982**	**2,405**	**100.0**		
Total national grants	**54,000,341**	**1,680**	**n/a**		
TOTAL UK GRANTS	**117,658,323**	**4,085**	**n/a**		

performance between northern European countries and many of those in Central and Eastern Europe is stark. The proportion of the public who feel well informed about climate change ranges from an average of 75.9% in the five EU member states with highest awareness[15] down to an average of just 32.7% in the five EU member states with lowest awareness.[16] Involvement in environmental organisations ranges from 6% of the public in the United Kingdom and France, down to less than 0.5% in Bulgaria and Romania. All member states have an influence on the passage of environmental legislation at the EU level, with direct consequences for the United Kingdom.

Within the United Kingdom

As in earlier editions of this report, grants within the United Kingdom have been broken down into those that support work at the national level, and those focused on sub-national work. The latter grants have then been analysed further by UK government region.

In 2009/10, a total of 1,339 trust grants worth £38.9 million were made to support environmental work in the United Kingdom. Of these, 592 grants worth £20.1 million (51.8%) supported work at the national level. The remaining 747 grants worth £18.7 million (48.2%) were directed to initiatives at the sub-national level.

Table 4 shows these sub-national grants broken down by UK government region, for the three-year period (2007/08, 2008/09, 2009/10) that is the focus of this report. Aggregating figures over this period gives a more accurate estimate of the distribution of sub-national grants, given that there can be quite significant variations between one year and the next. The table also compares this allocation with regional population. Population is not necessarily a good proxy for need, particularly in relation to work such as conservation, but it does give some sense of which areas receive a fair share of environmental philanthropy.

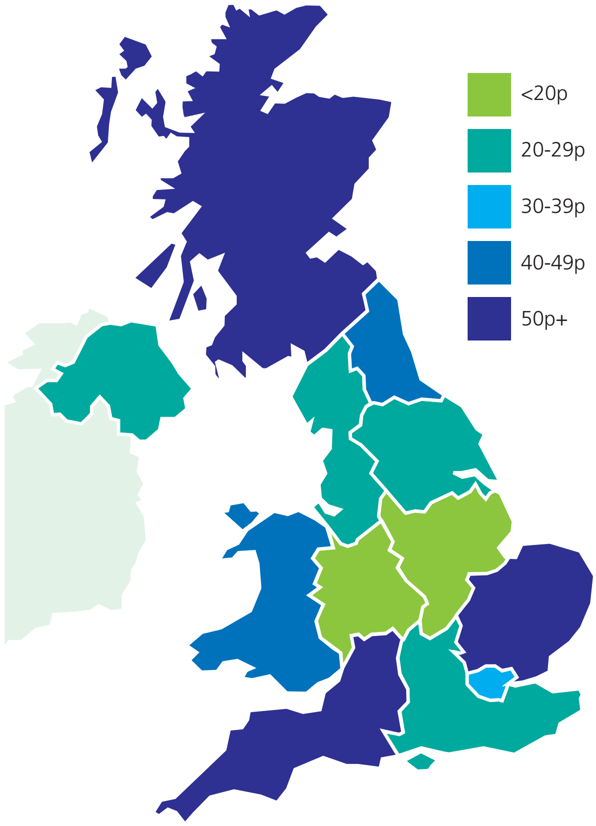
Three regions stand out as the main beneficiaries of sub-national grants – Scotland (14.4%), the South West (14%), and London (13.2%). Together they account for 41.5% of the grants directed to sub-national work, while they account for 29.5% of the total UK population. Scotland and the South West in particular receive larger shares of funding than their share of total UK population.

The regions receiving the smallest share of grants relative to their population size are the East Midlands, West Midlands, Northern Ireland, and Yorkshire and the Humber. Earlier editions of *Where the Green Grants Went* have also identified Yorkshire and the Humber and both the East Midlands and West Midlands as regions that persistently receive less funding than the rest of the United Kingdom, relative to population. However, although the differences between the best and least well-funded areas are significant, they are less acute than in previous reports.

Where do these grants come from?

A large proportion of environmental philanthropy is concentrated in the hands of a small number of donors. In the 147 trusts analysed, only 10 gave more than £2 million in grants to environmental causes in 2009/10, and together these accounted for 58% of all grants identified in that year. However, unlike the fields of medical research, children, or international development, there are currently no environmental trusts within UK philanthropy that dispense tens or even hundreds of millions in grants each year. Smaller environmental programmes also make a significant contribution, with 21% of the grants analysed being

Figure H: *Sub-national grants per capita per annum, UK regions*



given by funders that make less than £0.5 million in environmental grants each year.

A number of newer funders mentioned in *Where the Green Grants Went 4* are now established as leading environmental foundations, including the Children's Investment Fund Foundation, Tellus Mater Foundation, and Waterloo Foundation. The Comic Relief climate change initiative has grown strongly, and corporate foundations such as the Shell Foundation and Mitsubishi Fund for Europe and Africa have also increased giving during this period. However, it is difficult at this time to point to many newly emerging environmental funders; Synchronicity Earth is one notable exception. Sadly, the BBC Wildlife Fund, a relatively recent arrival with enormous potential, is closing following the decision of the BBC to withdraw support.

Greenpeace ship, the *Rainbow Warrior*, sunk in New Zealand by French secret services

Discovery of ozone hole over Antarctic

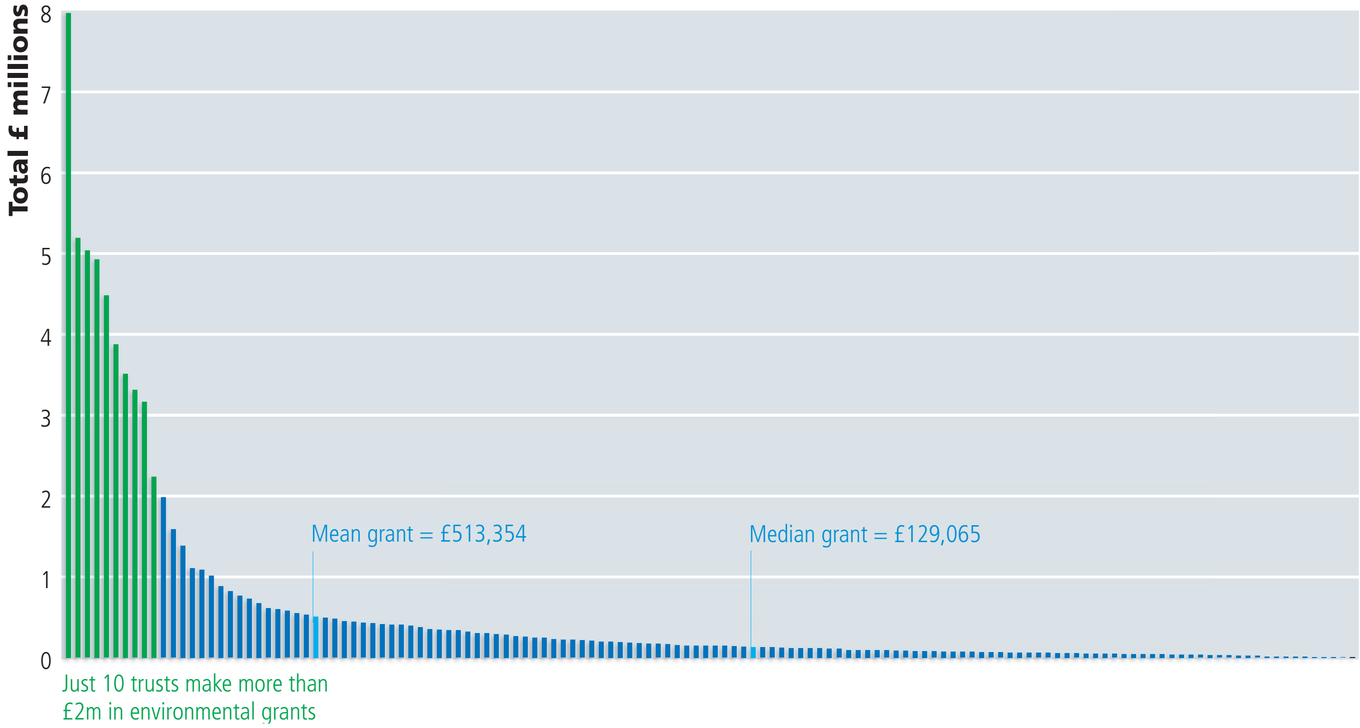
1986

The first Greens enter Parliament in Austria

Chernobyl disaster, Ukraine

Department of the Environment publishes *Conservation and Development: The British Approach*

Figure I: *Total environmental grantmaking from the 147 trusts, 2009/10*



During the three years of this report, the Tubney Charitable Trust greatly increased its giving as part of a programme to spend out all its funds by March 2012, placing it amongst the largest of all UK environmental funders. The Trust's absence will be felt in the next report.

Environmental philanthropy

As described above, this report identifies approximately £75 million of environmental philanthropy in each of the three years under consideration. What proportion of total UK philanthropic giving does this represent?

Estimates vary for the total volume of UK philanthropy. The *Charity Market Monitor 2010*[17] estimates that there are some 10,000 trusts, of which the largest 500, giving the overwhelming majority of funds, distributed £3.0 billion in 2008/09, or £2.5 billion excluding the National Lottery. The Centre for Charitable Giving and Philanthropy, a partner in the *Charity Market Monitor* research, also suggests £3.0 billion as the headline figure for grants by independent trusts and foundations in the United Kingdom. The Charities Aid Foundation (CAF) *Charity Trends* dataset of 4,081 grantmaking charities, not including lottery distributors, identifies nearly £4.0 billion of grants, but this includes many operational charities that cannot be regarded as funding bodies in the usual sense. Filtering the data to isolate only those expending more than 50% of their funds as grants gives a figure of £3.0 billion of grants in 2008 and £3.1 billion for 2009. Finally, the National Council for Voluntary Organisations (NCVO) *UK Civil Society Almanac 2010* identifies 11,687 grantmaking foundations, with a total expenditure of £2.7 billion, although this includes running costs as well as grants.

The funders analysed for this report do not include lottery distributors or operational charities, but do

1987

International ban on commercial whaling

UN Report *Our Common Future* introduces the phrase 'sustainable development'

UK Inspectorate of Pollution established

European Community's European Year of the Environment (1987–88)

World population reaches 5 billion

include some non-charitable and private funding bodies, typically excluded from other philanthropic research. For example, some Landfill Communities Fund distributors are charitable bodies, and so will be included in the global estimates above, but others are non-charitable, not-for-profit companies and will not be included.

Taking these factors and figures together, it seems probable that environmental philanthropy remains at less than 3% of all UK philanthropy.

A recent, comprehensive breakdown of philanthropy by subject area is unfortunately not currently available. CAF's *Charity Trends 2007* analysed the funding preferences of the top 500 UK funders, though this only identified which areas funders are active in, and not how much they spent in each area. The most frequently occurring preferences were general/other (29%), social care (17%), health (17%) and education (10%).

Public sector spending

In the United Kingdom, the State – through central and local government and other statutory agencies – is a major actor on environmental issues, above all through legislation, regulation and policy. Statutory bodies also own and manage land, procure goods and services, commission and undertake research, and support practical conservation work, often through grants or contracts to voluntary sector organisations. In total, statutory sources provide around one-third of the income of environmental NGOs, significantly more than philanthropy, which provides less than one-tenth[18].

As announced in the 2010 spending review, public expenditure is forecast to reduce sharply in real terms over the course of the current parliament, as part of a government programme to reduce borrowing. In terms of departmental settlements for those areas of government most directly concerned with environmental issues, the Department for Environment, Food and Rural Affairs (Defra) is implementing one of the sharpest cuts of 29%, or £700 million, in real terms over four years, whilst the Department of Energy and Climate Change (DECC) fares a little better, facing a cut of 18% in real terms over the period. Natural England, the National Parks Authorities, and the Environment Agency (excluding expenditure on flood management) are also experiencing reductions of between 20% and 30% in real terms.

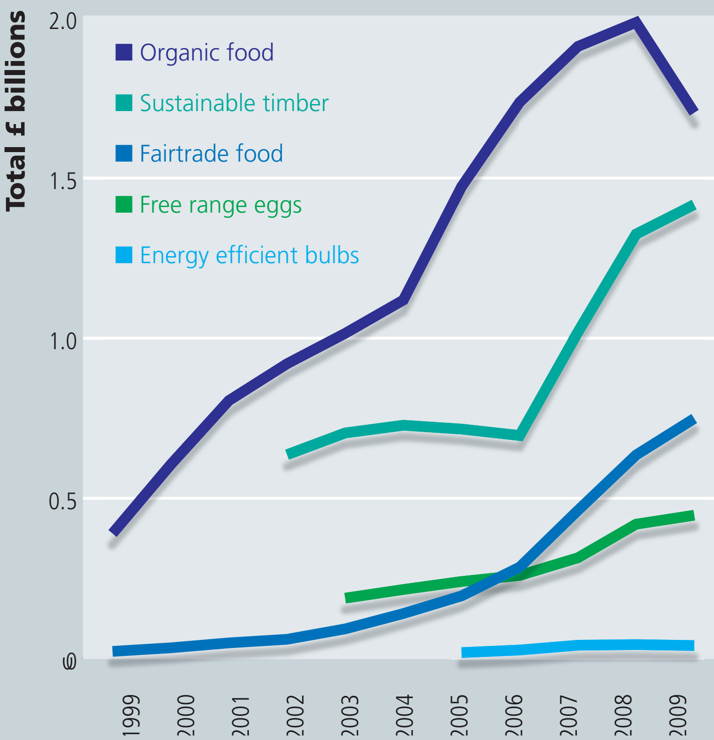
It is estimated[19] that between 2010/11 and 2014/15 annual grants and contracts to the voluntary and community sector by Defra will fall from £40.7 million per year to £28.7 million per year (2010/11 prices), a cut of 30% in real terms. Similarly it is estimated that DECC spending on the sector will fall from £21.3 million to £15.9 million (2010/11 prices), a cut of 25% in real terms. In order to compensate for these losses, total environmental philanthropy would need to grow at 5% above inflation every year for the next five years.

However, central government department support for the voluntary and community sector represents only one relatively small element of statutory spending on environmental issues. For example, the Joint Nature Conservation Committee estimated total public sector spending on UK and global biodiversity in 2009/10 at £611 million.[20] By comparison, philanthropic spending on biodiversity in the same year was just £17 million. If total public spending on biodiversity falls in line with departmental spending, it is inconceivable that philanthropy will be able to bridge the gap. This is at a time where more, not less, investment is needed to reverse declines in biodiversity, habitats and ecosystems.

Substantial hopes rest with the ethical consumer. Their purchase decisions are expected to convince companies that green products are profitable, reassure politicians that green policies have popular support, and persuade other consumers to come along for the ride.

How are consumers bearing up? According to the *Ethical Consumerism Report* produced by the Co-operative Bank,[a] the value of the UK's ethical market has nearly quadrupled over the last decade to reach £43.2 billion in 2009. Sales of ethical products and services as diverse as real nappies and green mortgages continued to grow through the recession, albeit at a slower pace.

Figure J: *Growth in selected categories of ethical consumption*



Source: Ethical Consumerism Reports, Co-operative Bank, 2000 - 2010

Food sales are a good place to look for the ethical consumer in action, as they involve the purchase of everyday essentials where sustainable options are readily available, albeit often at a slightly higher price. While organic food sales have suffered in the recession, overall ethical food and drink sales increased 27% between 2007 and 2009, to £6.5 billion.

Environmental and animal welfare groups are driving up this green spend, raising awareness and guiding consumers to ethical choices. Tactics include rating products and companies against environmental criteria, endorsing the best performers and shaming the worst. Some organisations have even developed in-house certification schemes, such as the Soil Association's organic label or the RSPCA's Freedom Food.

Ethical products regularly feature in shopping baskets – more than eight in ten households bought organic products in 2010.[b] However, fewer than one in ten households are responsible for 54% of total organic purchases, and it is still rare for ethical consumption to make up the majority of household expenditure. Indeed, ethical sales are worth only 6.2% of the £700 billion UK consumer spend.

Besides the growing band of consumers who deliberately choose eco-friendly options, some product categories are being greened by default. The phase-out of the most energy-hungry fridges and freezers is an example of 'choice-editing' – government policies that remove unnecessarily damaging products from the marketplace. Increasingly, the private sector is joining in too – for instance, the trend towards charging for plastic bags, and Marks & Spencer's decision to only use free range eggs in its own brand products. Such positive changes are often catalysed by the work of environmental groups.

Where the product being edited out is easily substitutable, there is often at least tacit support towards its removal. For instance, 74% of people agree that fish from endangered stocks 'should not be available to buy'.[c] However, the row over the phase-out of incandescent bulbs shows that public attitudes towards choice-editing are still a finely balanced thing, particularly when opponents cast the change as belonging to wider political agendas like expanding the reach of the EU or even 'light bulb socialism'.

Products that are costly or difficult to substitute put consumer ethics to even greater test. For example, although half of people say they do not agree with unlimited air travel,[d] policies to actually limit demand are highly controversial.

All in all, the ethical consumer is making their presence felt in parts of the marketplace. But much work remains – on information, attitudes, policies and business structures – to turn a trickle of green spending into a tide.

Notes

a *Ethical Consumerism Report 2010*, Co-operative Bank, 2010.

b *Organic Market Report 2011*, Soil Association, 2011.

c *I Will if You Will: Towards Sustainable Consumption*, National Consumer Council and Sustainable Development Commission, 2006.

d *British Social Attitudes 26th Report*, National Centre for Social Research, 2010.

SECTION TWO

THE NGOS

The environment sector

The *UK Civil Society Almanac 2010* identifies 5,316 environmental charities, with a combined income of £2.4 billion in 2007/08. This represents 3.1% of all charities in the almanac by number, and 6.7% by income. Of course, many more civil society organisations will undertake some environmental work, whether as part of their work with beneficiaries, or in greening their own operations.[21] Indeed, arguably all civil society organisations will need to pay increasing attention to matters such as energy efficiency, waste reduction and green procurement, both to control costs and manage reputational risk. However, this report focuses particularly on those organisations whose primary purpose falls into the 13 categories of environmental work described in Appendix B.

Analysis of a sample of 75 environmental NGOs

Trusts and foundations can be a vital source of significant and flexible funding to environmental NGOs, but they only provide a relatively small proportion of the total income of the sector. In order to give a more rounded picture of the financial state of the sector, the accounts of 75 environmental NGOs for the year ending March 2010 (or nearest year end) were analysed. This repeats a similar exercise with the same cohort in 2005, published in *Where the Green Grants Went 3*, which enables us to draw some conclusions about changes over the past five years. A full list of the organisations is given in Appendix C.

It must be stressed that, whilst this selection of 75 NGOs is intended to reflect the diversity of the sector and includes organisations of various sizes, it is only a sample,[22] and should not be regarded as fully representative. It is also important to note that these figures relate to the period before the recent cuts in public expenditure. At least twelve of the organisations in the sample received more than half their income from public sector sources, and many more will feel some impact from reduced statutory spending.

Sources of income

Income for all 75 organisations was analysed under nine headings by source. This is not an exact process, as different organisations show varying levels of detail in their accounts, and there is no statutory obligation to break down income in this way. However, considerable effort has been made to allocate income as accurately as possible, and the figures should be reasonably robust when averaged over the whole sample.

The single largest source of income for the sample is the general public, providing 34% of income, closely followed by statutory sources at 29%. Other charities (notably charitable trusts), the National Lottery, private sector and trading income are all also significant income sources. This pattern of income is not dissimilar to that for the voluntary sector as a whole,[23] though with slightly less reliance on the public sector.

Amongst campaigning organisations in the sample, the general public is by far the largest source of income, providing two-thirds on average, and rising to over 90% of income for Friends of the Earth, the Whale and Dolphin Conservation Society, and Greenpeace.

Fifteen organisations in the sample received 40% or more of their income from trusts, foundations and

1990

UK Environment White Paper, *This Common Inheritance*

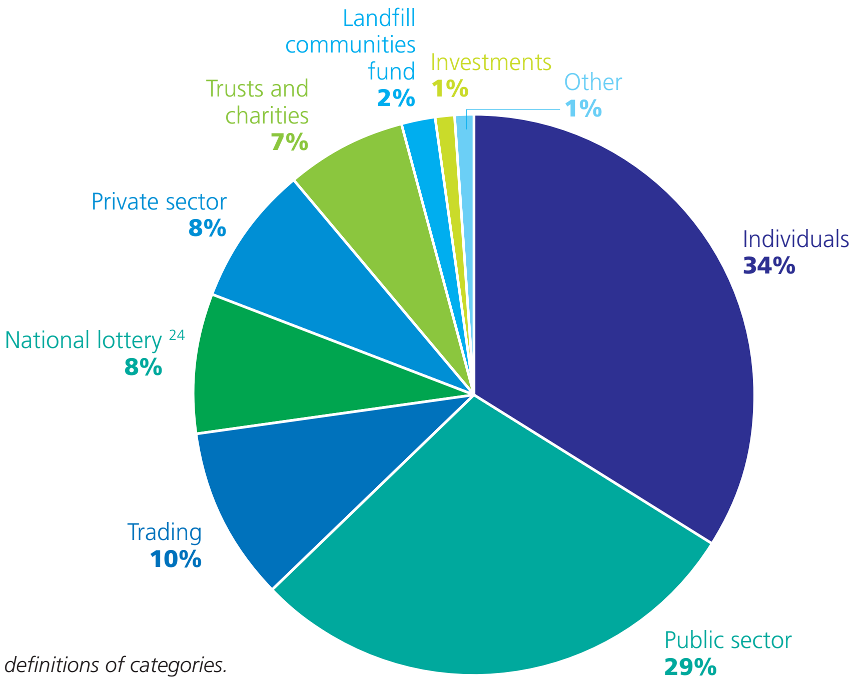
Ban on ivory trade under UN CITES

First assessment report by Intergovernmental Panel on Climate Change (IPCC) published

UK Town and Country Planning Act strengthens environmental protections

Tim Berners-Lee creates first web browser

Figure K: *Sources of income for the sample 75 environmental NGOs*



See Appendix D for definitions of categories.

other charities. Although this includes organisations of various sizes, working on a range of issues, the average income of this sub-group was around half that of the total sample, and the proportion of campaigning groups is higher than for the total sample, suggesting that trusts and foundations are particularly important to the work of smaller national environmental charities and campaign groups.

In 2005 income was analysed on a different basis, so a comprehensive comparison is not possible. However, individual giving for the 75 organisations as a whole has risen slightly ahead of inflation during the period, but reduced as a proportion of overall income (from 40% to 34%) as other sources of income have grown more rapidly.

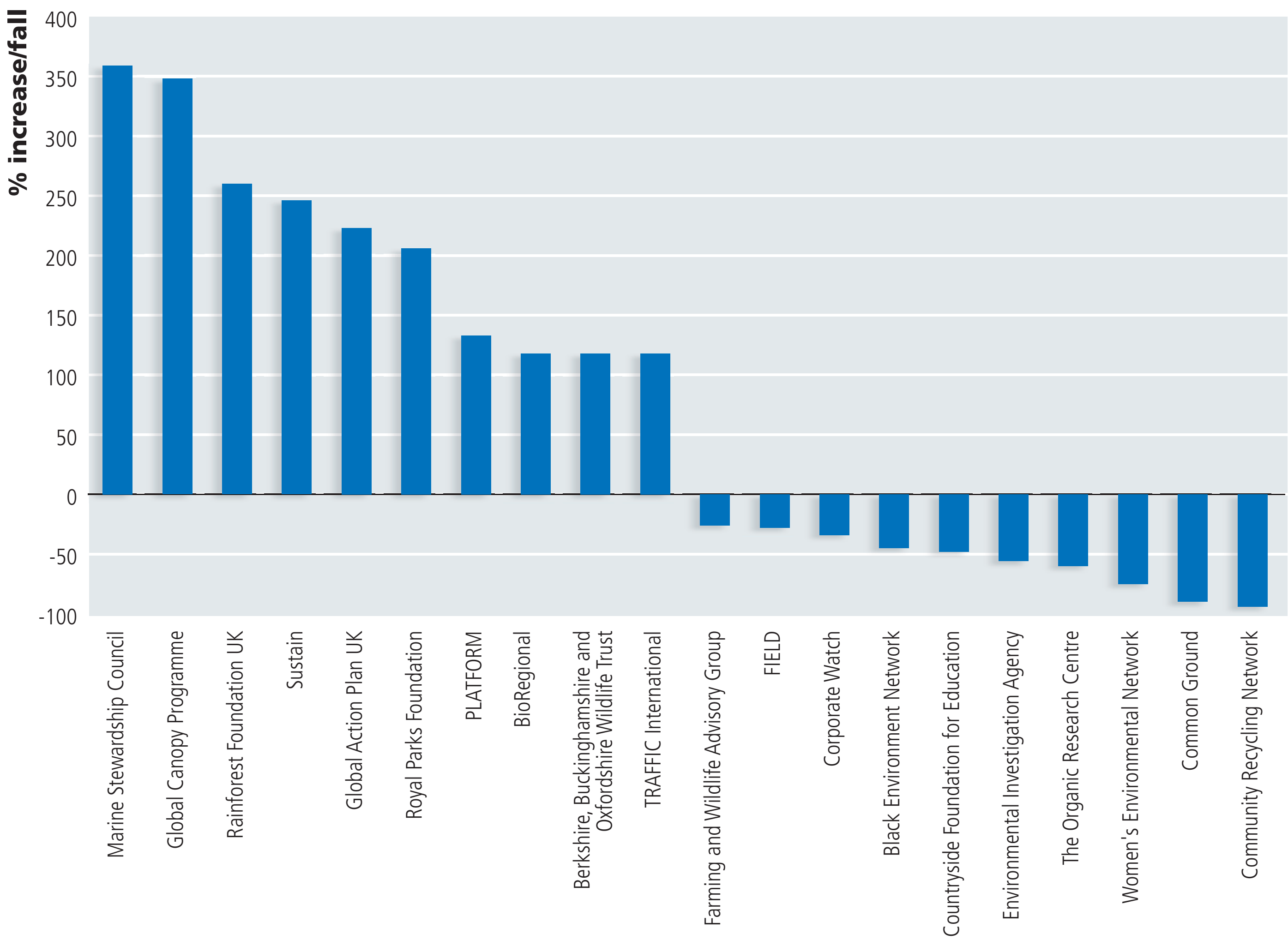
Changes in income

Collectively, the 75 NGOs saw a growth in income from £423 million to £593 million over the past five years, an increase of 40% in nominal terms (or 21% allowing for inflation) over the period. Unsurprisingly, this growth has been unevenly spread across the sample, with six organisations more than doubling in size and, at the other end of the spectrum, five organisations seeing income fall by more than half. One further organisation (Envolve) closed altogether.

Interestingly, there is no correlation in this sample between the percentage change in total income and the size of the organisation. The largest 15 organisations by income in 2005 grew on average by 43% in nominal terms, and the smallest 15 organisations grew on average by 41%. At all levels of income, there are examples of organisations growing strongly and others growing more slowly or falling back.

However, the biggest increases in income in cash terms mainly went to the largest existing organisations. Some £118 million of the £169 million increase in income went to the ten largest organisations, of which £41 million went to the Royal Society for the Protection of Birds (RSPB) (Figure M, overleaf).

Figure L: *Top ten organisations that saw the greatest percentage rise and fall in income from the sample of 75 environmental NGOs, 2004/5 to 2009/10*



Different types of organisations experienced different levels of income growth. Organisations whose primary activity is campaigning, and which take little or no money from statutory agencies or the private sector, grew on average by only 13% over the period (a 2% fall in real terms). In contrast, organisations that do little or no campaigning, or take significant sums from statutory bodies or the private sector, grew in line with, or slightly above, the overall trend.

The sample size of 75 organisations is not large enough to draw any firm conclusions about changing patterns of income over the 13 categories of environmental issues used in this report. Amongst the five categories best represented in the sample:

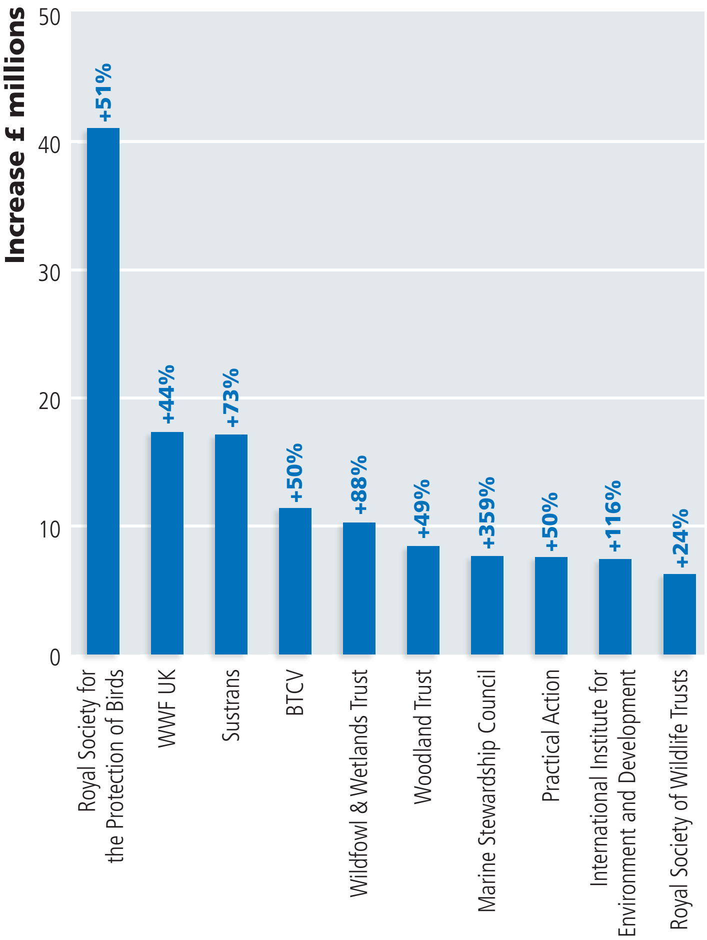
- NGOs working on biodiversity grew in line with the overall trend;
- NGOs working on terrestrial ecosystems and land use grew somewhat above trend;
- the growth of NGOs working on agriculture was below the trend;
- NGOs working on sustainable communities have seen their income stagnate.

Assets and reserves

The 75 NGOs held a total of £485 million in net

UN Convention on Biological Diversity | UN bans drift net fishing | Maastricht Treaty establishes sustainable development as an Europe-wide objective | **1993** | *MV Braer* oil spill, Shetlands | Forest Stewardship Council founded

Figure M: *Top 10 cash risers from sample of 75 environmental NGOs, 2004/5 to 2009/10*



assets at the time of the survey. This includes land, such as nature reserves, buildings, and other fixed assets, as well as cash and investments. This is an increase of 47% over the past five years, or 27% in real terms, a greater increase than that seen for income. On average, therefore, NGO balance sheets have strengthened.

The appropriate level of free reserves for an NGO cannot be assessed by a simple formula, as it depends on many factors, including forecasts of income and expenditure, balance between restricted and unrestricted funds, assessment of risk, the nature of the NGO's operations, and the stage of its development. However, there was no evidence of any organisation hoarding cash. On average, they held net current assets equivalent to four months' income, with only one holding (slightly) more than one year's income. If anything, there seems to be a tendency for environmental organisations to operate a little too close to the wire, with three organisations having net current liabilities at the year end, and five having net current assets equivalent to less than one month's income.

Staff

In the initial survey, the 75 organisation employed 6,627 staff (full time equivalent), rising to 7,413 five years later, an increase of 12% in the size of the workforce. A full list of the number of staff employed per organisation is given in Appendix C. Average employment costs including tax, National Insurance and pensions rose during the period from £24,988 to £31,223 per full-time post, broadly in line with voluntary sector wage inflation, which was around 1% higher than general wage inflation during this period. Again, within this general pattern there is great variety, with average staff costs falling behind general wage inflation in nearly half the organisations surveyed. At the other end of the spectrum, the average cost per full-time staff member at two national organisations rose by around 60% in real terms over the period, placing both amongst the highest-paying employers in this sample.

Which organisations are the top recipients of trust funding?

The analysis of over 6,000 grants for the period 2007/08 to 2009/10 makes it possible to identify the grantees that have been most successful in raising money from environmental philanthropy during this period. It should be noted that the figures below may not capture all trust income for any particular organisation, as it may be receiving support from

Table 5: *Top four re-granting organisations receiving funding, 2007/08 to 2009/10 combined*

Grantee	Trust income in 3 yrs (£)	No. of grants	No. of trusts funding
European Climate Foundation	12,201,206	6	3
Ashden Awards for Sustainable Energy	2,981,270	42	16
Rufford Small Grants for Nature Conservation	1,550,000	3	1
Whitley Fund for Nature	1,310,242	23	9
TOTALS	**18,042,718**	**74**	**n/a**

other trusts which have not yet been included in the research, for example because they do not make regular grants to environmental organisations. There may also be some distortion from multi-year grants that are accounted for in a single financial year, although totalling results from three financial years should help to smooth out this effect.

Table 5 shows four re-granting organisations that are major beneficiaries of support from trusts and foundations covered by this report. This is the first time that re-granting organisations have been separately identified within *Where the Green Grants Went*, and this reflects their increasing importance within the overall distribution of grants from trusts and foundations. The European Climate Foundation (ECF) stands out in particular as a beneficiary of funding from some of the United Kingdom's larger trusts, with the grants being made by ECF in turn benefiting environmental organisations across Europe.

Table 6 (overleaf) shows the top 100 non-regranting organisations that were supported by the 147 trusts analysed in this report. The figures show the combined grants from trusts covered in the research over the three years 2007/08, 2008/09, and 2009/10.

It should be stressed that this table is intended to inform grantmakers' thinking, but cannot be used as a simple determinant of where future funding should be allocated. The fact that an organisation ranks highly in this list does not imply that its environmental work is (or is not) 'effective', it simply shows that the organisation has been successful in securing trust and foundation funding. This might be a consequence of the organisation having a good track record, or simply a large team of fundraisers. In some instances the organisation is itself the initiative of a funding body. The table also shows the number of trusts within the 147 analysed that have supported the organisation during the three-year period. The variation in this figure is striking, ranging from a single trust to upwards of 10 or 20 of the trusts under analysis, and in one case more than 30 separate trusts.

All of the 100 organisations in this table received over £410,000 in trust grants over the three-year period, or more than £135,000 a year on average. Half of the organisations in the table received grants from eight or more trusts during these three years, and a quarter were being funded by eleven or more trusts.

A number of the organisations listed above fall into one of two clusters. Amongst the 19 organisations receiving support from just one trust in this period, several are projects directly initiated, co-founded or fostered by a large trust. The Kilimo Trust and CottonConnect South Asia are two examples of this. In contrast, the majority of those organisations receiving grants from 15 or more trusts are 'household names', including the Woodland Trust, the Royal Society for the Protection of Birds and the Wildfowl & Wetlands Trust.

Conservation groups are heavily represented, accounting for more than a third of the top 100 beneficiaries. Fourteen of the organisations in Table 6 are part of the UK Wildlife Trusts network. When grants to the national charity and all 47 local and regional wildlife trusts are combined for the three years of 2007/08, 2008/09, and 2009/10 they amount to more than £18.5 million, in the form of 435 grants. This means that the combined income received by the Wildlife Trusts network from charitable trusts is more than two and half times that of any other single organisation.

Three of the top ten beneficiaries are universities, together receiving more than £8.5 million over the three years. Although there are only four universities in the top 100 recipients, the same number as featured in the equivalent table in *Where the Green Grants Went 4*, their prominence in Table 6 is striking.

In terms of the overall distribution of grants, a large share of total funding is concentrated in a small number of organisations, while at the same time smaller grants continue to be distributed in the 'scattergun' way noted in earlier reports. Together the 104 organisations featured in Tables 5 and 6 received more than £134 million across the three years, via 1,612 grants. This represents 59% of the total grants made by value, but less than 28% of all grants made by number. However, across three years 6,107 grants were distributed across more than 2,100 environmental initiatives. This means that the remaining 4,495 grants, representing 41% of grants by value, are spread over more than 2,000 different organisations. If these 4,495 grants were spread evenly, this would represent less than one grant per organisation per year. A significant minority of funding is therefore extremely thinly spread.

Finally, it is notable that 46 of the organisations featured in Table 6 are newcomers to the list. Nine of these are brand new organisations, a further nine are the grantees of trusts included in the dataset for the first time, and the remainder are organisations that have improved their fundraising from trusts.

Table 6: *Top 100 non-regranting organisations receiving trust funding, 2007/08 to 2009/10*

	Grantee	Trust income in 3 yrs (£)	No. of grants	No. of trusts funding	Rank in WtGGW4	Riser/ faller
1	Kilimo Trust	7,199,387	3	1	2	▲
2	Royal Society for the Protection of Birds	5,846,210	71	26	22	▲
3	Envirofit International	5,797,304	5	1	new entry	n/a
4	University of Bristol	4,018,352	15	4	45	▲
5	Woodland Trust	3,270,180	192	34	17	▲
6	Compassion in World Farming	3,079,757	15	7	new entry	n/a
7	Oceana	2,965,290	3	3	new entry	n/a
8	World Resources Institute	2,950,865	6	2	new entry	n/a
9	University of Cambridge	2,313,000	8	4	3	▼
10	Tel Aviv University	2,225,482	6	2	new entry	n/a
11	Mitigation Action Plans and Scenarios (MAPS)	2,185,086	1	1	new entry	n/a
12	Farm Animal Welfare Trust	1,961,614	5	2	new entry	n/a
13	Natural History Museum	1,552,388	18	12	13	–
14	Royal Botanic Gardens, Kew	1,516,000	21	15	8	▼
15	Royal Society of Wildlife Trusts	1,500,458	7	5	new entry	n/a

1996

World Business Council for Sustainable Development founded

Ralph Nader candidate to the US presidential elections for the Green Party

UK government accepts BSE links to CJD

UN adopts Comprehensive Nuclear Test Ban Treaty

Newbury bypass protests

	Grantee	Trust income in 3 yrs (£)	No. of grants	No. of trusts funding	Rank in WtGGW4	Riser/ faller
16	Global Witness	1,496,500	16	8	16	–
17	BirdLife International	1,467,246	20	10	new entry	n/a
18	WWF UK	1,449,705	35	18	11	▼
19	Rural Action East	1,397,894	33	1	new entry	n/a
20	New Economics Foundation	1,385,819	25	15	34	▲
21	Berkshire, Buckinghamshire and Oxfordshire Wildlife Trust	1,373,793	18	11	100	▲
22	Wiltshire Wildlife Trust	1,363,259	16	9	59	▲
23	Royal Society for the Prevention of Cruelty to Animals	1,334,144	3	1	new entry	n/a
24	Royal Horticultural Society	1,328,589	21	11	24	–
25	Wildlife Trust for Lancashire, Manchester and North Merseyside	1,287,751	31	9	99	▲
26	Butterfly Conservation	1,276,633	33	17	20	▼
27	Zoological Society of London	1,254,479	28	13	60	▲
28	Global Canopy Programme	1,225,783	25	12	47	▲
29	Friends of the Earth (England, Wales and Northern Ireland)	1,221,024	30	20	23	▼
30	Pesticide Action Network UK	1,157,551	15	9	18	▼
31	Devon Wildlife Trust	1,104,457	24	17	71	▲
32	Rothamsted International	1,081,865	7	3	37	▲
33	Conservation Land Trust	1,061,109	3	1	new entry	n/a
34	Soil Association	1,060,790	32	16	21	▼
35	European Environmental Bureau	1,040,000	6	1	72	▲
36	Marine Conservation Biology Institute	1,028,750	2	1	new entry	n/a
37	London Wildlife Trust	1,020,154	11	8	46	▲
38	Fauna & Flora International	1,015,445	43	19	1	▼
39	Small-scale Sustainable Infrastructure Development Fund	998,901	1	1	new entry	n/a
40	Wildfowl & Wetlands Trust	996,711	42	25	new entry	n/a
41	Environmental Investigation Agency	953,492	20	11	25	▼
42	National Trust	904,940	32	15	38	▼
43	Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough	900,855	19	10	15	▼
44	Practical Action	889,645	21	10	68	▲
45	Scottish Wildlife Trust	885,829	16	11	new entry	n/a
46	Kent Wildlife Trust	847,990	17	10	73	▲
47	Groundwork UK	842,529	6	3	new entry	n/a
48	Pond Conservation	830,260	6	6	62	▲
49	Plunkett Foundation	828,213	7	5	new entry	n/a
50	SolarAid	808,263	17	11	new entry	n/a
51	Kenya Gatsby Trust	807,833	3	1	new entry	n/a
52	Chiswick House and Gardens Trust	772,500	4	4	new entry	n/a
53	Converging World	771,230	8	2	new entry	n/a
54	International Institute for Environment and Development	767,000	6	4	77	▲
55	E3G (Third Generation Environmentalism)	760,405	7	5	new entry	n/a
56	Green Alliance	734,924	22	15	63	▲

1997

Kyoto Protocol agreed

Marine Stewardship Council founded

Nature paper values global ecosystem services at $33 trillion

1999

A Better Quality of Life, UK strategy for sustainable development published

	Grantee	Trust income in 3 yrs (£)	No. of grants	No. of trusts funding	Rank in WtGGW4	Riser/ faller
57	China Labour Bulletin	715,000	3	1	new entry	n/a
58	Ecosystems Ltd (*the Ecologist* magazine)	704,754	14	1	67	▲
59	Forum for the Future	680,501	12	9	9	▼
60	Prince's Foundation for the Built Environment	677,776	4	2	30	▼
61	Wildlife Conservation Research Unit, University of Oxford	671,217	24	11	19	▼
62	Greenpeace UK	662,720	15	8	new entry	n/a
63	Tusk Trust	661,121	21	11	66	▲
64	Federation of City Farms and Community Gardens	653,147	10	6	26	▼
65	Campaign for Better Transport	631,510	18	11	82	▲
66	Leicestershire and Rutland Wildlife Trust	630,101	7	3	new entry	n/a
67	Buglife	628,357	13	10	50	▼
68	Herpetological Conservation Trust	623,425	11	8	56	▼
69	PLATFORM	614,433	19	8	88	▲
70	Sustrans	605,510	24	11	31	▼
71	Forestry Commission	597,941	5	2	new entry	n/a
72	The Organic Research Centre (previously Elm Farm Research Centre)	597,250	10	7	27	▼
73	World Society for the Protection of Animals	568,000	7	4	new entry	n/a
74	Plantlife International	558,982	20	13	29	▼
75	Friends of the Earth International	550,000	3	1	28	▼
76	Wildscreen Trust	546,000	15	12	36	▼
77	CottonConnect South Asia	545,803	1	1	new entry	n/a
78	John Muir Trust	535,345	13	9	57	▼
79	Cotton and Textile Development Programme	527,447	1	1	new entry	n/a
80	WWF International	520,000	1	1	new entry	n/a
81	Game & Wildlife Conservation Trust	517,892	24	17	40	▼
82	Berkeley Air Monitoring Group	514,161	4	1	new entry	n/a
83	County Durham Environmental Trust	500,000	1	1	new entry	n/a
84	Transition Network	491,500	7	3	new entry	n/a
85	Durrell Wildlife Conservation Trust	488,500	20	10	new entry	n/a
86	Marine Stewardship Council	483,820	16	11	10	▼
87	Corporate Europe Observatory	476,580	13	6	new entry	n/a
88	Froglife	475,828	10	7	new entry	n/a
89	FERN	472,678	4	2	80	▼
90	Norfolk Wildlife Trust	471,013	11	8	new entry	n/a
91	International Rivers Network	455,869	7	3	58	▼
92	WaterAid	454,465	20	11	new entry	n/a
93	Campaign to Protect Rural England	452,424	25	11	41	▼
94	Nottinghamshire Wildlife Trust	446,670	22	10	new entry	n/a
95	Yorkshire Wildlife Trust	445,710	13	5	new entry	n/a
96	Gaia Foundation	433,542	14	7	new entry	n/a
97	CEE Bankwatch	430,000	3	1	new entry	n/a
98	Gwent Wildlife Trust	417,093	10	9	new entry	n/a
99	Scottish Environment LINK	415,559	4	2	new entry	n/a
100	Royal Geographical Society	410,099	6	4	new entry	n/a
TOTALS		**116,075,377**	**1,612**			

SECTION THREE

THE FUNDING RELATIONSHIP

Introduction

This section of the report examines the relationship between grantmakers and environmental NGOs that seek and receive grant funding. In other words, not *where* the green grants went, but *how* they were distributed. This brief exploration of good grantcraft is designed to complement the statistical analysis of the preceding and final sections of this report.

Perspectives of grant-seekers

In July 2011, EFN hosted a small discussion group of nine environmental NGO staff experienced in raising money from trusts and foundations. Comments were also received from three other fundraisers who were unable to attend. Invitees were selected to represent a diversity of organisations in terms of size, mission and approach. The group ranged from full-time specialist trust fundraisers to directors of smaller organisations that undertook fundraising as part of their role. Findings from the discussion are summarised in this section.

Application processes

Fundraisers really value funders that communicate well. Willingness to take an initial phone call to discuss a possible proposal is particularly welcome. Fundraisers also appreciate opportunities to meet with funders face-to-face as part of the application process for larger grants, clear and honest feedback about unsuccessful applications and a steer as to the prospects of a future or ongoing funding relationship. This echoes the findings of the Center for Effective Philanthropy on the importance of good funder–grantee relationships.[25]

As well as appreciating good communication, fundraisers value proportionate, transparent and consistent processes. Disproportionate processes, that require as much information for small grants as for major programmes of investment, are one of the greatest sources of frustration. Applicants are often asked for documents – such as annual accounts – that are freely available online, or which do not seem immediately relevant to the application. For larger applications, the opportunity to submit a concept note for initial assessment, followed by a fuller application, is generally seen as an efficient and helpful arrangement.

Fundraisers prefer explicit guidance on funding priorities that accurately reflect current interests. Lists of exclusions are helpful. They prefer fixed and published application deadlines, and assume that trusts that invite applications at any time still work to discrete internal grant rounds. Quick decisions are especially important when projects relate to rapidly moving policy or campaigning opportunities. For all funding, clear and reliable information about when decisions will be made is valued.

Fundraisers recognise that some funders choose not to accept or consider unsolicited applications. Fundraisers respect this approach if the funder makes their position clear and has an alternative strategy for identifying the work they wish to fund. In such cases, an e-mail address for enquiries, even if with no guarantee of a response, is appreciated.

Core costs, thinking and development time and campaigning work remain particularly hard to fund. There is a general perception that the funding of core costs and multi-year funding are becoming less common, which is hampering the ability of NGOs to plan work with confidence.

Funders often wish to fund innovative projects but the greatest impact and value for money is often delivered once a project is well established.

The public sector spending squeeze is being felt in many different ways, for example reduced government support for non-commercial research and withdrawal of fees for participation in advisory panels where NGOs are often a crucial source of expertise and a balance to private sector interests. The difficult financial environment has exposed the vulnerability of some small and medium-sized NGOs that have been heavily reliant on relatively short-term funding from a small number of institutional sources.

What NGOs want from grantmakers	What grantmakers want from NGOs
Willingness to take an initial enquiry	Applicants to read published information carefully
Clear guidance on funding priorities	Less jargon
Proportionate assessment	Timely reporting
Core funding, or flexibility in use of funds	Proactive evaluation and learning
Multi-year funding	Collaboration between NGOs, and with potential allies across different sectors
Focus on longer-term impact, rather than constant innovation	Greater ambition
Better communication	Better communication

Relating and reporting

Fundraisers value the willingness of many trusts to allow work plans to be adjusted in the light of events and opportunities; this is seen as a clear advantage over the more prescriptive frameworks common to statutory funders. Funders that are willing to properly resource and support evaluation, including the Big Lottery and the Community Development Foundation, are appreciated. Overall, the majority of evaluation required by funders still seems to be about compliance rather than learning.[26] However, where NGOs have taken the lead and defined their own internal monitoring and evaluation processes, funders have often been receptive.

Funders can offer more than money. There is warm support for gatherings of grantees, such as those that the Tellus Mater Foundation has organised. These are seen as valuable opportunities to meet the funder, see the scope of their work and make contacts with peers in other NGOs. Facilitating contacts or introductions to other funders is also appreciated.

Perspectives of grant officers

In August 2011, EFN held a small online focus group with nine experienced grant officers from a range of specialist and generalist trusts that support environmental NGOs and projects. Comments were also received from another grant officer who was unable to participate on the day. The conversation covered application processes, the relationship with funded groups and views of the environmental sector as a whole.

Funders have a range of practices on pre-application contact and a range of different experiences. For some funders such conversations are an efficient way to determine whether an application would be appropriate, particularly from new organisations, whereas others find such conversations can be a strain on their limited staff time. Funders like enquirers to have a clear proposal in mind and to have read published guidance before calling.

Although not conclusive, a number of the grant officers have a sense that environmental NGOs may be less active and less effective than their counterparts in larger areas of civil society (such as the arts and international development) in pursuing funding, and perhaps also in diversifying funding sources. Some, but not all, funders feel that they are not receiving the quality of applications they would like.

The use of jargon or formulaic language is a common reason for failure in applications from environmental NGOs. Jargon is a particular challenge for funders where trustees do not have environmental expertise. It is also part of a wider perception that environmental NGOs often struggle to put their proposals in plain language with clear and realistic aims and objectives.

There are inherent difficulties in evaluating many environmental projects, such as the long-term impact of conservation work on biodiversity, or attributing the influence of a campaign on policy decisions. Even allowing for this, funders feel monitoring, evaluation and the basic administration of reporting back are areas of significant weakness for many grantees, although environmental NGOs are no worse in this respect than any other sector. Funders often have to actively chase grantees to get them to submit reports, even though the reporting expectations are written into grant conditions. Surprisingly, larger NGOs often perform more poorly than smaller organisations in this regard. Organisations that have strong monitoring and evaluating systems in place which help them to demonstrate their track record, and that report on time, are well-placed to make future successful applications. Funders also appreciate being kept in touch with significant developments outside formal reporting cycles – rather than finding out by chance. One example cited was of finding out that a staff member who is being funded had left their post by seeing the advert for a successor in the recruitment pages.

Funders feel environmental NGOs have become better at forging alliances with other constituencies, including the trade union movement and businesses, and also at working collaboratively as a sector. Funders welcome the ability of NGOs to agree and campaign around common goals and this is seen as a growing and distinctive strength of the environmental sector. However, there is no particular desire on the part of funders to see NGO mergers or other forms of consolidation, as they recognise the value of a range of organisations with different areas of expertise and different approaches in bringing about change. Pragmatic approaches working with the grain of current systems and structures and provocative approaches that confront government and 'business as usual' are both needed.

Funders feel some of the larger and more established natural environment NGOs are too cautious and conservative, for example struggling to effectively use the opportunities of new media, or to communicate in language which appeals beyond the section of the public that is already convinced. Climate change organisations are often more adventurous in this regard. Funders also feel that some environmental NGOs get bogged down in policy detail and don't sufficiently recognise the need to address power dynamics and vested interests. This is now more important than ever in the United Kingdom, as the political context has become less conducive. However, relatively few funders are willing to fund campaigning and advocacy and this is part of the problem.

Finally, organisational governance is seen as a common area of weakness for environmental NGOs, with little turnover and significant skill gaps on some trustee boards, or governance structures that are overdue reform.

Overall, funders feel there is a gap between the scale of change that is needed to move to a low-carbon, sustainable society and what is happening at present, although this is as much a challenge for government, business, and funders as it is for NGOs.

2004

Liberal Democrats issue *A Better Environment, A Better Life*

UN Security Council imposes sanctions on Liberia for illegal logging

Launch of *Equator Principles* for project finance

The Day After Tomorrow released

Wangari Maathai awarded the Nobel Peace Prize

Businesses increasingly see profit in going green. The drive for sustainability supports entire sectors, such as renewable energy, which attracted $211 billion of global new investment in 2010, up from $33 billion in 2004.[a]

The range of green products and services on sale has proliferated, and eco-friendly touches such as offsetting carbon emissions or reducing packaging materials are commonplace. Corporate social responsibility (CSR) has moved into the mainstream, to the extent that PriceWaterhouseCoopers deems a CSR report 'critical' to a company's credibility.

Google famously chose 'don't be evil' as its motto. But critics hold the corporate model responsible for a host of environmental ills, noting the dependency of many businesses upon unsustainable products or practices. Pro- and anti-green forces may coexist within a single corporation, for instance a car company that markets hybrid engines while lobbying against higher fuel economy standards.

If, as the US economist Milton Friedman famously said, the only social responsibility of business is to increase profits, then companies go green only insofar as it saves money, makes money or keeps them the right side of the law. The fact that business engagement goes deeper than this analysis is in large part thanks to the work of environmental groups, which at various times use both carrot and stick to encourage greener behaviour.

For example, the area of forest managed under Forest Stewardship Council (FSC) criteria has increased from practically nothing in 1995 to nearly 140 million hectares in 2010. There is no law that compels companies to buy or sell FSC-certified wood products, or sign up to any of the other voluntary sustainability standards that now exist for everything from pineapples to palm oil. Rather, the environmental movement drives the take-up of such schemes by endorsing industry leaders and criticising laggards, a combination that has seen FSC become the norm in products like garden furniture and tissues.

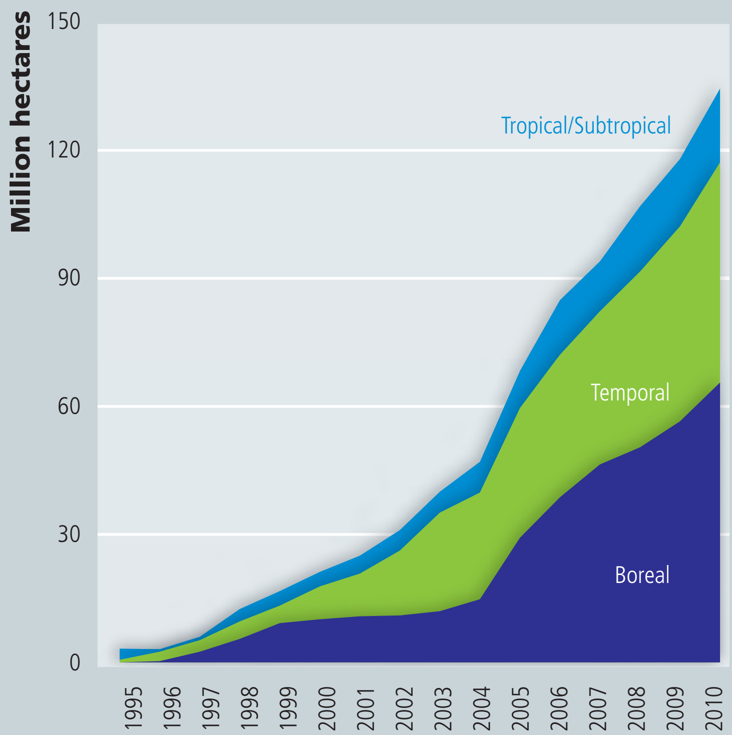
There are attractive rewards associated with greener business practices. Over 50% of business executives surveyed say that having a defined CSR strategy has led to a better brand and reputation,[b] while 77% of consumers say they would rather pay more for products and services that are produced responsibly.[c]

As well as courting ethically minded customers, business seeks to influence government policies aimed at shifting economic growth in a sustainable direction. The negative face of corporate lobbying involves smear campaigns against green groups and attempts to discredit environmental science. More positive is the emerging trend for business to act as advocates for the good, with brands like HSBC, Tesco, EDF and Nestlé arguing that strong and certain environmental policies are necessary to reassure investors and catalyse growth.

Climate and energy policy, with its unstable politics and long-term ramifications, is a particular focus for business advocacy. By November 2011, well over 200 major companies had signed up to a communiqué urging world leaders to reach a global climate deal, arguing that climate change risks 'seriously undermining global prosperity'.[d] In the same month, 285 investors representing over $20 trillion in assets issued a similar call.

In all, the environmental movement's relationship with business is complex and fast evolving. Some groups are criticised for being too close to business, others for being too critical. Such diversity can be helpful, and funders will want to continue supporting campaigns and processes that marry profits with environmental protection.

Figure N: *Area of forest certified under FSC standards*



Source: Global FSC Certificates: Type and Distribution, *Forest Stewardship Council, 2011.*

Notes

a *Global Trends in Renewable Energy Investment 2011*, United Nations Environment Programme and Bloomberg New Energy Finance, 2011.

b *Global Business Barometer Survey*, Economist Intelligence Unit, 2007.

c *Trust and Purpose Survey 2011*, Burson Marsteller and Penn Schoen Berland, 2011.

d *The 2 Degree Challenge Communiqué*, Corporate Leaders Network for Climate Action, 2011.

SECTION FOUR

INTERNATIONAL COMPARISONS

Environmental philanthropy

In recent years environmental funder networks in other parts of the world have produced analyses[27] of environmental funding that have similarities to *Where the Green Grants Went*. This makes it possible to compare the way in which foundations in different parts of the world distribute their grants across the 13 thematic issue categories.

Table 7 (overleaf) sets out comparative data for the United Kingdom, Europe as a whole, the United States, Canada and Australia. Readers should treat the figures with some caution. Due primarily to differences in the availability of grant data, the authors of the different studies succeeded in measuring varying shares of the total environmental philanthropy within their country or region, and there are some small differences in the time period to which the different datasets relate.[28] With these caveats in mind, what does the existing data show?

It is clear from Table 7 that the categories of 'terrestrial ecosystems and land use' and 'biodiversity and species preservation' receive strong support from environmental foundations around the world. With the exception of the United States, these two categories account for a third or more of the grants being made in each region, and in Australia for more than two-thirds.

Whilst it appears that foundations in continental European and the United Kingdom make more grants to generalised 'multi-issue work', this is probably not the case in practice. Grant descriptions tend to be less detailed for UK and continental European foundations and this results in a higher proportion of grants to organisations working on multiple issues being put in this category, whereas in the United States, Canada and Australia they would often be allocated to a specific thematic issue.

By contrast, the differences in priority accorded to the categories 'agriculture and food', 'climate and atmosphere', 'energy' and 'coastal and marine' appear to be real. In 2009 US funders committed nearly one-third (32%) of their grants to work on either 'climate and atmosphere' or 'energy'. This was two or more times as much as the proportion directed to these issues by funders in the United Kingdom, Australia and Canada.

It is also clear that Canadian and American funders place more emphasis on the funding of work relating to 'coastal and marine ecosystems' than their counterparts in other regions of the world. Work in the 'fresh water' category also receives more support from funders outside Europe than those within it.

The picture is rather different with respect to the 'agriculture and food' category, where European foundations seem to have a significantly stronger engagement, particularly those based in the United Kingdom. Support for work on these issues across Africa and in other former colonies is noticeable.

By contrast with these relatively well-funded areas of work, the issues such as 'toxics and pollution', 'transport', 'trade and finance', and 'consumption and waste' are poorly funded across the board. With the exception of funding for work on 'toxics and pollution' in the United Kingdom, and 'transport' in the United States, none of these issue categories receives more than 3% of foundation grantmaking in any of the five regions.

'Transport' is a case in point, averaging just 1.7% of trust and foundation funding across all regions, despite

Table 7: *Distribution of grants by thematic issue – an international comparison*

	UK 2007–10* (%)	Europe 2009 (%)	USA 2009 (%)	Canada 2007 (%)	Australia 2006–08 (%)
Biodiversity & species preservation	**21.7†**	**16.9**	8.3	**14.5**	**52.6**
Agriculture & food	**16.5**	7.5	3.2	5.5	0.0
Terrestrial ecosystems & land use	**12.5**	**19.7**	**13.0**	**25.7**	**15.8**
Climate & atmosphere	11.1	12.4	**18.1**	3.5	**9.3**
Multi-issue work	8.2	**15.9**	10.8	7.5	8.6
Sustainable communities	7.0	1.8	3.2	4.9	2.0
Energy	5.2	5.9	**13.9**	4.5	0.9
Toxics & pollution	4.8	2.9	1.1	0.7	0.0
Fresh water	4.3	2.5	6.6	8.2	7.7
Coastal & marine ecosystems	4.1	11.2	12.8	**22.6**	3.0
Transport	2.4	2.1	3.3	0.6	0.1
Trade & finance	1.8	0.9	1.1	n/a	0.0
Consumption & waste	0.5	0.2	0.8	1.5	n/a
Other categories‡	n/a	n/a	3.9	0.4	n/a
TOTALS	**100**	**100**	**100**	**100**	**100**

** The United Kingdom figures are averaged across the three financial years used elsewhere in this report, 2007/08, 2008/09 and 2009/10.*
† The highest three figures in each column are highlighted in blue.
‡ In the US research the categories environmental health, environmental justice, indigenous communities, and population together account for 3.9%. In the Canadian research mining accounts for 0.4% of grants given.

the fact that it is a key source of carbon emissions, a driver of biodiversity loss, and a major contributor to land take, noise pollution and air pollution.

Combining the grants made in the categories of 'climate and atmosphere', 'energy' and 'transport' to get a global proportion for grants broadly linked to addressing climate change gives the following totals: United States (35.3%), Europe (20.4%), United Kingdom (18.7%),[29] Australia (10.3%) and Canada (8.6%).

As noted above, some caution needs to be applied when looking at these figures, particularly the figures for Europe, which rely on a smaller sample of foundations relative to those for the other regions. In addition, emerging philanthropy in countries such as Russia, India, China and Brazil will be of increasing importance. With more comprehensive data the accuracy of this analysis will improve in the future. The goal in presenting the data in this report is to stimulate debate.

Civil society capacity

In parallel with the increasing amount of research available on grants from environmental trusts and foundations, research has recently been published on the capacity and structure of the environmental movement in various countries including the United States and Israel.[30] Such reports should be of just as much interest to funders as analysis of the environmental grants

Table 8: *Comparison of UK and US environmental movements*

	United Kingdom (2007/08)	United States (2008)[31]
Estimated number of environmental organisations	5,300	31,000
Estimated value of environmental philanthropy	£75 million	£1,454 million
Environmental philanthropy per capita per annum	£1.22	£4.77
Total environmental sector income	£2.4 billion	£7.6 billion
Environmental sector income per capita per annum [32]	£38.88	£24.82

market, since the civil society mapping work helps in identification of gaps in capacity.

At present, data in this field is not sufficiently developed to begin drawing any significant international comparisons, but some tentative figures for the United Kingdom and United States are included in Table 8. Figures for the United Kingdom are drawn from the NCVO *UK Civil Society Almanac 2010* and from elsewhere in this report, and figures for the US are drawn from the Environmental Grantmakers Association's *The Broader U.S. Environmental Movement*.

Once again, these figures should be treated with caution, as the methodologies used are somewhat different in the two countries. Comparison of the data is nonetheless interesting. US environmental philanthropy dwarfs that in the United Kingdom, both in absolute terms and on a per capita basis. However, the UK environmental movement, although understandably smaller than its US counterpart in absolute terms, is comparable in terms of the number of organisations relative to population, and actually appears to receive more income per capita when all funding sources are taken into account.

Global priorities

The ultimate goal of environmental philanthropy is not to distribute money, nor even to build a strong environmental movement, but to play a part in delivering environmental sustainability. However, the relationship between environmental philanthropy and the actual ecological footprint of a country, a region, a town, an organisation, or an issue, is not straightforward. Environmental outcomes are driven by a whole range of interrelated factors, from government policy to cultural norms, which play out over time. Furthermore, success, even on a single issue, cannot be measured by a single indicator at a single point in time, or ascribed to a single cause.

Some useful composite indices have been developed to try to capture environmental performance across a range of measures[33] or to integrate environmental performance into a wider measure of well-being.[34] Table 9 (overleaf) includes a sample of different countries and their performance across a range of these indicators.

In Table 9 the top and bottom five performers in each column are shaded green and blue respectively. Some relationships are immediately apparent. Three of the five wealthiest countries in the G20 (if wealth is measured in terms of gross national income per capita) are among the worst performers in terms of their Ecological Footprints, their Happy Planet Index scores and their per capita emissions of carbon dioxide.

The five G20 countries scoring highest on the Environmental Performance Index (EPI), which measures the quality of the environmental policies that a country has in place, are all relatively wealthy industrialised

Table 9: *A comparison of G20 countries' economic and environmental performance*[35]

Country[36]	Gross National Income per capita ($ PPP), (2005)	Ecological footprint (hectares per capita) (2007)	Environmental Performance Index (2010)	Happy Planet Index (2007)	CO_2 per capita (tonnes) (2008)
United States	43,017	8.0	63.5	30.7	17.3
Canada	35,166	7.0	66.4	39.4	16.4
Germany	34,854	5.1	73.2	48.1	9.6
Australia	34,431	6.8	65.7	36.6	19.0
United Kingdom	33,296	4.9	74.2	43.3	8.5
Japan	32,295	4.7	72.5	43.3	9.5
France	30,462	5.0	78.2	43.9	6.1
South Korea	28,230	4.9	57.0	44.4	10.6
Italy	26,484	5.0	73.1	44.0	7.5
Saudi Arabia	23,274	5.1	55.3	59.7	17.2
Russian Federation	14,561	4.4	61.2	34.5	12.1
Argentina	14,527	2.6	61.0	59.0	4.8
Mexico	13,245	3.0	67.3	55.6	4.4
Turkey	12,246	2.7	60.4	41.7	3.9
Brazil	10,162	2.9	63.4	61.0	2.1
South Africa	9,469	2.3	50.8	29.7	8.8
China	7,476	2.2	49.0	57.1	5.2
Indonesia	3,716	1.2	44.6	58.9	1.8
India	3,468	0.9	48.3	53.0	1.5

The top and bottom five performers in each column are shaded green and blue respectively

countries, four of which are members of the European Union. Wealthy countries often score well on the EPI measure, because they have the resources needed to develop and implement effective environmental policies.

Moving down the table, both Saudi Arabia and the Russian Federation stand out as countries that are reasonably wealthy but which have high per capita carbon dioxide emissions and poor performance on at least one other indicator. In keeping with other countries in the Gulf region, Saudi Arabia's oil-based way of living appears deeply unsustainable.

By contrast, the five G20 countries with the lowest per capita income are amongst the best environmental performers, at least in terms of their Ecological Footprints and their per capita carbon dioxide emissions, if not in terms of formal environmental policy. They also tend to score well on the Happy Planet Index, when life expectancy and life satisfaction are taken into account. Whilst it comes as no surprise that less wealthy countries have lower per capita impacts on the environment, the implications of this for what success or effectiveness might look like in environmental philanthropy are profound. The relationship between the size and resourcing of environmental civil society groups and the environmental performance of specific countries is a topic that future editions of this research are likely to explore in more detail.

FINAL REFLECTIONS

This final section offers some reflections on the findings in this report, and possible implications for funders.

Hard times ahead

The planned real terms reduction in public spending over the current parliament will create funding pressures for many NGOs, and less capacity within government to deliver environmental programmes. Growth in philanthropy cannot fill this gap, so environmental funders will need to plan carefully to ensure the most effective allocation of resources. Strategic reviews, particularly by funders who have not undertaken one recently, may be needed.

'Cinderella' issues

Trusts, foundations and individual philanthropists have a freedom to pursue causes that do not attract government funding, private sector investment or even general public fundraising. Many trusts wish to fund less popular causes. This report identifies a number of crucial environmental issues that receive little philanthropic support globally, including consumption, transport, toxics and waste. Resources should not necessarily be diverted to these topics from other environmental issues, but these areas may represent some of the best opportunities to make an impact, particularly for new funders.

Campaigning

Many environmental solutions require government action. Even where government is unwilling to directly deliver investment or services, it has an enormous influence through policy and regulation, as a convening body and in demonstrating leadership. Campaigning to influence government and large companies can be a very cost-effective way to create change, and yet campaigning receives relatively little support from UK philanthropy.[37]

Some trustees may be anxious, as stewards of charitable funds, about funding campaigning and policy work. However, Charity Commission guidance[38] makes clear that 'campaigning and political activity can be legitimate and valuable activities for charities to undertake' and that 'any charity can become involved in campaigning and in political activity which further or support its charitable purposes, unless its governing document prohibits it'. The Association of Charitable Foundations has provided a briefing note for its members to complement the Charity Commission guidance, which summarises: 'where [charitable funders] want to support campaigning and political activity, they are broadly free to fund such work'.[39]

Communication

Most funders rely on NGOs to translate their resources into public benefit, whether through delivering services or creating policy change. Many NGOs benefit from the relatively substantial and relatively flexible funding that trusts, foundations and philanthropists can provide. Yet both sides seem to feel that communication between them could be better. The power that comes with money is one distorting factor in this relationship, though NGOs often hold specialist expertise that funders lack. Funders should ensure that their application and reporting processes are clear and proportionate and do not ask for information that is not used. NGOs should communicate to funders in simple, clear language. NGOs should also take the

2010

First Green MP elected at a general election in Britain

UK government cancels plans for new runway at Heathrow

BP *Deepwater Horizon* oil spill in Gulf of Mexico

2011

Hugh Fearnley-Whittingstall's *Fish Fight* broadcast initiative on monitoring and evaluation, measuring what really matters, so that they and their funders can learn from experience. Both funders and NGOs should encourage informal contact, but respect each other's time constraints.

Maintaining momentum

As shown in Section 1, the support for environmental causes from established environmental funders has stalled over this period. The priority given to environmental concerns ebbs and flows in policy circles, the media and public awareness, and funders are not immune to these trends. However, funders have the opportunity and responsibility to attend to longer-term trends and the needs of future generations. Environmental pressures will increasingly move to the centre stage during this century. In recent years many funders have addressed these issues for the first time; it is to be hoped that in the coming years more leading funders will put sustainability at the heart of their mission.

UK government drops plans for forests sell-off

UK Sustainable Development Commission shut down

Warmest UK spring on record

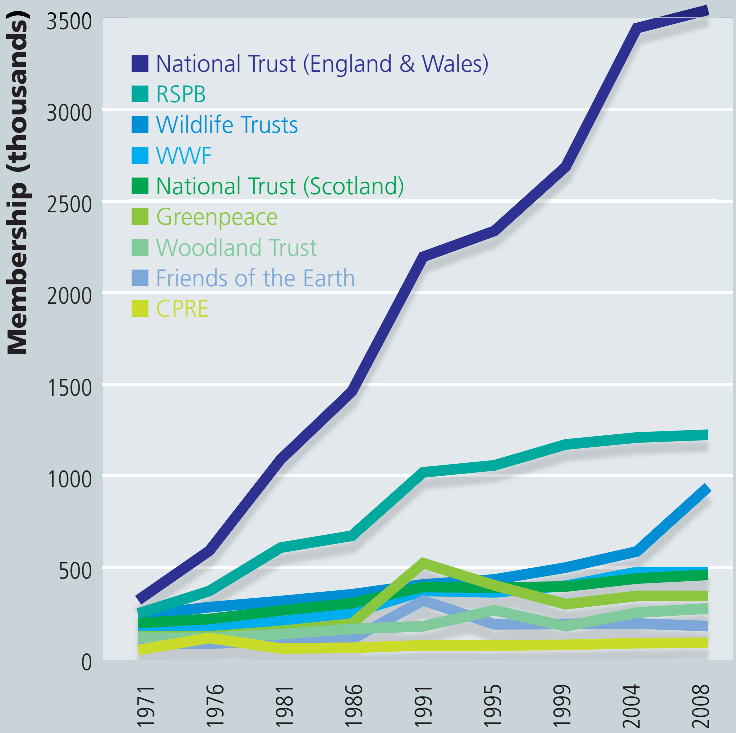
IUCN 'red list' finds one-quarter of mammals at risk of extinction

Fukushima nuclear disaster in Japan

Global population reaches 7 billion

The large and growing numbers of people joining environmental groups is one of the movement's great success stories. When Friends of the Earth opened a UK office in 1971, they and the other well-known environmental groups charted below had fewer than 500,000 members between them. By 2008 membership of these same groups stood at nearly 6.5 million. Nearly 6% of the UK population are members of the National Trust alone.

Figure O: *Supporters of some major environmental NGOs*



Source: Leverhulme-funded NGOs in Britain Project, University of Birmingham, Principal Investigator Matthew Hilton.

The pace of growth has risen and fallen over time. The late 1980s marked a steep increase, as disasters like the ExxonMobil oil spill and acid rain focused minds and environmental groups improved their recruitment tools.

Total membership of the organisations sampled here increased 76% between 1986 and 1991. Such growth was not sustained through the 1990s, slackening off in all organisations and going into reverse for some. But overall, the upwards trajectory has continued through economic boom and bust, surviving political setbacks such as the stalling of international climate talks and strident attacks from anti-green interest groups. Many large environmental organisations have invested heavily in attracting additional members.

What do all these members do for the environmental movement, and what does the movement do for them? As this report has shown, members are an important source of income for green groups, although only 6% of individual donors give to the environment as a cause – higher than the arts but lower than children, hospitals or homelessness.[a]

Beyond financial support, environmental groups differ widely in the level of involvement they seek and get from members, as advocates, organisers, campaigners and sources of practical help.

One in five people who regularly volunteer do so with environment or animal groups.[b] As for other parts of civil society, it is likely that environmental causes draw on small numbers of dedicated volunteers, typically people who are middle-aged, affluent and with egalitarian values.[c] Over-reliance on this so-called 'civic core' has fuelled debate on how to broaden engagement across civil society more widely.

One route is the growth of online communities and activism, as pioneered by organisations like Avaaz, MoveOn.org and 38 Degrees. In 2011, 38 Degrees rallied 530,000 signatures to a petition against the UK government's proposed sell-off of national forests, and relayed over 100,000 emails to MPs. The forest plans were dropped.

This mobilisation is all the more remarkable because a sizable minority of 38 Degrees members have never taken action on an environmental issue before. Who these people are, and why they are acting now, should be of great interest to green groups and their funders.

Online organisers attribute their appeal to ease of entry, a sense of effectiveness and of belonging to 'something big'. Anecdotal evidence suggests environmental issues are travelling well through other parts of the online echo chamber. For instance, 15% of bloggers write about the environment, more than health, family updates, sports or TV.[d]

Given that bloggers tend to write in order to spread their opinion to strangers, family and friends, it may be they and their micro-blogging companions on Twitter are becoming influential messengers. As more aspects of the relationship between organisations and their supporters are managed online, from activism to fundraising, these are undoubtedly changing times for traditional membership groups.

Notes

a Joy Dobbs et al., *UK Giving 2010: An Overview of Charitable Giving in the UK*, National Council for Voluntary Organisations and Charities Aid Foundation, 2010.

b Department for Communities and Local Government, *2008–09 Citizenship Survey: Volunteering and Charitable Giving Topic Report*, 2010.

c John Mohan, *Mapping the Big Society: Perspectives from the Third Sector Research Centre*, Third Sector Research Centre, 2011.

d *State of the Blogosphere 2010*, Technorati, 2010.

APPENDIX A: TOTAL ENVIRONMENTAL FUNDING IDENTIFIED IN *WHERE THE GREEN GRANTS WENT* SERIES

Year	Number of trusts surveyed	Total giving
2002/03	30	£18.3m
2003/04	35	£20.1m
2004/05	176†	£33.6m
2005/06	97	£46.0m
2006/07	97	£53.9m
2007/08	128	£75.1m
2008/09	143	£76.8m*
2009/10	147	£75.5m

* *£92.8m including National Trust grant*

† *Of these, 97 trusts were analysed in detail*

APPENDIX B: CATEGORIES OF ENVIRONMENTAL ISSUE

The following 13 categories have been used to analyse grants in this report and *Where the Green Grants Went 4*. Each grant is coded against the category it fits most closely. This categorisation has been developed in discussion with other environmental funding networks internationally, allowing easier comparison between research on different continents.

Agriculture and food

This remains a very broad category. It includes: organic and other forms of sustainable farming; training and research to help farmers in developing countries; 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; food safety and the genetic diversity of agriculture (including seed banks); and soil conservation.

Biodiversity and species preservation

This is also a broad category, focused on work that protects particular species. It includes: botanic gardens and arboretums; research on botany and zoology; protection of birds and their habitats; marine wildlife such as whales, dolphins and sharks; protection of endangered species such as rhinos and elephants; and protection of globally important biodiversity hotspots, including the use of refuges, reserves and other habitat conservation projects; and wildlife trusts.

Climate and atmosphere

Most of the money in this category is given to work on climate change, with a much smaller sum to ozone depletion. Also included: acid rain, air pollution and local air quality.

Coastal and marine ecosystems

This category includes: fisheries; aquaculture; coastal lands and estuaries; marine protected areas; and marine pollution (such as marine dumping).

Consumption and waste

This category covers: reducing consumption levels; redefining economic growth; waste reduction, sustainable design and sustainable production; recycling and composting; and all aspects of waste disposal, including incinerators and landfills.

Energy

This category covers: alternative and renewable energy sources; energy efficiency and conservation; fossil fuels; hydroelectric schemes; the oil and gas industries; and nuclear power.

Fresh water

This category covers: lakes and rivers; canals and other inland water systems; groundwater contamination and water conservation; and wetlands.

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. *the Ecologist, Resurgence*) 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.

Sustainable communities

Grants included in this category support: urban green spaces and parks; community gardens;

built environment projects; and community-based sustainability work.

Terrestrial ecosystems and land use

As with 'agriculture' and 'biodiversity and species preservation', this is a broad category encompassing: land purchases and stewardship; national or regional parks; landscape restoration and landscape scale conservation efforts; land use planning; tree planting, forestry and stopping deforestation; and the impacts of mining.

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.

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 banks; initiatives around the reduction of developing country debt; and local economic development projects and economic re-localisation.

Transport

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

APPENDIX C: THE NGOS ANALYSED IN THIS REPORT

The income of the following 75 environmental NGOs was analysed for *Where the Green Grants Went 3* and again for this report. The original list was chosen to include a range of organisations in terms of size, issue and approach. It should be stressed that this is neither a complete nor a truly representative list of environmental NGOs in the United Kingdom. In relation to the *UK Civil Society Almanac 2010* figures these 75 organisations are less than 1.5% of all environmental organisations by number, though their combined income of £592 million represents around one-quarter of the environment sector by income.

Information was gathered from published annual accounts and other publicly available data. In the case of four organisations with dual structures (Friends of the Earth, Global Witness, Greenpeace and People and Planet), consolidated figures were provided by finance staff within the organisations concerned. Figures are for the organisations' financial year nearest to the April 2009/March 2010 financial year.

Net current assets offer some measure of the resources that the organisation had available for managing cash flow, initiating new work and coping with financial shocks. However, a true understanding of the financial health and resilience of the organisation can only be gained from the relevant annual accounts and organisations may have seen considerable change since the end of the 2009/10 financial year.

Staff numbers are as reported in the annual accounts at the 2009/10 year-end. These numbers are usually given as full-time equivalent (fte) posts, but occasionally this is not specified, in which case that assumption has been made.

NGO	Total incoming resources (£)	Net current assets (£)	Number of staff (fte)
Royal Society for the Protection of Birds	121,928,000	5,980,000	1,967
WWF UK	56,714,000	24,973,000	288
Sustrans	40,715,000	3,614,000	308
Federation of Groundwork Trusts	38,257,028	1,931,374	120
BTCV	34,498,000	4,409,000	697
Royal Society of Wildlife Trusts	32,755,000	23,437,000	54
Woodland Trust	25,558,000	10,911,000	269
Practical Action	22,668,000	2,480,000	661
Wildfowl & Wetlands Trust	22,052,000	7,558,000	343
International Institute for Environment and Development	13,875,336	3,427,709	75
Fauna & Flora International	12,796,975	5,443,283	83
Soil Association	11,843,072	298,619	198
Greenpeace UK	11,775,045	4,501,695	102
BirdLife International	10,818,632	4,685,004	148
Marine Stewardship Council	9,804,555	7,325,415	59

NGO	Total incoming resources (£)	Net current assets (£)	Number of staff (fte)
Foundation and Friends of the Royal Botanic Gardens, Kew	8,963,000	9,304,000	44
Friends of the Earth	7,739,193	780,273	106
FARM-Africa	7,177,000	2,230,000	205
Game & Wildlife Conservation Trust	6,183,520	1,329,087	104
British Trust for Ornithology	4,898,736	1,789,023	109
Berkshire, Buckinghamshire and Oxfordshire Wildlife Trust	4,863,543	1,951,644	65
Compassion in World Farming	4,423,132	4,152,582	53
Forum for the Future	4,378,688	639,915	61
Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough	4,301,477	1,854,082	80
Farming and Wildlife Advisory Group	4,235,894	218,248	101
Garden Organic	4,174,251	–525,161	109
Whale and Dolphin Conservation Society	4,041,089	517,939	42
Global Witness	3,825,599	1,654,736	48
TRAFFIC International	3,540,108	1,306,394	19
Global Action Plan UK	3,308,060	344,483	52
Butterfly Conservation	3,265,948	3,878,940	60
Campaign to Protect Rural England (national charity only)	3,044,343	962,483	48
Institute for European Environmental Policy	2,872,524	754,298	33
Devon Wildlife Trust	2,763,988	672,235	59
New Economics Foundation	2,697,231	1,206,192	49
BioRegional	2,598,036	966,415	38
London Wildlife Trust	2,583,855	747,699	53
Royal Parks Foundation	2,481,572	1,002,042	6
Learning through Landscapes	2,407,786	956,441	25
Rainforest Foundation UK	1,932,244	219,316	13
Sustain	1,832,122	436,495	24
Bat Conservation Trust	1,804,981	851,268	32
Plantlife International	1,701,935	608,996	29
Wildscreen Trust	1,527,746	1,394,508	40
Tusk Trust	1,454,146	573,301	4
Green Alliance	1,401,736	537,132	12
Marine Conservation Society	1,341,827	908,702	30
Pesticide Action Network UK	1,155,087	507,947	10
Federation of City Farms and Community Gardens	1,082,715	280,930	16
Farms for City Children	1,073,580	989,880	53
Organic Research Centre (previously Elm Farm Research Centre)	958,869	–10,061	18
Global Canopy Programme	902,918	668,958	7
Galapagos Conservation Trust	710,962	283,809	4
Campaign for Better Transport	682,647	184,669	14
Save the Rhino International	671,765	184,991	5

NGO	Total incoming resources (£)	Net current assets (£)	Number of staff (fte)
People & Planet	569,700	131,200	20
Environmental Investigation Agency	564,502	224,739	10
Buglife	546,415	302,970	10
PLATFORM	456,938	329,299	10
Foundation for International Environmental Law and Development	414,313	209,979	5
Hawk and Owl Trust	404,856	180,734	9
Country Trust	363,657	69,614	11
Black Environment Network	330,054	10,618	7
Scottish Native Woods	329,626	70,569	8
Countryside Foundation for Education	280,444	38,521	3
Tourism Concern	277,360	52,619	4
Atlantic Salmon Trust	233,793	84,026	5
Environmental Law Foundation	208,030	–17,446	4
Andrew Lees Trust	198,279	23,463	38
The Corner House	151,886	55,463	3
Women's Environmental Network	114,295	11,696	3
Corporate Watch	50,568	9,503	n/a
Community Recycling Network	49,258	45,915	12
Common Ground	20,047	n/a	n/a
Envolve*	–	–	–

* *Envolve went into administration in 2008, and has now ceased to exist.*

APPENDIX D: METHODOLOGY

Analysis of trusts and grants

The trusts and foundations covered in this report are registered in, or largely operate from, the United Kingdom. This includes charitable trusts (mostly family-based or corporate-based), non-charitable trusts and funding structures and, from this edition forwards, Landfill Communities Fund distributors. Lottery distributors, personal philanthropic giving, and non-charitable corporate giving are not included, nor are operational environmental charities that re-grant funds.

The group of 147 trusts and foundations covered by this report is composed of 97 trusts and foundations included in the third and fourth editions of this series and 50 additional grantmakers identified for this report. These additional trusts were identified from a variety of sources including EFN members, funding directories, the annual accounts of receiving NGOs and philanthropy literature. In order to be added to the set of trusts analysed, a grantmaker must have made more than £40,000 of environmental grants in at least one financial year. We examined the accounts of a further 62 trusts that fell below this threshold and therefore have not been included in this report. Once the trust has been added to the dataset its grantmaking in subsequent years continues to be included in the analysis, even if the annual environmental grants from that trust drop below £40,000. In some instances trusts within the 147 analysed in 2009/10 made no environmental grants in that financial year. Despite this they have been retained within the dataset in order to ensure as much consistency as possible in coverage of the sector.

Most of the grants information used for this research was sourced from the annual accounts filed by trusts with the Charity Commission, which are available via the Charity Commission website. This data was supplemented by grants lists provided to the authors directly by a number of Scottish charitable trusts and by trusts that are not required to file publicly available annual accounts or who do not provide details of their grants in their accounts. The authors are grateful to these trusts for making their data available for this research. A handful of trusts within the group of 147 have been included in earlier editions of this research but the authors were unable to get hold of grants data for the most recent financial years. In these instances a value of zero was recorded for that trust's activity in the year in which grants data has not been made available.

In the like-for-like comparisons of annual grantmaking on all issues and environmental issues, the number of trusts included is lower than 147. This is because some trusts only report their largest grants in their accounts (rather than every grant) and because for others it was not possible to obtain data on their total grantmaking in a given year, only a list of their environmental grants.

Considerable effort has been applied to the coding of the data over the eight years in order to try to achieve consistency, such that the aggregated numbers do tell a true story of what is happening in the field. As mentioned in the body of the report, the categories used to code the thematic issues have been agreed with environmental grantmaker support networks in other parts of the world. This is also true for the continental groupings used for the international distribution of grants.

The range of issues that might be described as environmental is notoriously broad and this poses a problem when trying to decide whether or not individual grants should be included in the data analysis. International development and local economic development are two of the categories that tend to create challenges. The response to this has been to try to ensure a consistent approach from one year to the next, but there is no 'perfect science' here and pragmatism is required.

There can also be minor difficulties in consistently and correctly identifying recipient organisations. For example, NGOs may change their operating name or host semi-independent coalitions or other initiatives under a single legal structure. A number of environmental NGOs – including Friends of the Earth, Campaign to Protect Rural England, Groundwork and the Wildlife Trusts – have federated structures made up of national offices and local or regional charities. These sub-national branches are coded in our analysis as separate organisations.

Analysis of NGO income

The following categories were used:

- *Individuals* includes personal memberships, donations, legacies and individual fundraising.
- *Trusts and charities* includes grants, contracts, affiliation fees etc.
- *National Lottery* includes grants from any National Lottery distributor.
- *Landfill* includes grants from any Landfill Communities Fund distributor.
- *Public sector* includes grants and contracts from local and national governments, quangos, EU, United Nations and other inter-governmental agencies.
- *Private sector* includes contracts, donations, corporate memberships, and corporate sponsorships.
- *Trading income* includes sales, royalties, training and conference fees, etc.
- *Investment income* includes bank interest, investment returns, rent on investment property.
- *Other* includes any other income that cannot be allocated to one of the above categories.

Information on income was obtained from published annual accounts for the financial year ending closest to March 2010. Notes on income sources and lists of restricted funds were used to supplement information on the Statement of Financial Activity. In a number of cases NGO websites were also used to verify assumptions, such as whether an NGO has both corporate and individual membership income. In the initial analysis 22.9% of income was from the public sector, 6.0% from the private sector, and 8.4% of income was from contracts where it was not possible to determine whether the commissioning body was public or private sector. This percentage was proportionately reallocated across the two other categories, resulting in the final figures given in Section 2.

Discussion groups

The fundraiser discussion group was a face-to-face meeting held in London on 13 July 2011. Invitations were sent to 18 environmental NGOs, selected to give a mix of issues, sizes and recent success in fundraising. As well as open discussion, ranking exercises were used to identify the best and worst grantmaking practice.

The grant officer discussion group was an online webinar held on 23 August 2011. Invitations were sent to 26 grant officers of EFN members representing a mix of sizes and both specialist and generalist funders. A recording was made of the conversation.

In each case, notes of the discussion were circulated and feedback integrated into the final text. Except where specified, the findings given in Section 3 are areas where there was broad consensus.

NOTES

1 As is common in philanthropy research, the terms 'trust' and 'foundation' are used interchangeably in this report. For more information on the types of philanthropic organisations included in this report, please see Appendix D.

2 The figure used for climate change grants combines grants in the thematic categories of 'climate and atmosphere', 'energy' and 'transportation', plus those aimed at stopping tropical deforestation.

3 Many trusts prepare their accounts using the standard UK financial year from the beginning of April through to the end of March, e.g. April 2009 to March 2010. Where trusts use different accounting periods, their grants have been allocated to the nearest April–March financial year.

4 Except where stated, this outlying grant is not included in the subsequent figures and analysis in the report.

5 There are a number of challenges when tracking the grants of a group of 97 trusts over time. Some trusts within the group have ceased grantmaking entirely and have shut down, whilst others have reduced their environmental funding to zero. Where this has happened the trusts have been retained within the group of 97. There are also a few trusts within the group for which it has not been possible to get details of their recent grantmaking, despite repeated requests. Again these trusts have been kept in the database when calculating the total giving and average grant sizes for the group of 97. Their grantmaking was not so large that the absence of detailed grant lists distorts the overall picture in a significant way.

6 For example, this edition includes for the first time the grants made by some Landfill Tax distribution bodies, such as Biffaward, Grantscape, and SITA Trust, all of which are major grantmakers within the context of this research. A number of significant corporate donors, including the Shell Foundation, are also included for the first time.

7 These 109 trusts are those for which we have data on total grantmaking across all three years of the report. More information on the methodology used is provided in Appendix D.

8 *World Energy Outlook 2011*, International Energy Agency, 2011.

9 Beth Breeze, *The Coutts Million Pound Donors Report 2010*, University of Kent and Coutts, 2010.

10 As far as is known, no figures are available for total spending by UK foundations on activities outside the UK. Cathy Pharoah estimates that 9% of UK foundation spending is directed to international development and a broad range of related issues – including environmental sustainability – in developing countries and emerging economies (*Global Grantmaking: A Review of UK Foundations' Funding for International Development*, Nuffield Foundation, Baring Foundation and Paul Hamlyn Foundation, 2011).

11 *Tracking The Field*, *Volume 3*, Environmental Grantmakers Association, forthcoming.

12 Private research by Green 10 group.

13 *Brussels – The EU Quarter*, Corporate Europe Observatory, 2011.

14 Marilena Vrana and Jon Cracknell, *Environmental Funding by European Foundations: A Snapshot*, European Foundation Centre, 2011.

15 Sweden, the Netherlands, Finland, the UK, and Slovenia. Eurobarometer, *Europeans Attitudes Towards Climate Change: Special Eurobarometer 313*, European Parliament & European Commission, 2009.

16 Italy, the Czech Republic, Romania, Portugal, and Bulgaria. Eurobarometer, *op. cit*.

17 Cathy Pharaoh, *Charity Market Monitor 2010*, CaritasData, 2010.

18 More information on NGO income is included in Section 2 of this report.

19 David Kane and James Allen, *Counting the Cuts*, NCVO, 2011 and data appendix: http://www.ncvo-vol.org.uk/sites/default/files/Counting_the_Cuts_data_appendix.xls.

20 See http://jncc.defra.gov.uk/page-4251 and http://jncc.defra.gov.uk/page-4252 (accessed 27 October 2011).

21 See, for example, Faye Scott, *New Times, New Connections*, Green Alliance, 2010.

22 In relation to the *UK Civil Society Almanac 2010* figures, these 75 organisations are less than 1.5% of all environmental organisations by number, though their combined income of £592 million represents around one-quarter of the environment sector by income.

23 The *UK Civil Society Almanac 2010* identifies 37% of income from the general public, and 36% from statutory sources, 9% from other charities which will include most grantmaking trusts, 6% from the private sector, 12% from 'internally generated sources' such as trading and investments, and 1% from Lottery distributors. Surprisingly, the almanac gives very different figures for environmental charities, with 58% of income from the general public, though this may be due to the inclusion of both many smaller charities, and animal rescue charities.

24 This represents around £45m of funding, of which £20m was received by Royal Society of Wildlife Trusts, primarily for regranting through the Local Food grants scheme.

25 Ellie Buteau, Phil Buchanan and Timothy Chu, *Working with Grantees*, Center for Effective Philanthropy, 2010.

26 The Center for Effective Philanthropy's surveys of grantees have found that evaluation or reporting processes are the elements of foundation practice that they rate least positively; see Ellie Buteau and Timothy Chu, *Grantees Report Back: Helpful Reporting and Evaluation Processes*, Center for Effective Philanthropy, 2011.

27 These include: the US Environmental Grantmakers Association, which will soon be publishing a third edition of its *Tracking the Field* report; the European Foundation Centre, which has analysed environmental grantmaking by foundations across Europe, in *Environmental Funding by European Foundations*; the Canadian Environmental Grantmakers Network, with *A Profile of Environmental Grantmaking in Canada* and the Australian Environmental Grantmakers Network, which looked at Australian grantmaking in *Philanthropy 2009*.

28 For example, the US data relate to grants made by the members of the Environmental Grantmakers Association (www.ega.org) whose combined grantmaking represents approximately one-third of all environmental funding from US foundations.

29 For consistent comparison in this section, this figure does not include grants to tropical forests, which we include in the total climate change figures mentioned in Section 1 and the Executive Summary.

30 Baird Straughan and Tom Pollak, *The Broader U.S. Environmental Movement: Composition and Funding Insights*, Environmental Grantmakers Association, June 2011. Alon Tal et al., *Israel's Environment Movement: Trends, Needs and Potential*, Ben Gurion University of the Negev, June 2011.

31 US figures have been converted into pounds sterling at purchasing power parity.

32 Sector income divided by population figures as per UN Population Division estimates for 2008.

33 For example, Ecological Footprints (http://www.footprintnetwork.org), Environmental Performance Index (http://epi.yale.edu/) and Climate Change Perfomance Index (http://www.germanwatch.org/klima/ccpi.htm).

34 For example, http://www.happyplanetindex.org/. In basic terms Happy Planet Index scores are derived by multiplying life expectancy by life satisfaction (how happy people report themselves to be), and then dividing this figure by the Ecological Footprint of the country.

35 With the exception of the Happy Planet Index data (see previous note) the figures used in this table are drawn from: Jeni Klugman et al, *Human Development Report 2011 – Sustainability and Equity: A Better Future for All*, United Nations Development Programme, 2011.

36 The G20 group of major economies comprises 19 individual nation states, plus the European Union. Table 9 features just the 19 individual countries.

37 For example, the *Food Issues Census*, EFN/Food Ethics Council, 2011, shows that trusts and foundations contributed proportionately less to lobbying and activism than any of the other approaches used by civil society.

38 *Speaking Out: Guidance on Campaigning and Political Activity by Charities (CC9)*, Charity Commission, 2008.

39 *How Charitable Trusts Can Support Campaigning Activity*, Association of Charitable Foundations, 2009.

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