

Much of Esmée Fairbairn's funding supports work that is in familiar territories. However, it is also essential that we engage with new funding practice and techniques, as well as with emerging issues.



Venturesome, Street league project



Woodland Trust

One of our major innovations of the past two years has been the creation of a Finance Fund of £21m that offers re-cyclable funding. It increases the overall size of the 'funding cake' by providing an appropriate form of investment, rather than grant funding. This is a significant development in the Foundation's funding toolkit, and one that requires careful and limited application.

Our approach is to explore and learn through the practical application of funds, where possible working alongside the small but growing group of specialists pioneering this work.

Charity Bank, which received a £150,000 investment from the Foundation in 1997, was set up to lend to charities that the mainstream banks could not reach and is now a £60 million bank. Venturesome, which invests in charities through its risk-sharing venture philanthropy approach, was a £2.2 million investment fund when we first invested £250,000 in 2005. Today, it is a £10 million fund and this year our investment increased to £1 million. Alongside a £750,000 loan to Ecology Building Society that was drawn down this year, we have

backed some of the best lenders and investors in social and environmental good practice.

The Foundation's land purchase facility was drawn for the first time this year, helping the Woodland Trust secure a new woodland site in Scotland. Two of the three social enterprise funds in which we have invested also drew funds this year to make their first investments – Triodos Social Enterprise Fund and Bridges Social Enterprise Fund.

We are particularly pleased to have worked closely with Social Finance. The organisation has provided us with technical support on due diligence and it has been developing the use of social impact bonds to generate capital for voluntary sector organisations that address complex social problems while providing them with protection from high levels of financial risk.

Outside the Finance Fund, we have looked at other new funding approaches.

A partnership in Northern Ireland with The Henry Smith Charity was the result of a joint recognition of the need to nurture civil society leadership as part of the peace process.



Orchardville Society, Belfast

Following an encouraging pilot year we are now moving into another funding and support round. We are also seeking to provide participating individuals with mentoring opportunities and make it easier for them to build alliances across sector lines.

We hope that this mix of activities, alongside specialist assistance from external consultants, will create the conditions for civil society to impress

itself within and beyond traditional boundaries for the benefit of all people in Northern Ireland. The programme does not seek to prescribe what needs to be done or how to go about it – just the broad aims.

The results of the pilot demonstrate the value of this approach, with grant-holders exploring new and imaginative ways of working and making an impact at policy level.

The Foundation works closely with other funders and its advisers in Northern Ireland to identify and invite selected organisations to apply to the programme.

An approach involving 'clusters' of grants within the Main Fund has also been developed, one of which has been an initiative around Female Genital Mutilation (FGM). We are working with City Parochial Foundation, and Rosa – the UK fund for women and girls, to establish a new initiative to fund community-based, preventive work to safeguard children from the practice of FGM.

Esmée Fairbairn's role in the partnership has been to fund organisations outside Greater London

(City Parochial Foundation is supporting London-based organisations) as well as to co-fund a programme of development and communications and evaluation support across the scheme. We hope that this significant investment in empowering communities to tackle this practice themselves will contribute to an increased awareness about FGM and a renewed spotlight on this challenging issue.

There are some common threads to the Foundation's approach. Working with other funders or grantholders on areas of common interest, we are also offering other forms of support: from organisational development to networking and capacity building. This approach is a natural development from the Grants Plus support that has been provided to many grantholders over recent years.