Insights from our Environment & Food funding

Insight Report 2
December 2017
In May 2017, we wrote our first Insight Report - Learning from our funding - to share our new approach to learning from the organisations we fund, as well as the changes we have made as a result.

We are now taking the next step: sharing more specific learning from our funding from our Environment and Food sectors. What we’ve learned may be relevant for non-profits and funders working in this sector, as well as activists, policymakers and anyone who cares about making a difference for the environment.

<table>
<thead>
<tr>
<th>What we have learned:</th>
<th>What does it mean for us?</th>
<th>The big question</th>
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</thead>
<tbody>
<tr>
<td>1. Advocating and campaigning in the sector is particularly difficult, probably because of the sheer size of the issues it is trying to solve.</td>
<td>We need to be realistic about what our grantees can achieve and give them the means for their ambitions.</td>
<td>Is being responsive enough? Do funders need to have a more active role if they are to make a real difference?</td>
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<tr>
<td>2. There is a need for more core costs funding to allow organisations to deliver their work.</td>
<td>We should carry on making core costs funding a priority and encourage other funders to do more of this type of funding.</td>
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<td>3. To achieve change in the environment and food sector, collaboration is key.</td>
<td>We need to be more strategic in our funding and put collaboration at its heart.</td>
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We collected data from 42 environment grants and 27 food grants

We were initially concerned that our data was not extensive enough to be meaningful (69 grants is a small part of our portfolio) but we were surprised at how much we learned, and to what extent organisations tell us similar stories.

In 2015, we made it part of our long-term strategy to become a learning organisation.

As a funder, we benefit from an overview and a freedom which others in our sectors do not and we think this comes with a responsibility to share what we learn from those we support.

We hold a learning conversation at the end of each grant and have collected data from 42 environment grants and 27 food grants which have closed since March 2016. Based on a progress report and this learning conversation, we rate how effective the grant was according to the planned outcomes, the organisation’s performance, and our own performance as a funder (for more details, refer to our Insight Report published in May 2017).

Introduction

This report shares some trends and main lessons from these 69 grants which we thought others could learn from and which will influence our grant making strategy.

Context: what is our position in the UK environment sector?

Whilst the total value of grants in our environment and food sectors is lower than in our other areas of interest (the arts, children and young people and social change), we are a large funder in the sector.

In 2012, the Environmental Funders Network (‘EFN’) listed Esmée as fourth largest in a list of the top 12 environment funders in the UK, behind the Big Lottery Fund, Heritage Lottery Fund, and Tubney Charitable Trust (which is now closed).

Out of 13 issue areas identified by EFN*, Esmée is the funder that made grants in the most issue areas (12).

In 2016 we gave £5.7m in grants to environment organisations and £3.5m to food organisations. We made £4.5m worth of social investments in environment and food.

*agriculture and food, biodiversity and species preservation, climate and atmosphere, coastal and marine ecosystems, consumption and waste, energy, fresh water, sustainable communities, terrestrial ecosystems and land use, toxics and pollution, trade and finance, transport and multi-issue work.

Both our levels of spend and the breadth of this spend mark Esmée as an important pillar of support to the sector.

Insights from our Environment and Food funding Insight Report 2
Our active portfolio of Environment grants & social investments*:

**Grants**

- Total Grants Value: £22,399,359 (124 Grants)
  - £5,899,681 (46 grants)
  - £5,615,491 (25 grants)
  - £2,138,637 (7 grants)
  - £8,515,550 (45 grants)

**Social Investments**

- Total Value of SIs: £10,481,745 (19 SIs)
  - £250,000 (1 social investments)
  - £2,200,000 (8 social investments)
  - £8,031,745 (10 social investments)

**Grants**

- Total Grants Value: £5,394,085 (42 Grants)
  - £2,857,578 (17 grants)
  - £2,138,637 (7 grants)
  - £8,031,745 (10 social investments)

* these are our live grants that haven't closed

Funding Priorities

- Connecting people with nature and environment issues
- Countering the effects of damaging activity
- Lesser known plants, animals and organisms
- Nature conservation on land and at sea
- Other

The sample of CLOSED Environment grants we are exploring in this report:

**Grants**

- Total Grants Value: £5,394,085 (42 Grants)
  - £928,009 (14 grants)
  - £2,857,578 (17 grants)
  - £2,138,637 (7 grants)

**Social Investments**

- Total Value of SIs: £10,481,745 (19 SIs)
  - £2,200,000 (8 social investments)
  - £8,031,745 (10 social investments)
  - £250,000 (1 social investments)
Food

**Our active portfolio of Food grants & social investments***:

<table>
<thead>
<tr>
<th>Grants</th>
<th>Total Grants Value</th>
<th>(Grants)</th>
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<tbody>
<tr>
<td>£5,309,765</td>
<td>9,071,589</td>
<td>(29 grants)</td>
</tr>
<tr>
<td>£2,487,099</td>
<td>(57 Grants)</td>
<td></td>
</tr>
<tr>
<td>£1,274,725</td>
<td>(20 grants)</td>
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In our active portfolio we also made 1 social investment in innovation in alternative approaches for £60,000.

* these are our live grants that haven’t closed

**Where does our money go?**

*Continued*

**The sample of CLOSED Food grants we are exploring in this report:**

<table>
<thead>
<tr>
<th>Grants</th>
<th>Total Grants Value</th>
<th>(Grants)</th>
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<tbody>
<tr>
<td>£530,200</td>
<td>£3,405,051</td>
<td>(27 Grants)</td>
</tr>
<tr>
<td>£2,457,961</td>
<td>(15 grants)</td>
<td></td>
</tr>
<tr>
<td>£416,890</td>
<td>(4 grants)</td>
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**Funding Priorities**

- Food and wellbeing
- Innovation in alternative approaches
- Working towards a more coherent food sector
1. Advocacy and campaigning in the Environment and Food sector is particularly difficult

We looked at our grantees’ outcomes to find out: was what was planned at the outset of the grant achieved at the end?

Out of 69 grants, 14 were rated Cs or Ds.

Among them, 7 had in their outcomes a campaigning, awareness raising and/or advocacy project which didn’t achieve the expected results:

<table>
<thead>
<tr>
<th>How many grants met their outcomes?</th>
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<tbody>
<tr>
<td><strong>A:</strong> Exceeded</td>
</tr>
<tr>
<td><strong>B:</strong> Mostly met</td>
</tr>
<tr>
<td><strong>C:</strong> Some outcomes met but some missed</td>
</tr>
<tr>
<td><strong>D:</strong> Mostly missed</td>
</tr>
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</table>

What have we learned?

*Quotes are from our grants managers reporting on their end of grant conversations*

*Advocacy work is worth funding but takes time***

“Influencing major food businesses and interests takes time and patience”

“Despite a broad alliance of NGOs, the campaign struggled to get alliance members to free up skills/time for activism”
Amongst its most significant success was persuading large businesses to change their behaviour by illustrating the opportunity of new markets rather than appealing to their conscience.

About advocacy and campaigning

We spoke to some of our grantees about the challenges of advocating for policy change with public bodies, persuading big businesses to change and campaigning to engage the general public. They said:

**About advocating for policy change with public bodies (local and central government and government ran entities):**

Advocacy takes a lot of time and patience, partly because public bodies can be slow to move.

Advocacy is a lot about forming relationships and getting to know officials. The inevitable turnover of staff in regulators and public bodies often means taking a few steps back. Internal staff change also means further delays when new staff need technical training.

It has almost become impossible to influence Westminster, so we have to work at a local level.

**About influencing big businesses:**

Our capacity and resources are miniscule in comparison to those of large stakeholders we try to influence.

Private sector and large businesses will initially have an appetite to engage to show that they care, but often there is no real appetite to change unless there is a commercial interest for them.

**About campaigning to engage the general public:**

Campaigning for the environment can be particularly difficult because what we are protecting is not always in sight which makes public engagement difficult. Environmental matters are overwhelming and a lot of the public don’t want to hear about them or are not interested. There is a sense that “at my level, there is nothing I can do”.

The public already knows what they should be buying/eating, but are not motivated to make the change.

We’ve had to change our strategies and tailor our message to the various types of public audiences. Saying “protect these dunes because they are crucial for the biodiversity of the coastline” may not have any effect a certain audience while “protect these dunes otherwise your house might get flooded” may do.

“Amongst its most significant success was persuading large businesses to change their behaviour by illustrating the opportunity of new markets rather than appealing to their conscience”
Case study: Hubbub

Hubbub tried to influence a major clothing retailer to commit to an action plan in order to reduce the environmental footprint of the fast fashion clothing industry.

It had existing relationships with this retailer which had a strong appetite to “do something”. Despite the apparent goodwill of the retailer, reducing its environmental footprint effectively meant changing its business model which it wasn’t willing to do. Hubbub eventually parked this ambitious objective.

Hubbub had to change its strategy. From top-down influencing to grass-roots up campaigning, Hubbub now targets a specific public in the context of a defined opportunity. For example the “Sew Spooky” campaign ran for Halloween: “Every Halloween we splash out on capes, fake blood and witches hats and every year £140 million worth of clothes end up in the bin. Scary right? Get Sew Spooky and swap or make a DIY Halloween costume that won’t spook the planet, instead of buying new.”

Persuading consumers to make better choices will take a long time to have a real influence so Hubbub decided to start with smaller, more tangible awareness-raising campaigns.

We have subsequently made a £69,560 grant to Hubbub towards a successful intervention to prevent and reduce fly-tipping at the local level, and a £50,000 social investment grant towards the planning and set-up of a trading subsidiary which aims to commercialise services created by Hubbub.

About advocacy and campaigning

Continued

“Every Halloween we splash out on capes, fake blood and witches hats and every year £140 million worth of clothes end up in the bin.”

What does this mean for funders like Esmée?

We need to provide our grantees with sufficient means for their ambitions (in terms of time, money, and extra support when appropriate).

We need to be flexible and allow our grantees to amend their outcomes to respond to a changing external context.

We need to be realistic about what can be achieved by our grantees, bearing in mind their context and the level of funding we provide them with.
What have we learned?
Continued

2. There is a need for more core costs funding in the Environment & Food sector

As an important UK funder for the food and environment sector, we understand the importance of core funding. We aim to give long-term, flexible funding. We try to give organisations the space and time to adapt to new challenges and invest in organisational capacity.

This could be one of the reasons why, when asked, our grantees say we perform well.

“Staff team welcome the freedom our grant gave them to address issues as they emerged”*

“Our flexibility has enabled them to quickly change direction and adapt to a rapidly changing political landscape”

“They put a focus on growing their infrastructure which is something they had wanted to do earlier but had not been able to do because of funder fixation on project funding”

Core costs are needed by all types of organisations, small and large. We have found that even our larger grantees which have a steady income stream also suffer from a shortfall of core funding.

Case study: ClientEarth

“ClientEarth is an organisation which combats climate change and protects the environment with the use of the law, advocacy and science. They are activist lawyers whose only client is the planet.”

ClientEarth is recognised both within and outside of the sector: it was voted the most effective environmental organisation by CEOs from across the UK environment sector (What the Green Groups Said by the Environmental Funders Network) and also received a Financial Times Innovative Lawyers Award for its originality, leadership and impact.

It has had many successes and its income has risen by an average of 25% per annum over the last five years. However the majority of this income (circa 82%) is restricted funding which can only be used for a specific project. This makes it difficult to invest in key resources, from crucial support functions to firm-wide strategy. While ClientEarth benefits from a healthy funding growth, its challenge is to ensure a sustainable ratio between restricted and unrestricted funding, and ensure financial stability.

“Over the last decade working as Finance Director at ClientEarth, by far the biggest challenge has been persuading grant funders to cover a fair share of core operating costs. Without core funding from a handful of foundations ClientEarth would struggle to deliver on its programmes’ potential.”

Ed Walker
Director of Finance and Resources

What does this mean for funders like Esmée?

Although we think we understand the importance of core funding – it represents 65% of our grants – the need for it is getting greater, not smaller, in the sector. We need to keep reminding ourselves of this need, and it is our responsibility to pass on this message to other funders.

*quotes are from our grants managers reporting on their end of grant conversations

What the Green Groups Said by the Environmental Funders Network

Insights from our Environment and Food funding Insight Report
3. To achieve change in the Environment & Food sector, collaboration is key

Among the grants that didn’t achieve their outcomes, we noticed a recurring feature in some of the small organisations we fund: they had ambitious outcomes which, acting alone, they were unable to achieve.

“They set outcomes that were too ambitious (…) this organisation is probably too small to have optimal impact”*

“We cannot expect that small organisations working alone will affect system change”

“Small organisations should not rely on the help of large, statutory bodies – the power imbalance is too great”

Conversely, we funded Eating Better which, together with an alliance including a major NGO, persuaded large food businesses to change their behaviour (a major success!). They reported that their main learning was to “be focused and not to try to engage in too many areas or spread their resources too thinly”.

What have we learned?

Case study: Eating Better

Eating Better is an alliance of over 50 civil society organisations working together to help people move towards eating sustainable diets with less meat and dairy products.

Eating Better was established when a number of organisations recognised that, because of the cross-sector nature of the issue (it embraces environmental, health, social justice and animal welfare concerns) messages needed greater coherence and a united powerful voice.

Among Eating Better’s “wins” is the successful engagement of major food companies to develop business practices reflecting the importance of less but better meat and the growth of the ‘flexitarian’ market (people interested in cutting down on meat without giving it up completely). Eating Better established a working group bringing together all the alliance organisations that in one way or another work to influence business.

From the outset, the group had an organisational value to assist collaborations, avoid unnecessary duplications and share experiences and expertise. Subsequently, Eating Better developed several projects to showcase the businesses leading the way and compare company performance in product categories (e.g. available of plant-based lunchtime sandwich choices).

Eating Better’s 2017 report: The Future of Eating is Flexitarian provided businesses with practical information and advice on actions they could take. It also showcased company activities including Pret a Manger’s “not just for veggies” initiative, Sodexo’s Green and Lean school meals, and high street restaurant chains putting more meat-free options on menus. The work Eating Better achieved drew on the alliance organisations’ experience of developing a business case including highlighting changing public attitudes to embrace flexitarian eating and the public’s expectations of food companies.*

Bringing organisations together to collaborate towards shared goals is a powerful way to achieve change. Collaboration is not without its challenges: it requires time to build and maintain relationships and to negotiate that sweet spot of common ground and messaging. But once established, collaborative working is able to generate impacts that are definitely greater than the sum of the parts.”

Sue Dibb, Executive Director, the Eating Better alliance.

*quotes are from our grants managers reporting on their end of grant conversations
This sample of grants made us reflect on the potential for collaboration to achieve change. This is true for all the sectors we fund, but more possible in the environment and food sector where each organisation is working to influence individual issues, behaviours and practices which, together, could solve much bigger issues.

The Environmental Funders Network highlighted in its latest report (What The Green Groups Said) that the majority of 92 green groups, when surveyed, said that collaborative effort from a range of partners was the approach that contributed the most to success and that there was a need for better collaboration among environmental groups.

We had to ask ourselves the question: what do we do to enable collaboration?

We are funding some collaborations...

Since 2015, we have been funding Sustainable Food Cities, a programme delivered by Sustain, Food Matters and the Soil Association to support cities and towns to form cross-sector partnerships (of NGOs, local authorities, public health bodies and businesses) to develop strategies and implement plans to make healthy and sustainable food a defining characteristic of their area. The programme has been very successful with almost 60 cities and major towns across the UK that have introduced sustainable food strategies.

In 2016 we funded Greener UK, which works in building a coalition formed of 13 organisations to build the environment sector’s response to environmental issues raised as Britain exits the European Union.

In 2017, we funded the RSA, an inclusive Commission which will develop a realistic vision for an improved UK food and farming system post Brexit.

...but we want to put collaboration at the heart of our strategy.

What does this mean for funders like Esmée?

We want to do more and encourage other funders to do more to boost collaborations.

The challenge that Brexit could present for the environment must be turned into an opportunity to make major changes. Funders need to do more together to ensure that the sector works in collaboration to reach environment and food policies that are fit for purpose for the 21st century.
Is being responsive enough? Do funders need to have a more active role if they are to make a real difference?

In our environment sector, we generally try to take an active role in helping the organisations we fund shape their work and make connections. However, among the large spread of our funding, two areas we particularly champion emerge:

**Marine:** 8 of our 42 grants covered in this report were marine work; and

**Community energy:** 10 of the 42 grants covered in this report were community energy work.

We've gained a strong overview of these two areas and this has allowed us to play a more active and targeted part: we are able to fund organisations which are a link in a chain for change and to help them work together. We can identify where the gaps are and work with organisations to fill them. This is facilitated by the fact these are niche areas where organisations tend to have a clear view of their landscape.

We also have a focused strategy for Food funding. It is a niche sector which we have developed with the help of experts. Our funding priorities are specific enough to allow us to focus on key areas.

**Case study:** Our expertise in Marine work

Our special interest for marine developed organically. We knew the UK seas were facing great challenges with only a small NGO presence relative to the issues faced. We initially focused on securing legislation (the UK Marine Act and devolved legislation) by supporting lobbying and campaigning organisations (the Links organisations in each of the UK countries, and at a regional level through a number of Wildlife Trusts).

We subsequently continued to fund the designation and protection of Marine Protected Areas but we knew that we also needed to fund at the grassroot level to re-engage people with their marine environment generally (we funded Helford Marine Conservation Group and Northumberland Wildlife Trust) as well as these communities around Marine Protected Areas to enable them to have a say on how their coastal water should be protected (we funded Community of Arran Seabed Trust and Ulster Wildlife Trust).

This community work tied in with supporting smaller scale fishermen whose catches tend to be at the sustainable level with less harm to marine biodiversity. Smaller scale fishermen are often the lifeblood of isolated coastal communities and ensuring greater access to fishing quotas helps improve the economic wellbeing by the creation of jobs (we funded Scottish Creel Fishermen’s Federation and The Open Seas Trust). Linked to this, we...
thought it important to influence consumers’ food choices to help fish stocks’ recovery and build basic awareness through food choices (we funded Seaweb and Eating Better).

Subsequently, we funded work on marine spatial planning: the way in which the planning system engages with our seas through extraction of building materials such as gravel, construction of wind farms and other energy generation schemes (we funded Scottish Wildlife Trust and Lincolnshire Wildlife Trust for a post covering the whole of England and Wales).

Recently, we have seen a trend emerging on pollution and plastic pollution in particular. Progress has been rapid and with a high public profile on microplastics and deposit return schemes for bottles in Scotland (we funded Fauna & Flora International and Greenpeace).

With the expertise that we have developed over the years, we have been able to form a strong overview of the marine sector. This has made us in a better position to understand what was needed in the context of all stakeholders involved. We can also anticipate the challenges ahead - we have identified aquaculture (fish farming), acoustics pollution (mainly military), tidal power, electro fishing and a lack of funding for estuarine work (where rivers meet the sea). Our ears are open on all these issues as well as these we already support.

What does it mean for us?

Our experience in marine and community energy has taught us that we may have an important position in the sector. It is our responsibility to play an active role to understand, support, connect and convene the organisations we fund with a high-level vision of the context in which they operate.

It is our responsibility to play an active role to understand, support, connect and convene the organisations we fund with a high-level vision of the context in which they operate.

If we want to do more of this across all the areas we fund we need to ask ourselves some important questions:

- Is responding to the issues identified by charities within our broad funding priorities, and supporting them to address them, effective enough?
- What is the strategic role we have to play to make a difference?
- How do we facilitate connections within issue areas?
- Do we have to be more specialised to be effective?
- Should we do more to ensure that environment issues are embraced by the other sectors we fund?
This report and the questions it raises will inform us in our strategic review.

We will continue to share regular Insight Reports into what we are learning, as part of a commitment to shared learning with those we fund, and with the wider sectors in which we all operate.

We hope this insight into how and what we are learning and what we could change as a result is interesting, and welcome any thoughts, comments, and insights of your own. Please contact Gina Crane, Communications and Learning Manager, on communications@esmeefairbairn.org.uk