



Funder Commitment on Climate Change – 2021 report on work by ACF and next steps

Background

The Funder Commitment on Climate Change was developed by a group of funders during 2019. It outlines six steps that funders can take in response to the climate crisis. The full text is at Annex A, along with the current list of signatories.

It was launched at ACF's annual conference in 2019. Then-CEO of Joseph Rowntree Charitable Trust, Nick Perks, took the lead in the development of the Commitment and continued to act in this capacity until 2020. On behalf of the founding signatories, and in consultation with other stakeholders like the Environmental Funders Network, Nick approached ACF to ask whether it could host the Commitment on an ongoing basis and ACF trustees agreed their support for this in April 2020. ACF took over hosting in June 2020.

To support ACF's role, Esmée Fairbairn Foundation gave a grant to ACF for work in 2020 and 2021. This paper reports on the work that ACF did from June 2020 to June 2021, which was supported by Esmée Fairbairn Foundation. It also outlines thinking about how ACF will take forward the Commitment in 2022.

Approach from 2020

ACF's approach to the Funder Commitment was that it should be a relatively easy and understandable framework for foundations to begin thinking about the relevance of climate change to their work and to commit to some basic actions on climate change.

As a straightforward way in for foundations, we did not want to create barriers to participation and the approach to behaviour change was to be around public self-reporting on progress against the six commitments. But we did also want to help those signing up to think through the questions to ask themselves on the main themes of the Commitment (educate and learn; commit resources; integrate; steward our investments for a post-carbon future; decarbonise our operations).

As part of growing the Commitment, we also wanted to show momentum in the number of signatories, particularly beyond the group of foundations who would be most likely to sign up to an initiative like this. Showing an increasing number of signatories would, we hoped, create an expectation that foundations should sign up, even if they do not see their core remit as close to the climate change agenda.

We also wanted to provide a way to share good practice, focused on signposting to existing good practice and networks for support. We were also interested in thinking about how to differentiate the offer to respond to the different needs of foundations.

Finally, we also expected to participate in work at a European and potentially international level. However, the funding proposal to Esmée Fairbairn Foundation was for UK work.

What we proposed to do in 2020/21

The table below sets out what we proposed as our work programme from June 2020 (and included in the funding proposal to Esmée Fairbairn Foundation) and our progress in delivering this activity.

Output	Description of activity from June 2020	Progress
Hosting the Funder Commitment	Take over administration of https://fundercommitmentclimatechange.org but add ACF branding and more clearly link the Commitment website back to main ACF site, including on the support package on climate change. Applications to sign it will go to ACF, as will e-mail inquiries.	ACF took over hosting the website and we made clearer that the Commitment is hosted by ACF. We also set up a climate@acf.org.uk email, which new sign ups go to. As the transition to ACF hosting of the Commitment has bedded in and it is recognised as an ACF programme, we are now looking to move the pages to www.acf.org.uk to take advantage of integration with ACF's new customer relationship management system.
Promoting the Funder Commitment and handling communications	<ul style="list-style-type: none"> • We will work with voluntary sector and environment sector media on an ongoing basis to highlight new signatories, especially focusing on those signatories who wouldn't be seen as usual suspects from foundations who don't traditionally work on environmental issues • We will have ongoing coverage in ACF channels to show progress in terms of both numbers of 	<ul style="list-style-type: none"> • We generated good sector press coverage with the annual progress report, including supporting a focus on climate change in Alliance magazine's June 2022 edition. • We have run articles on the Commitment in each edition of ACF's Trust and Foundation News. The monthly Funders News e-mail also features new

	signatories but also what individual foundations are doing	signatories, as does ACF's Twitter channel.
Network of signatories	<ul style="list-style-type: none"> • Nick Perks has set up a Google group for signatories which we will take over • He has also run monthly online calls for signatories. We will review whether to carry these on or if another approach to networking signatories would work better. 	<ul style="list-style-type: none"> • We took over the Google group but are looking at how to develop signatories as a network within ACF's new CRM. • We are running monthly meetings for signatories – these alternate between learning-circle style discussion group meetings and those with speakers focused on particular themes within the Commitment • We also set up a climate category on Funder Network, allowing funders to pose climate related questions to peers.
Induction, support and reporting for signatories to create a community of practice	<ul style="list-style-type: none"> • We will develop an expanded resources guide for signatories and make this available to existing and new members by late summer 2020. This would also include linking to existing networks or organisations like Fit for the Future Network, Julie's Bicycle and the Carbon Trust • We will also develop a simple checklist/prompt/toolkit with questions for signatories to help them think through their approach to embedding the Funder Commitment in their foundation by November 2020 • We will consider who has responsibility to implement elements of the Commitment within foundations and appropriate ways to engage them (eg operations, investment managers, strategy, grants officers, etc) 	<ul style="list-style-type: none"> • We worked with the Environment Funders Network on the publication of a refreshed and expanded version of the resources guide, which will be kept updated. • We are jointly organising and promoting a climate masterclass for funders with the Environmental Funders Network and AimHi. • We have not produced a checklist – discussions with foundations suggested that at this stage, it would not be useful. • We are developing our approach to targeted support for functional roles as part of implementing the new ACF CRM from August 2022.
Wider offer for foundations to	<ul style="list-style-type: none"> • We have run four interactive workshops so far with Nick Perks. 	<ul style="list-style-type: none"> • We ran one additional workshop but paused these

address climate change	<p>We would like to run more this year (but delivered within the context of whatever restrictions are in place for covid-19) and which would be provided by Nick. We will also develop presentational webinars to reach a wider audience which can be viewed afterwards as well as to participants on the day. In future years, this will be mainstreamed into ACF's overall offer covered by event and membership fees, but we will need additional funding to develop and create the product in year one.</p> <ul style="list-style-type: none"> • We will build on the checklist and produce a light touch self-assessment and reporting framework/toolkit with case studies for foundations, produced by an external consultant and completed in early 2021. 	<p>and will look at whether to run more in 2022. The feedback was broadly positive but we were keen to kick off other elements of the programme first (including the monthly programme of events, the resource guide and the annual progress report) and to have wider feedback on what foundations wanted. We have not yet developed online presentations on the Funder Commitment on Climate Change but recordings of the meetings with speakers are online and we have also presented on the Funder Commitment to the Small Funders network, the Scottish Grant Makers Forum, as well as European Philanthropy Networks via the Philanthropy Coalition for Climate</p> <ul style="list-style-type: none"> • As we paused the development of the simple checklist, we have not produced a framework or toolkit. Instead, we developed a framework for the annual progress report by signatories, which we will build on in future years.
Advisory group	<ul style="list-style-type: none"> • ACF will clearly "own" the commitment but a small advisory group would help inform our work, boost accountability and link back to the Commitment's original founders. The advisory group would be able to review progress by signatories and advise on the support offer from ACF, and potentially others 	<ul style="list-style-type: none"> • The advisory group has now been set up. Its members are: <ul style="list-style-type: none"> ○ Richard Hebditch and Joanna Pienkowska, ACF ○ Jane Cabutti (Environmental Funders' Network)

	<ul style="list-style-type: none"> • We are not seeking funding to support this advisory group 	<ul style="list-style-type: none"> ○ Sian Ferguson (Mark Leonard Trust and Ashden Trust) ○ Jelly Moring (World Habitat) ○ Nick Perks ○ Will Walker / Jenny Sansom (Power to Change)
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Annual progress report and impact of Covid

The sixth goal in the Funder Commitment is to report annually on progress against the five other goals in the Commitment. During autumn 2020, we considered how best this should be done. Some signatories had published information on their own websites or were considering reporting through their annual report, but we decided that there would be advantages in being able to compare progress across signatories in a common framework.

So from 8 February to 5 March 2021 we ran an online survey to ask signatories to report back. 44 of the then 60 signatories provided responses to the survey in this period. The public commitment by signatories is to report annually on progress, and only around 30 signatories at that time had been signed up to the Funder Commitment for over one year.

We analysed the responses and in April 2021 published a report summarising the main conclusions and how signatories felt they were performing against each goal. With the commitment to public reporting and transparency, we also published the full text of the responses on the website too.

The report showed funders making progress across all these commitments but with stronger progress on some. Committing resources came top with 11 funders at an advanced stage and 22 making some progress. Educating and learning about climate change and stewarding investments scored similarly, but with stewarding investments showing a divide with seven funders yet to start and 11 funders at an advanced stage. Stewarding investments had both the highest number of foundations rating their progress at the top level or the lowest level of all the five commitments.

Integrating climate into other work and decarbonising operations showed least progress of the five commitments, but even with these most funders reported either that they were making some progress or were at an advanced stage.

Funders have also been honest about the impact of the Covid-19 pandemic. As well as general organisational pressures, many foundations have been providing additional emergency funds to groups that they fund, and to meet wider public need.

While foundations are privileged to have financial resources to draw on, some foundations have seen asset values or income fall, particularly those that benefit from public fundraising or a corporate parent. These factors have meant that a number of foundations have not

been able to commit the resources or make as much progress on the Funder Commitment as they had hoped during the year, and this is honestly acknowledged in several responses.

The full report is available at

https://www.acf.org.uk/common/Uploaded%20files/Research%20and%20resources/Research/ACF_Funder_Commitment_on_Climate_Change_Year_1_Reporting_FINAL.pdf.

Taking the Funder Commitment forward

We are now planning our work on climate change into 2022. There are eight areas we are looking to explore. These are set out below – the first three are confirmed areas of work, the fourth we are testing with work with NPC and the final four we are still thinking through.

1. Running our programme of events alternates between **learning events** that are focused on a particular theme within the Commitments or issue with climate change, as well as **discussion meetings** that offer a chance for signatories to exchange and share concerns. The learning events are open to anyone, and the discussion meetings are exclusively for signatories.
2. Running the annual **report from signatories on their progress**. This is helpful to have a shared understanding of challenges faced, and openness and transparency about how signatories are getting on. It also acts as a spur to action.
3. Linking into the **international philanthropy commitment** and the European Philanthropy Coalition for Climate. Progress in the UK on climate will not be enough without global action, so we are also working to support activity in other countries. ACF has signed up to the international commitments on behalf of UK Funder Commitment signatories as a group as it is broadly consistent, but the international commitment has slightly different wording around it and an additional theme around advocacy as well so this does not mean that FCCC signatories are individually signed up and held to account to a new set of wording. Through the Philanthropy Coalition for Climate run by Dafne (Donors and Foundations Networks in Europe), we are also sharing experiences with the other national commitments in France and Spain. Italy will be launching in September.
4. Developing a set of work to engage the **wider non-environmental voluntary sector** in the UK. We think that action by foundations would be better received and have more impact if it is matched by work on climate in the wider voluntary sector. Seven out of ten businesses have made, or are considering, a commitment to net zero. Three quarters of councils have declared a climate emergency. Virtually all party leaders are committed in principle to net zero. So the voluntary sector risks being left behind as other sector recognise the need for urgency.
 - So far we have set out some thinking on this on the [ACF website](#) and for [Green Alliance](#)
 - We are also talking to NPC about their work looking at how to get the wider voluntary sector thinking about climate change more. [Blog here](#). This includes:

- A working group on how to discuss risk climate as a risk factor
 - A working group to think through linkages between climate and social policy asks.
 - We have also had some initial conversations with NCVO and ACEVO about potential joint work (for instance building on ACEVO's [sustainability leadership principles](#) and thinking about linkages to the charity governance code)
5. Thinking about **where funding can have most impact**, or at least facilitating a discussion about that as well. Is climate funding going on the right issues for where there is lack of progress?
- EFC's [Environmental Funding by European Foundations](#) looks at where grants go in Europe
 - EFN [Where the Green Grants Went](#)
6. Potentially sharing and commissioning **research on what is happening**. ACF produce Foundation Giving Trends report but it is an overarching view of the trends in giving and size of asset base rather than analysing where the money goes or looking at how foundations report on work on climate change or how they are thinking about the risks.
7. Potential work on **investments**. The Charity Commission has consulted on their investment guidance and there is the upcoming court challenge to Commission guidance, as well as other developments such as the government stance on pension funds and climate change.
8. **Linking to ACF networks** to explore the links between climate change and issues like migration, mental health and housing.

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