

**TRANSITION TO NET-ZERO AND CONCOMITANT ISSUES
ENVIRONMENTAL ISSUES INTERCONNECTION AND INTERRELATIONSHIP
WITH SOCIETAL ISSUES AND SUSTAINABLE INVESTING**

THE SECOND ISSUE OF A
TWO-PART SERIES

ASK FOR
WHAT
YOU NEED

HOW TO MAKE A SUCCESSFUL 'ASK' OF
WEALTHY PEOPLE



THE ROLE OF PHILANTHROPY IN IMPACTFUL,
SUSTAINABLE INVESTING



STRIKING A BALANCE: FIDUCIARY DUTIES AND
OPPORTUNITIES IN AN EVOLVING ESG LANDSCAPE



LOOKING AT NET ZERO THROUGH THE LENS OF
REGIONAL AND ECONOMIC INEQUALITY

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PHILANTHROPY IMPACT

Vision A world where individuals and families engage in philanthropy and social impact investment, supported by professional advisors.

Mission To increase the flow of capital for good by enabling private clients and their families to match their purpose driven wealth strategies with their values, capturing their sustainable, social and impact investment and philanthropy preferences across the spectrum of capital.

We achieve our mission by delivering activities to support our members and key stakeholders.

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- Training for wealth advisors: we offer bespoke CPD certified and CISI endorsed training courses for wealth advisors as well as lawyers and other professional advisors with an interest in suitability issues and ESG investing.
- Training for major donor and corporate fundraisers: we offer bespoke CPD self-certified training courses for high-value fundraisers working with (U)HNWI, to help them understand the role of their professional advisors and to strengthen professional relationships that will transform their fundraising.
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- Market research

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- Policy position submissions and papers
- Engagement with government and key policy stakeholders

Chief Executive and Editor: John Pepin
Co-Editor and Director of Membership and Development: Zofia Sochanik

Philanthropy Impact, Two Temple Place, London WC2R 3BD, United Kingdom

Tel: +44 (0)20 7407 7879 / +44 (0)780 305 1674

www.philanthropy-impact.org

[@PhilanImpact](https://twitter.com/PhilanImpact)

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The purpose of the magazine is to share information about philanthropy and social impact investment in a domestic and international context. We welcome articles, letters and other forms of contribution to philanthropy in Philanthropy Impact Magazine, and we reserve the right to amend them.

Please contact the Editor at editor@philanthropy-impact.org

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WE ARE A UNIQUE ORGANISATION AT THE INTERSECTION BETWEEN PHILANTHROPY, SOCIAL AND ESG/IMPACT INVESTMENT

Alongside our membership community, and our wider network of speakers, magazine recipients and strategic partners, we operate a space for true collaboration, discussion and learning. We are the leading Centre of Excellence for philanthropy and social impact investment in UK and Europe.

WHY JOIN OUR COMMUNITY?

RETAIN CLIENTS

Philanthropy Impact offers certified CPD training and a programme of educational events to enhance the professional development of the whole of your team in this rapidly evolving space.



REACH NEW CLIENTS

Our publications, bi-weekly newsletter, webinars and events reach a network of over 11,000 active individuals across the globe, mainly in Europe but including Asia, Middle East, North and South America.



REPUTATION

Our membership directory is a way for clients to see whether your firm is dedicated to ensuring the best advice in philanthropy and social impact investing to support your clients to achieve their long term objectives and goals.

OUR COMMUNITY:

46% Private Client Advisors

17% Charities

13% Trade Associations and networks

13% Philanthropy and Impact Consultants

6% Social Investment Funds

5% Philanthropists and Impact investors

Our network is **several thousand organisations and individuals**, including professional advisory firms, professional advisors (investment professionals and financial planners, private client advisors, wealth management, private banking, independent financial advice, tax and legal sectors), not for profit organisations and social impact investors.

WE SEE OUR MEMBERS AS PARTNERS IN OUR MISSION

“Philanthropy Impact is a catalyst for collaboration, knowledge sharing and innovation. We work with many strategic partners to shape the philanthropy, social investment and ESG/impact space, and to ensure that together we can be as impactful as possible.”

John Pepin – CEO,
Philanthropy Impact

CONNECT WITH US:

W: WWW.PHILANTHROPY-IMPACT.ORG

E: INFO@PHILANTHROPY-IMPACT.ORG

T: +44 (0)20 7407 7879 | M: +44 (0)780 305 1674

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"CHARITIES AND NGOS, LIKE ALL ORGANISATIONS, ARE AT RISK OF ABUSE FOR MONEY LAUNDERING AND TERRORIST FINANCING PURPOSES, ESPECIALLY THOSE OPERATING IN HIGH-RISK ENVIRONMENTS."



EDITORIAL

THE RISE IN CRYPTOCURRENCY DONATIONS - SUPPORTING CHARITIES AND ITS IMPLICATIONS

POLLY GREEN AND MOUSTAPHA HAMMOUD - WWW.MISHCON.COM

Donor engagement has never been more important for charities as they seek to raise funds in increasingly challenging times. The growing acceptance and use of cryptocurrencies, especially among the younger generations, presents new avenues to engage with new audiences. Recent research indicates that crypto philanthropists give more frequently and in larger donation sizes than traditional donors. 45% of crypto users donate at least \$1,000 to charity each year while only 33% of the general investor population give \$1,000 or more to charity annually. The average crypto donation size is also larger in fiat terms, with the Giving Block recording an average of \$11,000 per crypto donation as compared to the \$128 received by charities in traditional currencies.

2021 was the year in which cryptocurrency donations to charities reached their highest recorded levels. Fidelity Charitable, a non-profit providing advice on charitable giving, received around \$331 million in

crypto – by comparison, the equivalent figure in 2020 was \$28 million. Long-standing charities are now beginning to incorporate crypto philanthropy into their donation strategies.

Many crypto philanthropists support similar causes to those who donate with fiat currency. However, there are stark differences in terms of the demographic of crypto donors, as well as the fees involved in making a donation in crypto and administrative ease. For a start, the per capita income of crypto investors (\$111,000 in the US) is higher than the average individual, even though the average age of crypto investors is lower than those donating traditionally to the non-profit sector (38 years old vs 64 years old) crypto philanthropy has resulted in 'younger' wealth flowing into the charity sector. Separately, the decentralised nature of crypto transactions can in some cases result in cheaper transaction costs as compared to gifts of fiat. Lastly, using cryptocurrencies affords donors the option to give large amounts of money

without having to engage in the legal and regulatory requirements demanded by traditional financial institutions.

However, it's not all plain sailing when it comes to crypto philanthropy, particularly for charity trustees. As warned by the FCA, cryptocurrencies are considered very high-risk, speculative investments which are only regulated in the UK for anti-money laundering purposes. If a charity is holding funds in the form of cryptocurrencies, they should be aware that their extremely volatile value classifies them as high-risk. Crucially, the charity will need to explore whether it has appropriate board expertise and governance policies in place.

Charities and NGOs, like all organisations, are at risk of abuse for money laundering and terrorist financing purposes, especially those operating in high-risk environments. Charities are therefore subject to strict rules which prevent any money donated to them from passing into the hands of terrorist



organisations, or from being laundered. The introduction of cryptocurrencies into a charity’s financial strategy may exacerbate the risk of money laundering or leave the charity unable to demonstrate an acceptable level of due diligence, on the basis that the identity of the donor and their funds may be unknown or unclear.

“TRUSTEES WHO ACT IN BREACH OF THEIR LEGAL DUTIES CAN BE HELD RESPONSIBLE FOR THE CONSEQUENCES THAT RESULT FROM SUCH A BREACH...”

Charities may also encounter early adopter challenges when trying to incorporate cryptocurrency donations. Some traditional financial institutions are still wary of cryptocurrencies, with banks known to restrict their customer’s payments to cryptocurrency exchanges. Trustees are legally responsible for the charities they manage, and as a result are bound by specific legal duties. The most relevant trustee duties are:

- Act in their charity’s best interests
- Manage their charity’s resources responsibly
- Act with reasonable care and skill

Ensure they are held accountable

Trustees who act in breach of their legal duties can be held responsible for the consequences that result from such a breach and for any loss the charity incurs as a result. This may include

regulatory action through the Charity Commission, which can require that a trustee reimburses a charity for any loss of funds.

If trustees are considering the use of cryptocurrencies, they must therefore be mindful of their legal duties as set out above.

- Trustees should carry out sufficient due diligence on their crypto donations and third-party facilitators
- Trustees have a duty to mitigate the financial risks of accepting crypto donations
- Trustees should be aware of cyber-security threats of cryptocurrencies
- Trustees should include cryptocurrencies in audits and financial records
- Trustees should consider the use of cryptocurrencies in line with their charity’s purposes
- Trustees should report serious incidents to the Charity Commission



POLLY GREEN

Polly is a second year Trainee Solicitor. She is due to qualify in September 2022.



MOUSTAPHA HAMMOUD

Moustapha is an associate in the Tax and Wealth Planning team. His practice areas combine advising on corporate and personal tax and his clients include individuals, entrepreneurs, trusts and corporate entities in both the UK and overseas, whom he advises on a range of taxation, trust issues and estate planning issues.

Moustapha also advises on philanthropy and the establishment of charities, whether by way of charitable trusts, companies limited by guarantee or charitable incorporated organisations.

Maximising ESG/Impact investment client satisfaction - addressing suitability issues

Wealth advisors preparing for changing times
Adding value to existing regulated suitability approaches to ESG/Impact investing



The trend towards ESG/Impact investment is placing suitability issues at the heart of advisor/client conversations. This means moving beyond current discussions with clients about their investment objectives, their financial circumstances and ability to bear risk.

Are you equipped to talk to your clients about their values, motivations, ambitions and goals - capturing their ESG/impact investing preferences? This training course will allow you to develop your skills and competencies, putting you in a better position to fulfil your clients' needs. The course can be developed in-house to support firms preparing to implement [FCA Consumer Duty rules](#) which will require firms to put their customers' needs at the heart of what they do; as well as [EU MiFID II suitability regulation](#).

WHY ATTEND THIS COURSE?

- Open the door to new *commercial opportunities*
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- Further develop your *skills and competencies* and enhance your business's responsible investment proposition
- Meet your clients' evolving preferences for *investing with positive impact*
- Improve *client engagement* levels and enhance your reputation
- Receive essential *knowledge* and be apart of an *ecosystem* which bridges the professional advisory space.
- Receive *3 certified CPD points* and a free copy of the Philanthropy Impact *online handbook*—your go-to resource for delivering an effective philanthropy advice service

KEY LEARNING OUTCOMES

By attending this workshop, you will:

- Learn more about the nature and purpose of impact investing
- Develop impactful approaches to addressing a client's values, motivations, ambitions and goals
- Discover the benefits of incorporating suitability discussions into practice

There is a need for highly specialised training...

...And our suitability training course is designed to deliver just that.

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LEARN WITH PHILANTHROPY IMPACT

Our mission: To increase the flow of capital for good by enabling private clients and their families to match their purpose driven wealth strategies with their values, capturing their sustainable, social and impact investment and philanthropy preferences across the spectrum of capital.

This course is intended for wealth advisors as well as lawyers and other professional advisors with an interest in suitability issues and ESG investing

HOW TO MAKE A SUCCESSFUL 'ASK' OF WEALTHY PEOPLE

DAME STEPHANIE SHIRLEY CH - WWW.STEVESHIRLEY.COM

I never just give money. Giving should be a pleasurable experience that can help or change any aspect of society and a philanthropist must see and understand what difference their gift makes

Philanthropists are targeted “to make the world a fairer place.” So, there is infinite scope for our activities. Shall I help to feed the hungry, educate underprivileged children, work to alleviate physical and mental problems in the autism community? Or shall I focus on things such as gender equity, racial and economic inequalities or ending digital poverty? It is philanthropists who can risk take in their social investments, hopeful that the public sector will then widely implement any successes.

I'm different to most philanthropists for a number of reasons. I give capital and generally in large dollops. But more importantly, I've been the recipient of charity and been sensitised to issues in a way that people who have always had enough money, enough not to be hungry anyway, find hard to imagine. All my wealth has been self-made.

I'm similar to most philanthropists in that I give, and only give, to projects and organisations on a reciprocal basis. By which I mean: the satisfaction I get exactly repays my gift: the aim being to emerge from each transaction with no one beholden, no one in the red.

The mature success of the business technology group which I founded with all of £6 back in 1962 has enabled my husband and I to improve our lifestyle, but we didn't wish to change it completely, nor to forget our roots. So we live modestly with my time in retirement spent on not-for-profit activities.

Grant-giving is a social and cultural activity not merely a financial transaction. Money alone is seldom the answer. Sure, it can be a compassionate act of detachment. I try to make it a committed act of love and do not accept the established vision of the world as a vicious jungle where only the fittest and the most selfish survive.

Since I retired, philanthropy is providing me with a super lifestyle – others might not enjoy it because I'm a workaholic – but I like to be part of a group, to be actively busy, to spend my



time with interesting people on worthwhile projects. Like the Quakers, I believe in the beauty of work when we do it properly, and in humility.

Some givers seek instant reward. But my optimum timescale is longer. Too fast and I get bored. Too slow, and I get depressed. So – once you know that about me – you'll know how best to break down any requests.

RELATIONSHIPS AND PARTNERS

Major gifts are all about relationships between individuals. And relationships can't be hurried. It's not like speed dating. They are made over time. But I have some criteria: I don't support charities, however efficient, if they are not also effective (that includes effective use of money). In this networked century, I don't support charities with palatial offices. Nor if they're “stuck” in a static mode of operating that's not demonstrably responding to changing needs. An organisation needs to focus on delivering results, not on itself.

There's so much to do that duplicating other's work makes me see red. I believe strongly in alliance and partnerships of all shapes and sizes.

IT MUST INTEREST ME

I never “just” give money. Everyone has skill and time to give and I use mine along with my wealth to give to things that interest me. Places with which I have an emotional link. People



that I like and find stimulating. Who are not sycophantic (wealth attracts the less-than-sincere). Where, as I said before, I get as much as I give. I'm a venture philanthropist.

But the major gifts have been in accordance with my mission, which is:

Pioneering – no matter how worthy, I never just do more of the same. And...

Strategic – by which I mean that if successful make a real difference in the sea of need. Often the unpopular infrastructure that others avoid.


Pioneering, strategic and in the two fields I know and care about - Information Technology (my professional discipline) and autism which was my late son's condition. Eighty projects overall totalling nigh on £70 million with several big ones; but most of them at the £100,000 to a million level. Others cost next to nothing: a little pump priming or project loans and underwriting, sharing contacts, ideas, goods and services.

There's no ought or should about philanthropy. Major donors tend to give in a focused, professional way, to projects and organisations that fit our mission. But there are always exceptions.

Other people giving away money that we've created ourselves rather than inherited or married – apparently do much the same. We're free agents. We do what we want to. It's no use presenting a sob story of terrible needs. We support things that make us feel good. That feelgood factor, by the way, is very real. Brain scans show the pleasure centres of the brain are stimulated when we act unselfishly.

DEFINING SUCCESS

How do we define success? Of course, there's an element of due diligence – was the money well spent on what it was supposed to be? It's very necessary to demonstrate good housekeeping.



DAME STEPHANIE SHIRLEY CH

Dame Stephanie Shirley CH, age 88, is a workplace revolutionary, successful IT entrepreneur and ardent philanthropist with an unrelenting energy for creating positive change. Since 'retiring', her focus has been on venture philanthropy. Over the last 30 years she has given away almost £70 million to good causes, primarily in the fields of autism and IT. In 2020 she was cited as having dropped off The Times Rich List due to have given so much of her money away. Copies of her books, *Let It Go*, and *So To Speak*, can be ordered via www.steveshirley.com – every penny she receives goes to Autistica.

Donors and charities enjoy tax privileges. It behoves us all to be efficient. I abominate all forms of waste and professionalism is part of my giving. And I always look for inclusion.

There's an element of practicality: how much hassle does my part-time Assistant have in getting the reports in on time, was confidentiality respected or conversely was credit given where we'd asked for acknowledgement? There are far too many cases where these simple things go wrong. But basically, I look for some measure of Outcome – what difference did we make, not what was physically provided in terms of equipment or people's time, but what were the resulting changes to the beneficiaries – whoever they are – and the Impact made to society generally? The philanthropist who understands what difference a given donation makes to the world is a philanthropist who will give three, or even thirty-three, times as much.

My first large scale gift – about £2m over 17 years – was to Autism at Kingwood, the charity I set up for my autistic son long before I had what is laughingly called free money. I set up several homes for profoundly vulnerable people and the capital cost of providing a stable, dignified environment was



very much part of my planning. But how to measure the Output and Impact that I spoke about earlier? How to measure tender loving care? Is one person's self-esteem the same as another's?

I set up and financed the charity, ran it for some time then chaired its board of trustees for many years. Autism at Kingwood is now freestanding – independent both managerially and financially – and supports over 150 adults with autism whose needs challenge existing services. To me, it's not enough to do good, it has to be sustainable.

The largest gift was when I was inspired to set up Prior's Court, near Newbury, a very special residential school for pupils with autism and complex needs. It took 22 hectic months from concept to opening – and five years of my life overall. That, too, is now freestanding; as also is its Adult Learning Centre.

I also founded and am now President of Autistica which funds applied research and is the most strategic of my charities.

My mission – as given on my business card is:

to inspire the idea that giving is an act of pleasure as well as compassion

to help, change or challenge any aspect of society

by raising the bar on our capacity to be generous.

Wealthy donors are no longer the reserved Brits of yesteryear “who don't talk about money”. Fundraisers need to understand how and when and to a certain extent why, they give. Giving is for everyone, everyday. Philanthropy aims always to promote the welfare of others in order to “make the world a fairer place.” ■

“FUNDRAISERS NEED TO UNDERSTAND HOW AND WHEN AND TO A CERTAIN EXTENT WHY, THEY GIVE.”

“FINANCIAL EXPERTS AND JOURNALISTS HAVE PREDICTED THAT THE NEXT TWO DECADES WILL BRING ABOUT SOME OF THE GREATEST TRANSITION OF WEALTH BETWEEN GENERATIONS IN HISTORY.”



THE ROLE OF PHILANTHROPY IN IMPACTFUL, SUSTAINABLE INVESTING

DARREN KELLAND - WWW.HAWKSFORD.COM

Philanthropy is often described as a journey, but in today's fast-changing world, the milestones on that journey have become more diverse

The rapid creation of new wealth, priorities on sustainability, and a greater awareness of how philanthropy can create a positive impact, is reinventing traditional approaches to giving. Philanthropy and impact investing both seek to make a positive impact on the world's social or environmental concerns, sometimes with the goal of profit in mind. With this renewed sense of purpose comes an opportunity to reshape investment priorities and practices for the next era of philanthropy. I believe this shift in expectations opens up new and exciting opportunities for our clients, and the industry as whole.

WEALTH AND THE NEXT GENERATION

'The Great Wealth Transfer' is upon us. Financial experts and journalists have predicted that the next two decades will bring about some of the greatest transition of wealth between generations in history. Millennials are benefiting from Baby Boomers, large inheritance is bringing clients in their early twenties, and wealth is being generated by younger generations in brand new ways.

So, what does philanthropy look like when wealth is firmly in the hands of the next generation?

The role of the younger generation in terms of philanthropic giving is becoming increasingly significant. We often see that it is the younger members of families who put their hand up for the role of overseeing the philanthropic arm of the family wealth.

What was acceptable in terms of the use of wealth in previous generations has changed with the emergence of the younger wealth holders. A key area where we see that transition is environmental, social and governance (ESG) and impact investing, not just in the wealth of families, but in their philanthropic viewpoint.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

ESG is an opportunity that brings new challenges to the table – both in terms of investing and balancing our roles as trustees with the philanthropic objectives of the client.

We often have to find the right balance between the moral views of a family, which are increasingly ESG-related, with our fiduciary duty to preserve and enhance the value of the trust. However, the ESG landscape is rapidly evolving and the trade-off between financial and social returns is narrowing.

As trustees, we approach ESG investing in the same way as traditional investing, by selecting the right manager, monitoring performance, and assessing whether the investment strategy is being achieved which, in the case of ESG, includes assessing true sustainability.

This whole area of philanthropic investing is really exciting; we are seeing new trust structures being established with much more flexibility being built into the trust instrument, which will help facilitate ESG and social impact investing.

I recently had the honour of chairing a webinar with Philanthropy Impact on the subject of ESG and the future of philanthropy; one interesting insight that came from the panel discussion was how rapidly ESG has become a vital consideration for any family or trust with a portfolio. This clearly highlights how philanthropy reflects the priorities and trends of the world we live in and how the world is starting to prioritise ESG thinking.

LEGACY WITHIN A LIFETIME

When considering philanthropy as part of your investment strategy, the discussion generally reflects two pivotal

questions: What is your money for? And what are your philanthropic goals?

When broken down further, impact investing is no longer just about the money you have and what you want to do with it. The industry is realising the need of goal setting for the wealth, understanding its purpose, identifying targets, and how it can support a family's purpose and values.

These types of questions are reshaping the world of philanthropy and will have a considerable influence on the future. Now more than ever wealth holders ask themselves what good they can achieve in their lifetime.

Hearing from industry partners and counterparts, we are seeing an increase in clients who want to use their wealth for philanthropic purposes with impacts achieved and recognised during their lifetime. It is not unheard of for wealth holders telling their advisors that family inheritance comes secondary to dedicating their wealth to philanthropy over their lifetime.

Simply put, entrepreneurs want to be known for more than just their business, and purposeful, philanthropic giving with evidenced outcomes, can give an immediate reputation boost.

A NEW APPROACH

In light of the great wealth transfer, and a world with new and increasingly complex challenges, it is perhaps unsurprising that we are beginning to see the tactics used in philanthropic giving become a more dynamic part of wealth management strategies. What is clear is the importance and power of collaboration.

As an industry, we are seeing a rising interest in a more collaborative way of giving. Advice and structures allowing for more collaborative philanthropic endeavours are growing in popularity, in step with the increasing number of successful crowdfunding campaigns coming to public attention. Collaborative giving is showing the sector that even small donations can make an enormous difference to a cause.

I'm not alone in thinking that we will see much greater collaboration in the philanthropic marketplace in the coming years. The younger generation of businesspeople are naturally more collaboratively minded, so this evolution to philanthropy is simply an extension of their wider business mindset.

The philanthropy and social investing landscape is broad and evolving rapidly. Developing a network of expert advisors is key to us being able to provide a holistic service to our clients and help them achieve their philanthropic goals and support their social values.

Above all, philanthropists are becoming increasingly solution-focused, moving from general charitable giving towards goal-orientated philanthropic work. In this new era of philanthropic thinking, we could collaboratively achieve more, bridging the gap between philanthropy and impact investing, inserting much renewed energy and vigour to the philanthropy landscape. ■



DARREN KELLAND – GLOBAL HEAD OF PRIVATE CLIENT SERVICES, HAWKSFORD

Darren is an experienced guardian when it comes to the assets and financial affairs for ultra HNW individuals and families. As Global Head of Private Client Services, he is responsible for a team of specialist administrators, and leads the management and growth of Hawksford's Private Client services and proposition.

He has substantial experience as both a trustee and a director on complex trust structures, family offices and multinational companies, and has provided administration services for high-profile and influential individuals, entrepreneurs and long-established families with considerable private capital and varied business interests.



STRIKING A BALANCE: FIDUCIARY DUTIES AND OPPORTUNITIES IN AN EVOLVING ESG LANDSCAPE

JOE MOYNIHAN - WWW.JERSEYFINANCE.JE

As ESG investing hits the mainstream, expert advisors have never been more necessary in helping wealthy families find the right investment pathway

The rapid evolution of sustainable finance has brought environment, social and governance (ESG) investing into the mainstream for private client advisors.

While the movement provides significant opportunities for the sector and underlying clients, it also presents a number of challenges and complexities in terms of the alignment between fiduciary duties, private wealth structuring and strategic approaches to sustainable investing.

As the world rebuilds from a pandemic and with significant amounts of wealth due to be transferred to the next generation over the coming years, integrating ESG as a core concept will become critical.

JURISDICTION CONSIDERATIONS

It can feel as though ESG is now embedded as a mainstream concept, yet in reality we are only at the beginning of policy and regulatory action. As this space evolves, so too will the complexity and obligations for professional advisors.

It is significant that the evolution of ESG investing is being driven on a number of fronts, notably by clients whose strategies are being informed more and more by a sense of

purpose, by firms who are conscious of the need to embrace sustainability and by the introduction of new policies by governments alive to the need for urgent action on ESG issues. Advisors are becoming increasingly aware that neglecting ESG factors in their decision making can be a failure in their duties, leading them to neglect critical drivers of risk and value.

Financial centres able to support both a low carbon and more socially cohesive world, like Jersey, can therefore play a significant role by acting as natural hubs for pooling capital and bringing together different market participants offering a wide range of expertise.

However, the profession must rise to the challenge; skills and talent will be critical in enabling fiduciaries and advisors to help clients realise their aspirations, with only 21 per cent of financial centres offering any type of sustainable finance educational activity (FC4S). Jurisdictions able to demonstrate the required expertise and a genuine and clear commitment to upskilling will stand out.

NEXTGEN INVESTORS

For trustees, the challenge and resistance to embracing ESG has really linked back to the fundamental duty of a fiduciary; or nearly 40 years, the focus has been on the discretion of



ESG

Environmental, Social & Governance

trustees to make investments on behalf of beneficiaries and generate financial returns. This clearly raises questions around integrating sustainable practice, particularly where doing so might impact on achieving the best possible financial returns.

In terms of Jersey legislation, the original Jersey Trust Law talks about trustees exercising their discretions and powers 'as would a prudent person' and asserts that trustees should 'as far as is reasonable' preserve and enhance the value of trust assets. What 'prudent' and 'reasonable' actually mean is much more open to debate in a purpose-driven world and is now presenting trustees with greater flexibility in terms of integrating ESG concepts into family structures.

In fact, what has been seen in recent years is ESG factors becoming more integral to material impact and financial performance, and not necessarily working to the detriment of financial performance. By bringing a more holistic approach to risk and return, ESG investing is emerging as a tool set to select investments that can actually outperform the market.

Meanwhile, the role played by the NextGen in influencing approaches to ESG investment and holistic family wealth structuring is a key area of ongoing focus.

"CONFLICT SUCH AS VARYING LEVELS OF INVOLVEMENT BETWEEN THE DIFFERENT GENERATIONS, SUCCESSION PLANS AND OPPOSING ETHICAL VALUES CAN CREATE TENSION..."

A recent study supported by Jersey Finance and undertaken by Family Capital looked at the accelerated generational shift in investment priorities prompted by the pandemic. The report highlighted that most family offices (62 per cent) believe the NextGen will be intimately involved in their family office in the future.

With the NextGen becoming more influential in future planning it is becoming increasingly important for advisors to be conscious of their specific drivers. Typically, the NextGen are placing the advisory community under greater scrutiny, being more demanding in terms of transparency, wanting quick access to information and demonstrating mounting concern around greenwashing.



JOE MOYNIHAN - CHIEF EXECUTIVE OFFICER, JERSEY FINANCE

With a career in financial services spanning four decades, Joe has a strong commitment to the future success of the industry in Jersey.

For these reasons, advisors need to be alive to the need to demonstrate robust ESG credentials, whilst as far as structuring is concerned, an ESG approach also brings with it a need for further considerations in areas such as the tax treatment of ESG assets, whether or not ESG and non-ESG assets should be segregated, a family's risk profile, and the potential for family conflict.

Documentation and clear evidence of these sorts of considerations is essential in demonstrating that a 'prudent' approach has been taken.

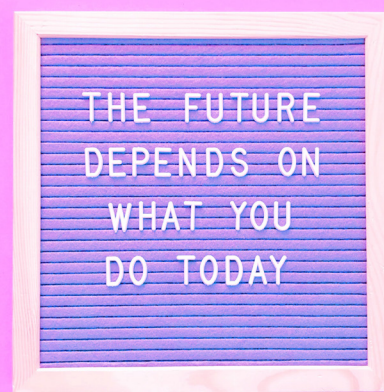
GREATER GOVERNANCE

With sustainability higher on the agenda than ever, the importance of effective governance around succession planning and formalised family values is being seen in a far broader sense, bridging the founding and future visions of a family to safeguard a legacy while also impacting positively on the world.

Aside from setting down practical rules, governance programmes are instrumental in supporting meaningful action in the wider world based on a family's most deeply held values. Creating a robust framework and articulating these values, however, can present a significant challenge for advisors.

Recently, for example, Wealthbriefing, supported by Jersey Finance, looked at sustainable family governance models in an evolving environment. The report, titled Virtuous Circles, found a clear majority (61 per cent) of advisors believe that enterprising families should have a formal governance programme in place by the time they have £50 million in assets with a substantial 28 per cent putting the threshold at a far lower £20 million.

“CONFLICT SUCH AS VARYING LEVELS OF INVOLVEMENT BETWEEN THE DIFFERENT GENERATIONS, SUCCESSION PLANS AND OPPOSING ETHICAL VALUES CAN CREATE TENSION...”



This asset level is certainly important but it's the complexity that comes with it that often acts as the real trigger.

Conflict such as varying levels of involvement between the different generations, succession plans and opposing ethical values can create tension and advisors will need to explore the best way forward - particularly in an ESG context.

SUSTAINABLE FUTURE

Keeping in step with such an evolving landscape requires a nimble forward-looking approach.

That is why in 2021 Jersey launched its own strategy, Jersey for Good; a Sustainable Future, to encourage collaboration, focus on communication and deliver on upskilling.

One year on from the launch and significant headway has been made in delivering on the various workstreams under this strategy; in particular, Jersey has become a member of the UN-convened Network of Financial Centres for Sustainability (FC4S) and conducted a full audit of its sustainable finance capabilities.

Later this year, the Island will also host its first sustainable finance awards to champion those businesses that are truly accelerating the drive to a better future.

It's clear that this continues to be an evolving area and while 'best practice' is certainly becoming increasingly honed, there are still areas that lack definition. Reporting standards and evaluation, for example, are key areas where alignment and progress are expected over the coming months as clients look for robust evidence of 'prudent' and 'reasonable' management from their trustees.

There are as many ways of approaching ESG strategies as there are wealthy families and individuals, and it is in helping families pick a path that expert advisors will really come into their own. ■

LOOKING AT NET ZERO THROUGH THE LENS OF REGIONAL AND ECONOMIC INEQUALITY

ROSEMARY MACDONALD - WWW.UKCOMMUNITYFOUNDATIONS.ORG

There is no tension between government funding and local philanthropy, both are vital as we address the interconnected issues at the heart of today's climate, social and economic problems

It is hard to look around and not be worried. Yet the reality is that we should be. We are in the midst of a historic cost-of-living crisis, an increasing frequency of extreme weather events, rising global temperatures and frightening levels of inequality. All of these are interconnected. No single issue can be looked at in isolation. To solve these challenges, we need to get to the root of them.

CONNECTED COMMUNITIES

Let's look at how rural isolation intersects with environmental issues. Take, for example, the rural transport infrastructure. A [report](#) by the CPRE, The Countryside Charity and the Campaign for Better Transport, found that more than half of small towns in the Southwest and Northeast of England have such bad transport connectivity that they're considered to be 'transport deserts'. This means that rural populations are forced to rely on car ownership, leading to more carbon emission per head, as identified in the [Future of Transport Outside Cities' report](#).

As well as impacting the environment, this isolation within rural communities also leads to a knock-on effect that exacerbates other social issues. Many of the UK's community foundations that support rural areas work hard to raise awareness of these. Somerset Community Foundation's 'Hidden Somerset – Rural Isolation' report highlights how rural isolation is affecting

communities in the county. Although focused on Somerset, the [report](#) highlights some of the challenges that will be familiar to rural communities across the UK:

Poor transport infrastructure making it difficult for rural communities to access GPs, hospital appointments, and other services like support for people experiencing issues associated with substance misuse.

Being locked out of economic opportunities. There is a lack of access to job opportunities more commonly available in urban areas. There are also fewer educational opportunities, which limits career prospects, especially for younger people.

Loneliness, the theme of this year's Mental Health Awareness Week, is increasingly being recognised as a growing mental health issue affecting people of all ages. Rural communities are identified as being especially vulnerable to this.

A better, greener rural transport infrastructure will not only help reduce emissions – it will also help improve the health, wellbeing and economic opportunities for rural communities.

THE COST-OF-LIVING CRISIS AND THE ENVIRONMENT

The consequences of the energy crisis caused by our reliance on non-renewables are hitting everyone, but it is the most financially vulnerable that



will suffer the most. Prior to this crisis, over 3 million people in the UK were experiencing fuel poverty. With inflation currently hitting a 40 year high at 9 per cent, it is predicted that this figure will increase to over 8.5 million by the end of 2022, according to the [End Fuel Poverty Coalition](#).

One million households in the UK still use heating oil. These households are predominantly based in rural areas. The rise in fuel costs will be acutely felt by those relying on oil to heat their homes. Rural homes are often older and therefore tend to be less insulated and more expensive to heat.

Alongside this, we must account for the fact that being eco-friendly comes with a higher cost. Ethically sourced and organic products are more expensive. The Sustainable Living Calculator, produced by financial experts, estimated that it costs around £2,000 more per year to buy 'green' groceries. As price hikes continue to kick in, more people than ever are going to turn to the most cost-effective alternative.

THE ROLE OF PHILANTHROPY: THINK GLOBAL, ACT LOCAL

Much has been written about the role of philanthropy in helping to achieve net zero and there is a clear commitment to doing so. This was reinforced by the hundreds of attendees at the Philanthropy for Climate Roundtable post COP26.



“MUCH HAS BEEN WRITTEN ABOUT THE ROLE OF PHILANTHROPY IN HELPING TO ACHIEVE NET ZERO AND THERE IS A CLEAR COMMITMENT TO DOING SO.”

In the community foundation world, the most obvious step is to make sure that we have our own house in order. At a recent meeting of community foundation CEOs in Birmingham, we discussed how to achieve this. There are simple things we can do to ensure we minimise our carbon footprint, such as reducing the number of pictures we send in emails and reducing the carbon emissions created by our websites. We must also look at our investment strategies and how we measure the carbon footprints of our grants.

Beyond our systems and processes there is a bigger role for funders to play. ‘Think global, act local’ – the mantra that underpins the Sustainable Development Goals (SDGs) has never been more relevant. Communities across the world are experiencing the ramifications of global events in different ways. Understanding the knock-on effects and localised nuances will be key to meeting the needs of communities and combatting climate change.

Last year, we [published a report](#) that looked at how community foundations and their local partners work towards meeting the SDGs. It demonstrated how place-based funding, targeted at local need, can help meet the 17 interconnected Goals. It emphasises how philanthropic partnerships at a local level are already playing a key role in driving progress towards the Goals.

LEVELLING UP AND LOCAL PHILANTHROPY

The Levelling Up agenda is seeking to address deep-seated regional and economic inequalities. For decades, place-based philanthropy has already been working towards this goal.

Fundamental to the success of Levelling Up is the recognition that local people know how to solve local problems. This must also include climate action. Resources and power need to be put in the hands of those who understand the needs of their communities.

Local philanthropy can add real value to the Levelling Up agenda. For us, there is no tension between state funding and philanthropy. Local philanthropy works in a strategic way. It recognises how different issues intersect and can target funding at local organisations and initiatives that work to address them. It can also work in a more agile and dynamic way than public funding.

The key to levelling up communities is sustainability. If we are serious about tackling climate change, fuel and food poverty, regional inequality, and reaching net zero, then we must equip communities with the resources to do so. Growing philanthropy in under-funded areas and contextualising our work within a broader socio-economic landscape is key.

When we look at the scale of the challenges facing us it can feel overwhelming. When we look at them in isolation they are. However, they are all connected. We can’t solve one, without first solving another. It’s time to start joining the dots, stepping out of siloes, and working in partnership so we can better meet the needs of communities that need us. ■



ROSEMARY MACDONALD - CEO, UK COMMUNITY FOUNDATIONS

Rosemary Macdonald is a leading third-sector expert in transparency and accountability, governance, and best practice, and has been a part of the community foundation network for twelve years.

With a master’s degree in Charity Finance and Accounting and a diploma in Charity Management, Chartered Secretaries and Administrators, Rosemary Macdonald drives the growth and strategic direction at UK Community Foundations – a national network which connects people and organisations that want to improve their communities.

"IF EDUCATION DOES NOT REACH THE MOST REMOTE COMMUNITIES, CLIMATE CURRICULA AND THE TEACHING OF GREEN SKILLS WILL HAVE LITTLE IMPACT."



EDUCATION IS THE KEY TO CLIMATE AND GENDER ACTION

ALISON BUKHARI - WWW.EDUCATEGIRLS.US

Women are in the frontline of coping with the effects of climate change, yet millions of girls are denied the education that could save lives and boost their response to a changing world

According to CARE, the international humanitarian organisation, women are 14 times more likely to die in climate related disasters than men. It's a staggering fact and it illustrates how the poorest women and girls, who contribute the least to the climate crisis, bear the highest burden. When drought hits a remote village in India, it is women and girls who have to walk the extra miles in the scorching heat to fetch water. The responsibility of bringing firewood for cooking also falls on the woman of the household, a resource that is becoming ever scarcer. 80 per cent of agricultural work in India is undertaken by women and it is they who are forced to make daily decisions about how to remain productive when climate change is affecting crop yields.

On a daily basis we read stories from across the world that join the dots between increased extreme weather incidents and the man-made climate crisis. What people have until recently failed to do is continue joining the dots to education as a potential solution to the crisis. As one of the most important determining factors behind access to information and human behaviour, education holds a key that has to date been largely overlooked.

A recent report Education for Climate Action, written by five leaders in education, makes a strong case for education as a key lever of change as the world finally starts to take the climate crisis more seriously. There are three critical areas of focus where education can have a huge impact on our and the planet's future survival:

1. Teaching climate literacy for behavior change and collective action,

2. Cultivating skills for a "just transition" to a green economy, and
3. Building the capacity to adapt.

Across these areas of mitigation, adaptation and resilience building, it is critical that education empowers local communities to define and execute their own climate agendas. This is a core tenet of climate justice.

DENIED AN EDUCATION

And, if we are talking about justice, how can we make this all happen if there are still a quarter of a billion children who are denied their right to an education? If education does not reach the most remote communities, climate curricula and the teaching of green skills will have little impact. We need all children to be educated and cannot deny 12 per cent of the world's children their right to go to school, particularly the most vulnerable out-of-school girls.

This is where girls' education and its multiplier effect comes in. We know that if you educate these girls, they are more likely to survive and become more climate resilient. And, not only that, but they will also educate the next generation, underpinning mitigation and adaptation strategies through skills, knowledge and behaviours.

If we educate the 127 million girls who are missing from the world's classrooms, and improve the education of those currently in school, helping them stay in school and complete 12 years of education, they will be the catalyst the world needs



for a fully educated next generation. UNICEF research shows that an educated woman is more than twice as likely to educate her own children, thereby breaking the cycle of illiteracy and hopefully poverty in her family for good.

INVESTMENT IN EDUCATION

An investment in education as a way of tackling the climate crisis is a wise investment. Indeed, a report by academics in Austria studying whether education helps people to cope with climate change concludes that it may well be a much more efficient use of funding to invest in education and in particular education of girls, than 'grand engineering projects such as sea walls and dams'. The future of the planet lies in the hands of the next generation – and that generation has to be given access to education and build foundational skills, if we are to not only survive but thrive in a climate adjusted world.

Improvements in adaptation are possible even if the education does not explicitly address climate topics. By generally increasing literacy and economic opportunity, vulnerable populations are better equipped to respond to climate related challenges, such as floods that might force them to move, or poor harvests that might force them to find other work.

People are starting to recognize this and other intersections. Out of a list of 80 strategies to combat the climate crisis published as Project Drawdown, scientists ranked girls' education at number 6 – higher than solar panels and electric cars. Here the combination of girls' education, reproductive health, and the choice to have smaller families is cited as a driver of carbon emission reductions.

DONORS AT THE INTERSECTION

The argument for funding education for climate action is clear, but very often we experience practitioners acting and donors giving in silos. They are not able to look beyond sectors to understand convergence and interconnectivity. We need governments, donors and practitioners to work together and realise this important intersection.

Governments need to include climate/education commitments in NDCs, education ministries and schools need to incorporate action-oriented climate education into the classroom at all



ALISON BUKHARI

Alison Bukhari is a non-profit management professional with 20 years' experience working in the Indian development sector with a particular focus on education, gender and innovations in philanthropy. She has worked at a leadership level in leading NGOs including Magic Bus, Dasra

and has worked as the International Director for [Educate Girls](#) for the last 7 years.

levels. Donors need to provide long term, flexible capital at the intersection of climate and education, including education in their climate portfolios, or recognizing and celebrating the impact that their education portfolio will have on the climate crisis.

The learning crisis really is a global disgrace, and it is getting worse not better. While a quarter of a billion children remain out of school and 9 out of 10 children in low-income countries are not learning to read by the age of 10, the urgency of this situation cannot be stressed enough. Education shapes behaviour and it is, at the end of the day, human behaviour that will determine our ability to live in harmony with the planet.

Inaction when it comes to education is a gamble we cannot afford to take, particularly when education does more than respond to challenges in a changing world – it has the power to save the planet. ■

HOW CAN FUNDERS HELP TACKLE THE CLIMATE EMERGENCY?

NICK PERKS - WWW.NICKPERKS.ORG.UK AND
MERCEDES GREEN - WWW.FOUNDATIONSCOTLAND.ORG.UK

Governments and large companies have the lion's share of responsibility for responding to the climate crisis, but funders also have an important role to play and foundations are responding to the challenge, says Nick Perks

In June 2019, a gathering of foundation leaders was hosted by the Esmée Fairbairn Foundation to urgently discuss the growing climate crisis. I was in that audience as a foundation chief executive. By the end of the session, I had committed to starting an ongoing discussion about how foundations, particularly those without a climate focus, can respond to this defining challenge for our generation. Charities (and their staff and trustees) need to go further, to rethink what they do and how they do it, to show leadership on this crucial issue. With funders' support, charities can help make a rapid, positive and just transition – educating stakeholders, fostering social innovation, advocating

for action, and speaking up for the needs of beneficiaries.

In November 2019, the Funders Commitment on Climate Change was launched as a UK initiative with fourteen founding signatories. There are now similar funder commitments in France, Spain, Italy and Canada, a global movement fostered by Wings Philanthropy and a new framework for individual philanthropists hosted by the Beacon Collaborative. So far, more than 500 philanthropic organisations from all around the world have pledged to act. Signatories commit to learning more about climate change, taking action on climate across their programmes, investments and operations, and reporting publicly on progress.



Community Foundations are particularly well placed to show leadership and provide funding to support climate action in the communities they serve, from supporting walking and cycling, retrofit of community buildings, and restoration of wild landscapes.

The UK Community Foundations network and a growing group of its members are signatories to the Funder Commitment. Mercedes Green, Fund Advisor and chair of the Climate Action Workgroup at Foundation Scotland, describes the very active way that one funder is living out the climate commitment it has publicly made.

CASE STUDY: FOUNDATION SCOTLAND

The climate emergency is the problem of our time (Mercedes Green writes). It's not only an environmental issue; it's an issue around economics, education and equality. At Foundation Scotland, we also firmly believe it's a civic issue that threatens the very fabric of the communities in which we operate. But in recognising this, what next? Are funders only destined to finance climate-smart projects, or is there a wider role we can play?

In the here and now, it would be foolish to overlook the financial role that the third sector can play in tackling a warming planet. At Foundation Scotland, we have shown this to be true with

innovative grantmaking programmes like Yattenfall's Unlock Our Future, which supports projects in Aberdeen and Aberdeenshire to contribute towards a climate-smart future. Ecological initiatives like the Wild Salmonid Support Fund have also gone some way in protecting the biodiversity of Scottish rivers for future generations. Yet to say that this is the only role we can play would be to overlook the valuable position that we hold in civil society. In this wider arena, funders need to be receptive to their role as educators, stewards and changemakers.

Continued on next page.



**Foundation
Scotland**

“AS EDUCATORS, WE HAVE MADE IMPORTANT PROGRESS IN ENSURING THAT THE KEY CAUSES AND SOLUTIONS TO CLIMATE CHANGES ARE MADE VISIBLE ACROSS SCOTLAND.”



At Foundation Scotland, we are making a concerted effort to embrace these roles and integrate climate action into everything we do. As educators, we have made important progress in ensuring that the key causes and solutions to climate changes are made visible across Scotland. Internally, this has meant delivering essential climate literacy training for all our staff members. Externally, Foundation Scotland has delivered a series of webinars and interactive workshops to community members, decision-making panels and other third sector organisations. Our ‘Greening Community Benefit Funds’ presentation at the UK Onshore Wind Energy Conference in 2021, demonstrated how funders can actively educate the renewable sector on a more sustainable approach to the future of the communities they serve. At a grassroots level, we have partnered with Business Energy Scotland to support applicants in making climate-smart choices for their communities, particularly in the development or refurbishment of community buildings.

Across the third sector, funders also have a responsibility to honour the generosity of donors and protect their funds for the future. With the climate emergency making itself more pronounced year on year, it is important for foundations to take pre-emptive action when it comes to stewardship. In November 2020, Foundation Scotland became the first community foundation in the UK to launch an Impact Fund managed by EQ Investors. Part of our impact investment strategy, this innovative approach ensures the investments we hold bring a social and ethical return

as well as financial. Investments are made in companies that deliver a positive societal impact through their goods and services and business practices, such as supply chains, low carbon policies and staff welfare.

It should also be noted that preparing our world for the climate emergency requires more than individual action. The scale of the problem is such that a sector-wide approach will be the only way to bring about systemic change. With this in mind, funders should not underestimate the power and influence we have on all aspects of civil society. Partnership building, collaborative projects and the sharing of best practices are all key to shifting momentum both at a local and national level. During the COP26 conference in Glasgow, Foundation Scotland partnered with DAFNE and Wings to host a virtual roundtable --#PhilanthropyForClimate: How can philanthropy galvanise local action for global impact? This impactful event was attended by over 500 delegates and sparked rich conversation on how funders can push forward the green agenda. Our active membership within the Scottish Funders Forum for climate has also sprouted new ideas as we share stories from across Scotland and encourage one another to take the plunge on net-zero initiatives.

Since embarking on our climate journey, Foundation Scotland has learnt that money is not the only answer. The climate emergency is global and all-encompassing. Yet it is also regional and local. As such, funders have a collective responsibility to use our profiles and influence for a better, greener future. ■



NICK PERKS

Nick Perks is a freelance consultant to charities and coordinator of the Environmental Funders Network. Nick has worked in the voluntary sector for more than 20 years, he was Trust Secretary (CEO) at the Joseph Rowntree Charitable Trust and is a voluntary trustee of the Joffe Charitable Trust and the Yorkshire Wildlife Trust. Nick is a member of the Charity Law Association.



MERCEDES GREEN

Mercedes Green joined Foundation Scotland in January 2021 to support the growth, development and delivery of the community foundation’s grantmaking programmes across Scotland. She is chair of the Climate Action Work Group at Foundation Scotland.

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- Foundation Scotland
- Jess Hackett
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"IDENTIFYING A ROUTE TO NET-ZERO EMISSIONS FOR A COMPLEX HEALTH SYSTEM AS LARGE AS, SAY, THE NHS IN ENGLAND, IS PARTICULARLY CHALLENGING..."



ARE WE MOVING TOWARDS ONE HEALTH? ECOSOPHY AND THE ETHICS OF NET ZERO

DR GLENN BAKER - WWW.CHARLES-STANLEY.CO.UK

The majority of infectious diseases emerge from the mistreatment of animals and the environment. The ethics of net zero demand that we recognise that human health is intrinsic and depends on the health of all things and radically change our approach to healthcare.

Why should we consider the ethics that sit behind any sustained attempt at achieving net-zero carbon emissions? Because the more we delve, the more we will see and hopefully understand the interconnectedness of our world, as well as more fully understand the potential behavioural change that might be needed, now that we are facing the highest levels of planet-warming carbon dioxide in human history.

The ethics appear relatively straight-forward on first blush, at least in theory: 'living well' involves living as an equal with all of the elements of our environment. Not only the health of humans in consideration of, and in balance with, the environment, but also to triangulate and include those with whom we share our world, such as animals and oceanic life, for instance.

And yet the healthcare of humans, when seen in isolation, has long been part of the problem: healthcare is one of the most carbon-intensive industries, still responsible for 4.5 per cent of greenhouse gas emissions worldwide.

Identifying a route to net-zero emissions for a complex health system as large as, say, the NHS in England, is particularly challenging, especially when the NHS's ambitious aim is to be the world's first net-zero-carbon national health service by 2040. The problem is of course global: after major promises and fine intentions at the COP26 climate conference in Glasgow 2021, the world has discovered that it is still very dependent on fossil fuels.

Not only this, but just like science, which no longer fights untruth with truth, but rubs different kinds of truth against each other, we live in a world in which there is a rise of information warfare, disinformation, attention hacking and

fake news, which leaves in its wake layers of misinformation around the sustainable methods needed to approach net zero.

For example, it is misleading to suggest that tree plantations capture more carbon than leaving old forests undisturbed. Old forests can contain centuries worth of carbon, captured in trees and soils, and can continue to capture carbon for hundreds of years. Is it not better to cut fewer trees so that the carbon already stored is not released, especially when the carbon released by felled trees can take a hundred years or more to be recaptured by new trees? Do we really have the luxury of such an amount of time and of carbon? Carbon dioxide levels are now at about the same as 4.1 to 4.5 million years ago, when temperatures were 3.9 degrees celsius hotter and sea levels were 5 to 25 meters higher than now. This was when the Earth was a hothouse, although crucially its natural increase in carbon dioxide levels was markedly more gradual than now.

One building block upon which net zero ethics is based, which also engenders an emotional intelligence that can modify human behaviours, is an understanding that each living thing is dependent on the existence of other creatures in the complex web of interrelations, which form the natural world. Thinking that through might lead us to wonder the extent to which the prevailing utilitarian pragmatism of western governments and businesses advocate a true understanding of nature - one which would give rise to a point of view that appreciates the value of biological diversity.

WHAT IS ECOSOPHY?

The philosopher and political activist Felix Guattari holds that traditional environmental perspectives obscure the complexity



"THE PHILOSOPHER AND POLITICAL ACTIVIST FELIX GUATTARI HOLDS THAT TRADITIONAL ENVIRONMENTAL PERSPECTIVES OBSCURE THE COMPLEXITY OF THE RELATIONSHIP BETWEEN HUMANS AND THEIR NATURAL ENVIRONMENT..."

of the relationship between humans and their natural environment through their maintenance of the dualistic separation of human (cultural) and nonhuman (natural) systems. Guattari proposes a field of practice named ecosophy, which sees complex phenomena such as human subjectivity, the environment and social relations as intimately interconnected, with heterogeneity, difference and multiplicities central to our world. Because we live in an age of increased specialisation, where scientists and psychologists, for instance, are understood as 'belonging' to discrete disciplines, it can be hard for us to see how ecosophy could really offer a view and frame of reference that cuts horizontally through our lives and interactions, without referring us in either one direction or the other.

Nevertheless, the ethics of this is carried forward through various initiatives, one of which is the One Health initiative, which is formally explored in forums such as the World One Health Congress, the seventh meeting of which is set for November 2022 in Shanghai.

DISEASE AND THE ONE HEALTH APPROACH

Perhaps this is the moment when the need for One Health as a system of collaboration and sustainable development for the wellbeing of our planet - as well as that of animals and humans - should now be given greater focus. One Health is an approach that calls for the collaborative efforts of multiple disciplines working locally, nationally and internationally, to attain optimal health for people, animals and our environment. The approach has developed in response to evidence of the spreading of zoonotic diseases between species and the increasing awareness of the interdependence of human and animal health, in tandem with ecological change.

In this, public health is no longer seen in purely human terms. For example, more than 75 per cent of all new human infectious diseases emerge from animals (in particular, from the mistreatment of animals), with more than one billion cases recorded every year - the health and economic consequences of which can be potentially catastrophic, as clearly in the case of Covid-19.

The threats of climate change are the direct result of there being too much carbon dioxide in the atmosphere, and while the belief in technological salvation has generally increased as



DR GLENN BAKER
DIRECTOR – FINANCIAL PLANNING
AND INVESTMENT MANAGEMENT
PRIVATE CLIENTS, CHARITIES AND
CORPORATES
CHARLES STANLEY

Glenn joined Charles Stanley in 2018 and is responsible for its relationships

with professional advisers, such as solicitors and accountants, as well as with trustees, charities and foundations. He was previously a Director at Kleinwort Benson, before which he worked at Schroders. Glenn holds a PhD in English Literature from the University of Leicester and is a Board Member on the Action for Animal Health Development Board for the international charity The Brooke, looking at the development of One Health - human, animal and environmental. Glenn sits on Charles Stanley's Responsible Investment Committee.

the pathway forward, working through the ethics of arriving at net zero has far reaching implications. These include many moving parts and inter-dependables that require breaking down in order to understand them, from environmental ecology, to social ecology, to mental ecology. Simply stated, the pursuit of healthy ecosystems cannot be separated from the management of human health as well as animal health. ■

WE KNOW WHAT WE NEED TO DO, SO WHAT IS HOLDING IMPACT INVESTORS BACK?

MILTI CHRYSYSAVGIS – WWW.DRASHTAIMPACT.COM

The key to persuading investors to act swiftly in this climate crisis is to help them to understand the psychology of risk and how it can be mitigated in the real world

While the interest in impact investing is ever-increasing, there is still a substantial funding shortfall, with the IPCC estimating that 3-6 times more funding is required to shift to a low carbon world. Even investors who are fully committed to allocating to impact are still not allocating their capital as impactfully as they could be.

“WHAT BECOMES EVIDENT OBSERVING FROM THE OUTSIDE ARE TWO BEHAVIOURAL PSYCHOLOGY PHENOMENA – NEGATIVITY BIAS AND LOSS AVERSION BIAS.”

What is holding people back? People who have already decided they want to align their capital with their values. People who are well aware that we face an existential threat in the habitability of our planet.

Consider the following analogy. You are on holiday and driving to meet friends for a hike in the mountains. You pass by a picturesque beach and feel compelled to stop and take a photo. This will be the perfect selfie. You are about to start walking back to your car when you hear yelling from the water. You see a child struggling to keep their head above water.

Before you have time to consciously process it, the different parts of your mind have sprung into action. Your reward-seeking side makes a case for

why you should dive into the water and rescue the child but at the same time, your risk aversion side warns you to avoid it at all costs.

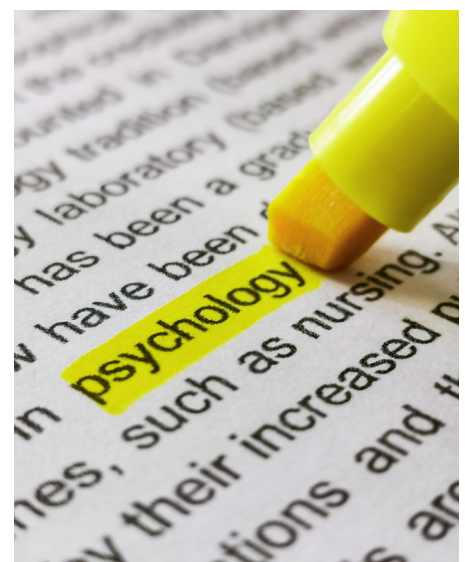
The two sides of you make their cases:

Reward-seeking side:

- This will be a great story to tell your friends later and grandkids one day
- Maybe someone will film it all and you will be a hero
- You can save the life of a child who will otherwise drown without your help

This all seems pretty attractive, until your risk aversion side chimes in:

- Your brand-new clothes will get ruined
- You will be late to meet your friends and they will start their hike without you
- The water will be freezing this time of year
- What if a parking inspector passes by? You were only meant to stop for a minute
- What if this is just a ploy for someone to steal your phone and keys?
- What if the tide pulls you out? You could drown
- What if they drown anyway? Then it may look like you were involved
- Don't you think this beach looks eerily similar to the one in that shark documentary you watched when you were 9?



What becomes evident observing from the outside are two behavioural psychology phenomena – negativity bias and loss aversion bias. Negativity bias is the tendency to register negative stimuli more readily while loss aversion is a cognitive bias that suggests that the pain of losing is psychologically twice as powerful as the pleasure of gaining. In other words, we typically find more reasons to avoid doing something potentially risky than to proceed with it and the perceived pain of the risks involved outweighs the positive emotions around an equal gain.

It may also now start to become evident what holds investors back from unlocking their full impact potential. Furthermore, it explains why trying to convince investors that it is the “right thing to do” is usually not compelling enough to overcome people’s resistance to the fear of negative outcomes, which is sometimes justified. That approach is falling short and simply will not mobilise anywhere near the scale capital we need in the narrow window of opportunity we have to avert the climate crisis.

BACK TO THE BEACH

While you know saving the child is the right thing to do, your fears and caution get the better of you. As you turn and head back to your car, you notice a few things laying on the sand that you overlooked while fixated on taking the perfect photo. Before your eyes, you see:

- A security locker to safely store your belongings
- A parking permit



- A heated wetsuit with a floatation device attached
- A shark-proof floating cage, with a rope attached to a remote-operated winch to pull you back to shore
- A text from your friends saying that the hike was cancelled and that they are coming to the beach instead
- A dry towel for your heroic return

All of a sudden, the balance of the internal debate has shifted completely. Every reason holding you back from doing the right thing has been addressed. All the risks have been mitigated and any reason for fear or hesitation dispelled. With the assurance of knowing that all risks have been addressed and there is only upside and positive potential, how could you justify not taking action when the consequence would be the loss of a life?

It is not reasonable or fair to expect investors, whether individuals or institutions, to take more risk than they are comfortable with (or permitted to take) in order to invest impactfully. But what about a scenario where the solutions had been developed to address the pain points and concerns investors face when considering impact allocations? Where they had a tool to de-risk investments to the degree they needed. Where they had a stream of curated and vetted opportunities sourced for them. Where they could access liquidity after funding impactful investments, that would otherwise involve a lock-in of 5-10 years or longer.

With these tools at investors' fingertips and the cost of inaction being the habitability of the only planet we have,

how could they possibly justify not taking action? These solutions have in fact been developed and are now available to investors, paving the way for the next generation of impact investing and for the mobilisation of the scale of capital we need to address the climate crisis.

You press the button on the remote control and are pulled back to shore, child in your arms, feeling a bit like a superhero. You wonder to yourself just how much greater good you could be creating in the world and how much positive change you could spark if risk was no longer a concern. ■

"YOU PRESS THE BUTTON ON THE REMOTE CONTROL AND ARE PULLED BACK TO SHORE, CHILD IN YOUR ARMS, FEELING A BIT LIKE A SUPERHERO."



MILTI CHRYSsavGIS - CEO & FOUNDER, DRASHTA IMPACT

Milti started his career in investment management, building a multi-manager portfolio of systematic trading strategies and developing a risk parity approach to minimise risk and volatility while still generating strong returns. Driven to create positive impact in the world, Milti determined that the most effective way to catalyse change was to harness the power of investment to accelerate breakthrough technologies and business models.

"THE DONORS OF COLOUR MOVEMENT IN THE US CALLS FOR PHILANTHROPISTS TO INVEST IN THE BLACK, INDIGENOUS, AND PEOPLE OF COLOUR-LED ENVIRONMENTAL JUSTICE GROUPS..."



LISTENING TO DIVERSE AND UNREPRESENTED VOICES TO PROMOTE BETTER OUTCOMES FOR THE ENVIRONMENT

DR PAM DAVIS - WWW.GLOBALPHILANTHROPIC.COM

Listening to the most marginalised people at the front line of climate change is the key to providing effective, sustainable help

The years of the COVID-19 pandemic have been some of the worst facing humanity – yet also years in which our responsibility and commitment to the environment and the planet we all share were positively reaffirmed. Suddenly, we were all in this together: humans, animals, our precious planet caught in this moment of crisis. In this way pandemic has been seen as a timely lesson or even a dress rehearsal for the other looming, larger and more fundamental global crisis faced by our climate.

Philanthropists responded and, for the first time, environment causes captured headlines through huge gifts. Whilst, globally, education remains the paramount cause for giving, Jeff Bezos' gift of \$10bn to his Earth Fund for the climate crisis was remarkable. From this Fund, WWF International received \$100m; Nature Conservancy received \$100m. His ex-wife, MacKenzie Scott, has since rapidly given away more than \$12.5bn, including \$20m to Landesa, a land rights organisation.

UNHEARD VOICES

What is distinctive about philanthropy emerging from the Covid-19 pandemic is not just that philanthropists have become more collaborative across the traditional divisions between philanthropy, corporates and governments. But that philanthropists are listening even more deeply to communities who have previously lacked a voice. Underrepresented groups such as black and minority ethnic groups are also disproportionately impacted by the climate crisis. If we listen to those voices, we can get closer to the solutions. Listening

promotes collaboration and partnership for successful outcomes for us all.

The donors of colour movement in the US calls for philanthropists to invest in the black, indigenous, and people of colour-led environmental justice groups who are doing so much to fight climate change, but currently receive just 1.3 per cent of US climate dollars. In the UK, major foundations like Paul Hamlyn Foundation are turning their attention to the issue of social justice and recognising that such issues intersect with the climate crisis in complex ways. Take Landesa for instance, an organisation that improves lives through strengthening gender-equal land rights and at the same time fights the climate crisis, alleviates poverty and promotes peace between communities.

LISTENING TO COMMUNITIES

As these global issues become increasingly complex, whilst philanthropists demand that the organisations they fund measure and demonstrate impact, we are seeing philanthropists (especially individuals and foundations) becoming significantly more trusting. They are choosing to make unrestricted gifts or gifts to core to help organisations direct support where most needed. This in turn promotes listening to local communities and organisations led by people representative of the communities most affected by the problem. This is deeply exciting for the future of philanthropy and our ability to respond to the climate crisis. Through collaboration we raise our collective profiles, find commonalities, can put forward our specialist skills, avoid

duplication and waste and by listening to local experts and leaders, giving becomes more impactful.

Philanthropy has a unique ability to bring individuals and communities together around a shared vision. These trends show us how philanthropy is becoming more collaborative, more connected to underrepresented communities, and more committed to stepping up to address the global challenge of the climate crisis and interconnected issues of social justice, gender equity, and poverty.

“PHILANTHROPY HAS A UNIQUE ABILITY TO BRING INDIVIDUALS AND COMMUNITIES TOGETHER AROUND A SHARED VISION.”



DR PAM DAVIS

Pam comes to Global Philanthropic with more than 25 years of experience in building powerful fundraising teams and global partnerships. Since 2017 she and the team have advised private foundations and philanthropists, universities, charities and NGOs.

Pam was Head of Fundraising at the Cambridge University Development Office during the University of Cambridge's first £1bn campaign. Pam founded and subsequently taught the MBA Fundraising course at the University of Cambridge Judge Business School and is a guest lecturer on strategic fundraising for the MPhil Conservation Leadership course at the Cambridge Conservation Campus. Pam is a specialist in higher education, environment, and gender.

CASE STUDY: NATURE KENYA

Nature Kenya is Africa's oldest environmental society. Founded in 1909 to promote the study and conservation of nature in eastern Africa, its revised mission today is to connect people with nature and take action for biodiversity conservation. It is rooted in partnerships, science, and action. Using the best available science to inspire transformative action for biodiversity conservation by and for partners, Nature Kenya urges and convenes the collaboration of governments, local communities, and the private sector. Importantly, Nature Kenya works with and for people, to improve quality of life through nature conservation.

Nature Kenya recognises the cross-cutting nature of the challenge of the climate crisis and that these threats affect different people in different ways. They also believe that if we listen to those many voices, we can get closer to the solutions. At the heart of their mission is the promotion of equality and especially inclusion of women and marginalised groups in conservation and development programmes.

Nature Kenya works with 26 Site Support Groups in Kenya to build capacity and communities as partners and avenues to influence local networks and government. These Groups are characterised by common features: they are educators of the young and old, they create awareness using international days and other opportunities, they monitor birds and site threats, and they lobby and advocate to government. They also help local communities set up income-generating activities that do not destroy the environment.

Another example is how Nature Kenya has objected to the proposed amendment to the Forest Conservation and Management Act. According to the existing law, a forest boundary can only be amended based on stakeholder consultations, environmental impact assessment report and recommendations to parliament by the Kenya Forest Service. The proposed amendment is seeking to take away the powers of the Kenya Forest Service. Instead, it allows anyone to petition for a boundary change to the Clerk of the National Assembly. The proposed change is ill-advised, ill-timed and will expose Kenya's forests to exploitative individuals whose actions could damage Kenya's water catchment areas, hydroelectricity, irrigated food and thereby human well-being and economic development. It is by bringing together governments, policy-makers, local communities and philanthropists that Nature Kenya can make these objections more powerful.

Dr Paul Matiku, Executive Director, said: *“Since 2018, we have partnered with local and national philanthropists, individuals and corporates, who have collaborated with us to protect Kenyan livelihoods and biodiversity for our nature. Their voices, the voices of those of the directly impacted communities and our own have allowed us to find interventions that work for both nature and people.”*

Nature Kenya, amongst the leading environmental organisations, reminds us that without taking action, collaborating and inclusive listening, we literally won't have a home to live in, livelihoods or food to eat. They remind us that we, as citizens and voters, must demand our governments are working on our behalf – for all of us, not just a powerful few. ■



NAVIGATING NET-ZERO USING THE DONOR-ADVISED FUND MODEL

NICOLA JOHNSON - WWW.STEWARDSHIP.ORG.UK

The challenge of net zero may seem overwhelming, but the nimble Donor-Advised Fund could be just the tool to allow philanthropic giving to rise to meet it

As net zero has moved stage centre in the public consciousness, socially aware investors and philanthropists are increasingly motivated to play their part. However, the prospect is complex and overwhelming – can individuals move past ‘greenwashing’ to make a meaningful difference, what does supporting net-zero initiatives within the Donor-Advised Fund (DAF) model look like, and what are the challenges involved?

THE ADVANTAGES OF THE DAF MODEL

The ease and convenience of the DAF model has made it the fastest growing philanthropic-giving vehicle over the past few years. Like a charitable trust or foundation, a DAF is a powerful giving vehicle but much less costly and time-consuming to run; while the former can take several months to set up, and the process incurs substantial legal and other administrative fees, a DAF can be opened immediately and carries no start-up costs. Moreover, a DAF allows you to give anonymously, an option not afforded by the traditional model as its charitable status means it must

keep public records. Another attractive feature of a DAF is the flexibility it permits; donations can be made in the form of shares, cash, investments or property. In short, a DAF offers maximum flexibility, efficiency, and privacy, if desired, without limiting your giving impact.

The National Philanthropic Trust’s (NPT) findings in its [2021 DAF report](#) reflect the growth in the US market with both contributions to DAFs and grants from DAFs to charitable organisations reaching new highs in 2020 of \$47.85 billion and \$34.67 billion, respectively. The report summarises as follows:

“DAFS increased in all key metrics in 2020, continuing more than a decade of DAF donor commitment to philanthropy.”

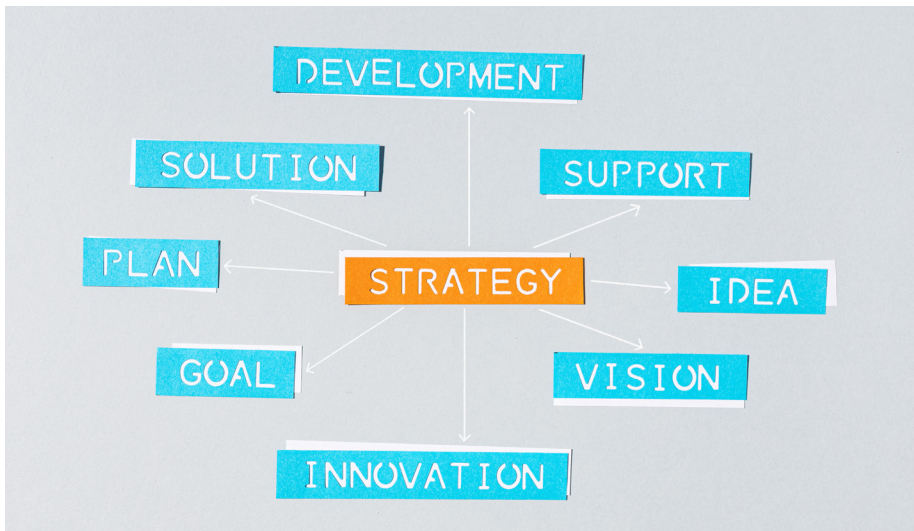
NPT UK’s 2021 report, which is based on DAF data from 2016-20, reflects a similar growth story with UK contributions at an all-time high in 2020 of £609.8 million. The compound annual growth rate for both contributions and grants in the 2016-20 period was 14.6 per cent. Charitable assets under management in all DAFs totalled over £1.8 billion in 2020,

another record which represents an 8 per cent growth rate compared to 2019.

MAKING A MEANINGFUL DIFFERENCE

The enormity of the net-zero challenges that we all face is overwhelming. We know that we, as individuals, do not have the power, resources or legitimacy to make the urgent changes needed at scale to achieve net zero. The extent of the task can demotivate us as donors: we perceive that what we can give will have minimal impact; we worry that our gifts will be squandered on inefficient bureaucracy; and we’re sensitive to the charge of ‘greenwashing’, nervous that we will inadvertently be guilty of supporting an initiative whose green credentials are not all they seem.

Yet the net-zero goal remains one of the most pressing needs of our time and one in which we all have an opportunity to play our part as individuals, to optimise our resources to support and advocate for positive change. The DAF model empowers investors and philanthropists to do just that, with maximum flexibility and minimal hassle.



“RENEWABLE ENERGY COMPANIES ARE AN OBVIOUS INITIAL TARGET WHEN CONSIDERING NET ZERO, BUT YOU MAY WANT TO THINK MORE LATERALLY...”

SUPPORTING NET ZERO USING A DAF

Start by developing your net-zero strategy. Do your research and work out which areas you want to support.

Renewable energy companies are an obvious initial target when considering net zero, but you may want to think more laterally; perhaps you want to support organisations working for positive environmental change, or you prefer to target initiatives that are educating and equipping younger generations to be effective environmental ambassadors for our planet.

Thinking more widely, you may wish to help tackle some of the social injustices created by environmental issues. For example, climate change is having a devastating impact on people in poverty as rising global temperatures create extreme weather events more frequently. In areas like sub-Saharan Africa, where the weather oscillates between extreme floods and extreme droughts, food production is hit adversely, and millions are put at risk of starvation. According to Tearfund, without radical action, climate change will push 132 million more people into poverty this decade.

If you're looking to leverage the longer-term impact of your giving, then the DAF model also gives you the option to have your giving balance invested before it is granted out; if you choose to invest in opportunities that support Environmental, Social and Governance

(ESG) criteria, and that may also seek to positively address the UN's Sustainable Development Goals (SDGs), then you really start to create power with your giving, firstly by supporting ethical, environmentally-friendly investments, and then secondly by making grants in line with your net-zero strategy.

CHALLENGES INVOLVED

As investors and philanthropists consider their net-zero options, navigating a way forwards can be tricky: how can you identify high calibre organisations that meet your criteria? Once you identify them, how can you be sure that they are upholding the ESG principles they purport to follow? If there are complex supply chains involved, how can you assess ethical risks that might be buried two or three layers down?

When reviewing your investment and giving portfolios with these questions in mind, how can you ensure that you don't inadvertently neutralise or cancel the positive impact in one area by also supporting companies that are not engaged with net zero and/or are not ESG-compliant?! An obvious example would be to 'cancel' the positive impact of a grant to an environmental care organisation with an investment elsewhere in your portfolio in a non-renewable energy like coal.

You can mitigate the risk by conducting an impact audit on your wider investment strategy. At Stewardship, we have adopted the Bull's Eye framework developed by [Access, the Foundation for](#)



NICOLA JOHNSON - CHIEF PHILANTHROPY OFFICER

Nicola has led Stewardship's major donor activities since 2010 and oversees £130m in charitable funds each year, on behalf of 600 clients. In 2020, under her leadership, the Philanthropy Services Team were winners of the STEP Private Client Awards for Philanthropy Team of the Year. Together with her team, she seeks to serve generous philanthropists with expertise and authenticity, to enable them to release funds to the causes of their hearts in the most effective way possible.



Social Investment. It asks the primary question – what is the positive impact that our investments seek to generate? Tiers are then created in relation to the decided impact, with the most important goal at the centre. In Stewardship’s case this is what we call ‘Kingdom Impact’, that is investments in organisations devoted to supporting and building Christian ministry and resourcing the Church. We also support ‘Broader Impact Investments’ that support the UN’s SDGs as these are compatible with our Christian ethos of being the best stewards we can be with the planet’s resources. Once you have established your ESG investment goals, the longer-term aim is then to move as many of your investments into the inner two rings of the Bull’s Eye as possible. [For more details, see Achieving Impact with the Donor-Advised Fund Model written by our CFO Janie Oliver in the Winter edition of Philanthropy Impact].

MEANINGFUL IMPACT

In conclusion, while navigating the net-zero challenge is daunting, three steps will empower you to create meaningful impact in this area: firstly, take the time and advice you need to determine a ‘green’ strategy for your investments and grants that will allow you to create impact in the areas that matter to you most; then ensure you audit your existing portfolio in line with that strategy and put in place an action plan for progress; and finally, take advantage of the flexibility and efficiency of the DAF model to deliver on your net-zero goals. ■

“ONCE YOU HAVE ESTABLISHED YOUR ESG INVESTMENT GOALS, THE LONGER-TERM AIM IS THEN TO MOVE AS MANY OF YOUR INVESTMENTS INTO THE INNER TWO RINGS OF THE BULL’S EYE AS POSSIBLE.”

"GENUINE 'NATURE-BASED SOLUTIONS' MUST PRIORITISE ECOSYSTEM RESTORATION AND COMPLEMENT, RATHER THAN REPLACE STEPS TO REDUCE EMISSIONS ACROSS THE ECONOMY."



DOING NET ZERO RIGHT: AVOIDING FALSE SOLUTIONS TO THE CLIMATE CRISIS

PATRICK WATT - WWW.CHRISTIANAID.ORG.UK

The road to net zero is paved with extravagant promises and big infrastructure schemes that may create more problems than they solve. To navigate safely, we must listen to those on the climate front line, lift them out of poverty and restore the environment

For millions of people in poor and climate vulnerable countries, from Southern Africa to the Pacific islands, rising global temperatures are already an existential threat. Perhaps unsurprisingly, these same countries have long been at the forefront of calls for urgent action to limit global warming to 1.5C above pre-industrial levels, the target enshrined within the Paris agreement, which 196 governments adopted in 2015.

Meeting the Paris target, and preventing runaway climate change, requires fundamental changes in how societies and economies are organised. Greenhouse Gas emissions (GHGs) must be cut close to zero, and this needs to happen quickly, with any remaining emissions re-absorbed from the atmosphere, mainly by oceans and forests. Net zero is the subject of intense discussion, and no small amount of pledging by countries and companies, with the UK the first major economy to put the target into law, in 2019. However, there is little agreement about how to achieve net zero. While some approaches have potential spill-over social and economic benefits, others have been widely criticized for their failure to address the root cause of the climate crisis, namely our current dependence on a carbon-intensive global economy.

NO DELAY

A rapid reduction in greenhouse gas emissions is key to stopping the climate crisis snowballing into a climate

catastrophe. Any delay, even if it is followed by more dramatic cuts in the future, will result in bigger cumulative emissions, and an increased risk of extreme weather and of 'tipping points' being reached. It would be reckless to rely on as yet unproven technologies such as 'negative emissions' to suck CO₂ out of the atmosphere. These may also have unforeseen environmental consequences and risk creating incentives for continued wasteful investment in high carbon technologies and infrastructure, despite their in-built obsolescence. Similarly, and despite the extravagant claims often made for it by major polluters, offsetting can at best make only a marginal contribution to net zero, and according to evidence from Greenpeace, in practice often displaces rather than reduces GHGs. Offsetting also creates its own social and environmental problems, for example where large-scale monoculture tree-planting is at the cost of land rights and biodiversity. Genuine 'nature-based solutions' must prioritise ecosystem restoration and complement, rather than replace steps to reduce emissions across the economy.

PROTECT AND SUSTAIN

Any transition to net zero carries risks, especially for people who are already poor. Some industries will need to be phased out, as others are created. An unchecked resource rush for renewable energy could create its own set of negative environmental and social effects, including forced displacement. Governments must make active use of policies to



“PEOPLE’S VOICES AND THEIR ABILITY TO INFLUENCE POLITICAL DECISIONS WILL BE CRITICAL TO ENSURING THAT ANY TRANSITION TO NET ZERO IS JUST AND ACTUALLY REDUCES POVERTY.”

create decent work and sustain communities that currently rely on carbon-intensive jobs. They must also take steps to protect the environment and enable access to affordable, sustainable and renewable energy, especially for the 940 million people in Africa and Asia who’ve no electricity supply. The quality of the transition matters most for those people, a majority of them women, whose survival as smallholder farmers, fisherfolk and pastoralists depends directly on a healthy ecosystem.

LOCAL VOICES

People’s voices and their ability to influence political decisions will be critical to ensuring that any transition to net zero is just and actually reduces poverty. Large hydroelectric dams have a dismal track record when it comes to human rights and local environmental impacts, and large wind or solar farms can have similar implications for land rights. Christian Aid is promoting more decentralised approaches, which are championed by local communities and appropriate for local conditions.

In our era of resource constraints and multiple crises, governments and policymakers need to respond to climate change in a way that addresses more than one problem at a time. Achieving net zero through approaches that have wider benefits for sustainable development is both the right thing to do, and the smart option. For those people and societies who have become rich on the basis of fossil fuel economies, there is a moral imperative to provide the financial and technological support needed to make a just transition possible. ■



PATRICK WATT – CEO CHRISTIAN AID

Patrick Watt is the Chief Executive Officer for Christian Aid. Prior to this, he was Policy and Campaigns Director, responsible for leading Christian Aid’s influencing, mobilisation, and research and evidence in the UK and internationally, on issues of economic, environmental and social justice.

The Policy, Public Affairs and Campaigns department works with Christian Aid supporters and partners, to create public pressure for political change, shape policy, and create platforms where people in poverty are listened to and can claim their rights.

"WHEN THE COALITION CAME INTO POWER IN 2010, THEY DECIDED TO CEASE FUNDING CHILD TRUST FUNDS, INCLUDING THOSE FOR YOUNG PEOPLE IN CARE."



GOVERNMENT MUST LEARN HOW TO BE A CATALYST

GAVIN OLDHAM OBE - WWW.SHAREFOUND.ORG

Philanthropy has a big role to play in bringing help to those most in need. But to make it work, Government must learn to relax its controlling grip

Robert Peston put his finger on the spot in his recent tweets about the Government's announcement of a 91,000 reduction in the Civil Service. Their suggestion was that this would help tackle the cost of living crisis, but he points out that it will only do so by holding back the transmission of price inflation into wage demands.

It is understandable that if inflation surges higher or longer than the Bank of England expects, it will also result in a huge rise in the cost of servicing the national debt. Meanwhile if it also pushes hard into the mortgage servicing costs, it will seriously deflate house prices. In this context cutting VAT or other untargeted emergency stimulus could exacerbate an already difficult position.

the voluntary sector. So — please read on as we illustrate how this can be done.

I am particularly aware of the essential role that inter-generational rebalancing should be playing if we are to achieve a more egalitarian form of capitalism. Inspired by Sir Keith Joseph's call to 'break the cycle of deprivation', I first wrote to Margaret Thatcher on this topic in 1987 attaching a proposal headed 'Popular Inheritance'. She wrote back with a long reply, but no action was taken at that time. When the Government changed in 1997, I followed up with a similar proposal to Gordon Brown, and a couple of years later he announced the Child Trust Fund.

This being the best initiative we could expect to support inter-generational rebalancing, The Share Foundation was formed as a registered charity in order to make further contributions to the Child Trust Funds of young people in care. The main weight of contributions naturally came from the public purse at that stage, but it was an early example of how Government can act as a catalyst for targeting voluntary support.

FOCUS ON CHILDREN IN CARE

When the Coalition came into power in 2010, they decided to cease funding Child Trust Funds, including those for young people in care. The Share Foundation

ROBERT PESTON'S TWEET THREAD, 13TH MAY:

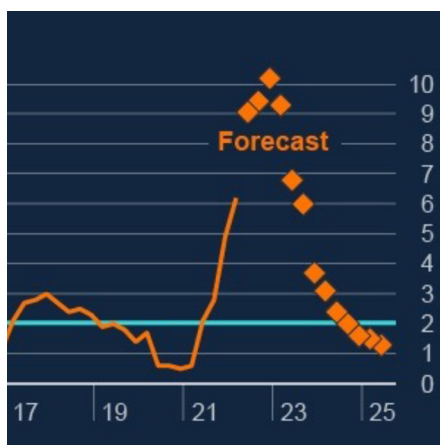


"Public servants, Whitehall, being told by PM that 91,000 are surplus to requirements and a pay rise of 3% is sufficient when inflation is heading for 10%. They're also being told they are slackers if they work from home. Morale among public servants being tested, to put it mildly.

"The over-arching theme of what @Jacob_Rees_Mogg is saying - including on my show - is that the imperative of bringing down inflation trumps anything else the government may wish to do.

"Pretty much everything he says suggests he wants a fiscal tightening by government, the opposite of the kind of measures to splash cash on those struggling with the rising cost of living demanded by opposition and some of his MPs. His plan to shrink civil service by 91,000 is wholly consistent with this, because it would increase the supply of labour in a jobs market that is being cooled anyway by looming recession.

"This isn't quite "it isn't working if it isn't hurting" but is close



However, it is essential that carefully targeted support is given for those most in need and, in order to break the cycle of deprivation, young people from disadvantaged backgrounds must be empowered as an essential part of levelling-up. The way to do this, without incurring significant levels of additional public expenditure, is by Government learning how to act as a catalyst in order to leverage the huge contribution which could be made by philanthropy through

teamed up with Barnardo's and Action for Children, and we managed to persuade George Osborne to make £200 available to open a Junior ISA for each young person in care.

The Share Foundation has now been running this scheme for the past ten years, and took over administration of the equivalent Child Trust Fund scheme in 2017. It is starting to show how a relatively small Government contribution can deliver big results through partnership with the voluntary sector.

In 2021/2, the total contributions made into these Junior ISA accounts from sources other than central Government were 20 per cent higher than the total of £200 Government initial payments over the same period. Meanwhile, The Share Foundation's incentivised learning programme, Stepladder Plus, is making a major contribution towards empowering young people with life skills in order to reduce the extent of their NEET status (not in education, employment or training) after leaving care. This programme therefore provides direct confirmation of how Government can act as a catalyst in order to leverage support for where it is most needed.

CAREFUL TARGETING

If the same principle were applied for those in a critical situation due to the cost of living crisis, how might it work?

Unlike Government schemes based on universal benefits, philanthropists need to know that recipients of their support are carefully targeted and, in these days of GDPR (Data Protection), that's where input from Government is essential in order to enable that targeting as with the care system for The Share Foundation.

Let's take energy as an example. We know that people on pre-payment electricity or gas meters get charged at significantly higher rates than others, no doubt due to the risk of non-payment. Philanthropists could undertake to cover that risk, so that standard rates - or lower - could be applied, but they would want to be assured that they were supporting 'can't pay' situations rather than 'won't pay'.

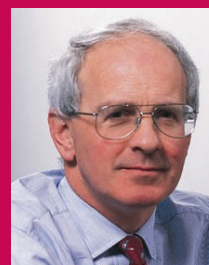
So, if Government agreed to provide details of all those on Universal Credit to the energy companies in order to provide this additional level of confidence, philanthropists could be invited to underwrite these lower charges. Charities such as the [Trussell Trust](#) would be in a strong position to co-ordinate this support — they are already deeply involved in food bank provision and helpline support for those most in need.

SPREADING A WIDER SUPPORT NET

As another example, The Share Foundation would like to enable a more targeted version of the Child Trust Fund to be introduced for a much wider group than young people in care, and to encourage philanthropists to make provision in their wills to support this additional level of inter-generational rebalancing. But again, this would require co-operation from Government in order to identify those young people with no hope of receiving inheritance from their own families. Again, this calls for Government to act as a catalyst rather than the mainstream funding source.

The Government is deeply experienced at working with the private sector, both in the commercial and voluntary sectors. However, it invariably regards its position as controlling and directing the process, and an extensive process of contracting arrangements involving competitive tendering is commonplace, with the Government always taking the lead. If Government is to act as a catalyst as described above, it must accept a new mode of co-operative partnership, with the voluntary sector taking the lead.

Being a catalyst means enabling change without being changed by the consequences: are ministers prepared to accept this role? ■



GAVIN OLDHAM OBE

Since the mid-1970s, Gavin Oldham has been a strong advocate of a more egalitarian form of capitalism.

He founded Barclayshare in 1985, before leaving in 1990 to start The Share Centre. For thirty years he was its chief executive and then chairman, providing investment services for over 300,000 people until July 2020.

In 2005, Gavin established [The Share Foundation](#), the registered charity which operates the Department of Education's Junior ISA & Child Trust Fund and financial awareness arrangements for young people in care. It has benefited over 200,000 young people to date, and is also undertaking a major recovery campaign for the Child Trust Fund - <https://findCTF.sharefound.org>

In 2014 he established [Share Radio](#) to help people to become more confident with handling money and investments.



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