

**G
CC**

**Creating an
environmentally
responsible
art world.**

Strategic Climate Funds

Updated Policy & Guidance

Policy Version 3. May 2024

What is a Strategic Climate Fund?

NOTE: If you are unfamiliar with GCC's activities generally but specifically our guidance on urgent decarbonisation, which must happen before embarking on the SCF process, we would encourage you to [read more here](#) before proceeding.

To address the full extent of the climate emergency, individuals and organisations in all sectors need to rapidly decarbonise **and** use their financial resources to support effective climate initiatives.

'Strategic Climate Funds' (SCFs) are a model for ethically financing climate action that allows individuals and organisations to support rapid and effective climate action, both within the visual arts sector and on the front line of the environmental crisis

without the problems associated with conventional carbon offsetting.

This policy was developed by GCC in collaboration with environmental advisor Danny Chivers and in consultation with GCC members and leaders in the cultural and environmental fields. This is version three of the policy which was originally developed in 2021.

[Further details here on GCC's SCFs.](#)

The Climate Crisis and Our Responsibilities

We are in the midst of an unprecedented environmental crisis, and we need to act now to limit the damage.

The science is clear: **we must at least halve global greenhouse gas emissions by 2030, from a 2019 baseline to limit global warming.**

The cultural industries have an important role to play in this as arts organisations have a large public platform and the ability to influence public discourse.

The arts sector also generates a significant amount of money in the wider economy.

This gives the visual arts a triple responsibility:

- 1.** To urgently reduce its own emissions
- 2.** To use its platform to set a positive example and inspire wider action
- 3.** To spend its money in a way that supports a rapid and just transition to a low-carbon society

The Problem:

There is an urgent need for financing climate action but conventional offsetting cannot be considered the fastest, fairest, nor most effective way to tackle the climate crisis.

See GCC's report on the issues of conventional carbon offsetting here



There are many well documented issues associated with conventional offsetting. These include problems verifying effectiveness; reliance on estimates and predictions; using offsets to greenwash or avoid emissions reductions; and the fact that, even if effective, offsetting projects will not remove emissions in time to reach 2030 targets.

This means that, by spending money on offsetting, organisations are often:

- Spending money on projects and initiatives that are unproven or ineffective.
- Suggesting that we can 'cancel out' emissions, which implies that we don't need to focus on reductions.
- Using up limited organisational resources which could have been spent on more effective climate action.

Our Solution:

SCFs are GCC's proposed solution to the problems associated with offsetting and are intended to encourage ethical and effective funding of environmental action within the visual art sector and beyond.

NOTE: SCFs **cannot** be used to a) Avoid or delay urgent decarbonisation OR b) Make claims of 'compensation', 'zero emissions', 'carbon neutrality' or similar.

By allocating money into a fund annually, it can be used strategically to support effective climate action. This can mean either funding external organisations working on the frontline of the environment or financing internal sustainability initiatives that remove emissions and waste directly from your operations and supply chains.

Unlike offsets, SCFs are designed to encourage action and tangible results in the near term, whilst also incentivising transparency and accountability.

Because SCFs do not need to make carbon numbers line up on a balance sheet, they can be spent on a whole range of more strategic and systemic solutions that could not be supported by carbon offsets.

How SCFs work

- 1.** First and foremost, organisations should calculate their annual CO₂e emissions, set targets, and create action plans for reducing them. SCFs *must* be done in addition to (not instead of) effective decarbonisation.
- 2.** Calculating how much money to set aside each year into a Strategic Climate Fund can be done in different ways ([more info about this here](#)). Our advice is to choose a small percentage of annual revenue* as we believe this is the simplest method and the most applicable to our broad membership. This method is similar to other organisations such as [1% for the Planet](#), [EarthPercent](#), [One for the World](#) and [Giving What We Can](#).
- 3.** This pot of money is your Strategic Climate Fund. We recommend that this be included as a line on annual budgets going forward. SCFs can then be spent in two ways:
 - a** Supporting frontline projects that will make an immediate and strategic difference to the climate crisis.
 - b** Investing in carbon reduction measures within their own operations and supporting initiatives within the sector that will reduce the industry's environmental impacts. (NOTE: This route will be more appropriate for non-profit organisations, who should prioritise spending to support their own decarbonisation rather than donating to a third party organisation, [more info here](#)).

How SCFs work

We recommend finding a figure between 0.1 and 1% of annual revenue for your SCF contributions, but this may vary depending on the type and size of the organisation and what is realistic for you.

*Revenue might not be an appropriate metric for everyone. You may also find a percentage of 'Net Income', 'Sales', 'Unrestricted Funds', 'Turnover', 'Gross Profit' etc. – whatever works for you, as long as your the total contributes to meaningful change at a level proportionate to your organisation, while also being achievable and financially sustainable.

In short, we trust you to find an appropriate way of calculating your own SCF allocation. This means

the process may be different for everyone but whatever you choose, please be honest and transparent about your methods, and make sure it generates enough money for meaningful climate action. Be bold, be ambitious, and be generous!

If your budget does not immediately allow you to set aside money into a fund, consider using this method to set a target and fundraise specifically for an SCF.

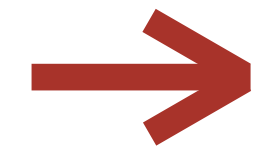
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We acknowledge that other methods for calculating contributions to climate action can be effective and may be preferable to certain organisations – see the website for [more information on how others do this](#) and [how GCC's policy has evolved](#).

How to Finance SCFs

Working out how much money to allocate into your fund is easy with GCC's simple tool:

[GCC's SCF Calculator](#)



1. First, enter the total figure of your chosen 'Fund Metric' (revenue / gross profit / sales etc.) from the last financial year and then select the percentage of this that will finance your SCF. This figure is your 'Fund Total'.

For example: If your revenue was £600,000 and you allocated 1% of that, your Fund Total is £6,000.

2. Next, choose the percentage of your Fund Total that you would like to allocate to **A. External Donations** and **B. Internal Investments**.

For example: 60% External and 40% Internal. This gives Sub-Totals of: £3,600 for **A. External Donations** and £2,400 for **B. Internal Investments**.

GCC has chosen to allocate 1% of the charity's unrestricted funds for its own SCF. This might not be appropriate for everyone so we suggest you find a percentage that works for you but still generates enough funds to support meaningful climate action.

How to Spend a Strategic Climate Fund

Spending a Strategic Climate Fund must meet the following criteria:

- 1.** Be proven and effective.
- 2.** Have immediate impact and contribute to meeting near-term climate targets.
- 3.** Be in line with the principles of climate justice.
- 4.** Create change that would not otherwise have happened.

Following this criteria, SCFs can be spent on: **A. External Donations** & **B. Internal Investments**.

Spending SCFs:

A. External Donations

NOTE: GCC would advise that non-profit organisations prioritise SCF spending on 'B. Internal Investment'.

GCC has developed this 'Partner Selection Criteria' to help select projects that can be supported by external donations. To receive funds from an SCF, organisations must:

1. Keep fossil fuels in the ground and greenhouse gases out of the atmosphere.
2. Protect natural environments, their biodiversity and their human inhabitants.
3. Respect the principles of climate justice.
4. Be effective at doing this within the 2030 timeline.

A. External Donations

GCC has identified and partnered with five exceptional organisations that meet our SCF selection criteria and we recommend them as recipients for SCF External Donations. GCC is confident that all of these schemes will have a positive impact within the 2030 timeline.

ART TO ACRES works with local communities on large-scale land conservation projects. It has helped provide legal status and protection to millions of hectares of rainforest land in partnership with Indigenous peoples and other local communities. There are many more large areas of global forest where local people have persuaded their governments to apply these protections in theory, but the resources have not been available for them to make sure they are implemented. Donating to Art to Acres can help make these protections a reality in more places, keeping huge amounts of carbon safely locked up in forests for years to come.

Visit Website →

AGROECOLOGY FUND supports inspiring projects around the world that are changing the way we produce food. Industrial agriculture is a huge source of emissions. Agroecology combines traditional methods of farming with appropriate renewable technology. This doesn't just prevent emissions in the short term, but also has the potential to pull huge amounts of carbon back into the soil in the longer term, while supporting local livelihoods and sustainably feeding the world.

Visit Website →

CLIENT EARTH is an environmental charity with a unique approach. They use existing environmental laws to challenge polluting projects – and win. In the last two years their actions have helped stop the construction of three huge coal plants in Poland and Germany and a giant gas plant in the UK, amongst a range of other victories. In 2017, they were named the 'UK's most effective environmental organisation' by the Environmental Funders Network.

Visit Website →

RAINFOREST ACTION NETWORK preserves forests, protects the climate and upholds human rights by challenging corporate power and systemic injustice through frontline partnerships and strategic campaigns. The Network has set up a "Protect an Acre" fund, where money will go to local communities who are taking a stand right now against destructive projects. These funds are given out as grants to threatened communities who need them, especially Indigenous groups, and are helping to make a difference in some of the most urgent struggles for climate safety on the planet.

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SOLAR AID works to help communities in Africa 'leapfrog' over dirty energy and build a clean energy future. Their mission is to provide solar lighting to every home, school and clinic in Africa by 2030, replacing millions of polluting kerosene lamps and preventing the need for new fossil-fuelled power stations. They work with local partners to build knowledge, capacity and skills in communities with the aim of creating a long-term sustainable solar lighting market.

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Spending SCFs:

NOTE: This is a new area of the SCF policy and will be reviewed and expanded on in the future. In the meantime, we trust that our members will undertake this work honestly and transparently and that SCFs will only be used for funding internal activities that would not otherwise have happened.

B. Internal Investments

Crucially, any internal spending should be in addition to existing decarbonisation plans; measuring your annual emissions and working towards a 2030 reduction target. Once you have done this, internal SCFs spending – in line with the categories listed here – can be used as a way to accelerate your decarbonisation, allowing you to go further and faster than just meeting your basic reduction targets.

1. Installing energy efficient hardware, devices to produce renewable energy and improve building efficiency.
2. Subsidising low-carbon alternative methods of travel and freight for staff and contributors.
3. Addressing supply chain emissions associated with activities of clients, contractors, vendors and visitors etc.
4. Training staff, consulting with advisors or commissioning carbon and energy audits.

Embedding SCFs as a Long-Term Strategy

The outlook is simple: if everyone in our sector committed to their own SCF policy, we could rapidly decarbonise the visual art sector and make a significant difference to vital frontline climate initiatives.

Our potential impact should not be underestimated. All donations made in line with this policy will have a clear, on-the-ground impact that will help the sector, and the world, meet its urgent 2030 climate targets. We do not have time to waste.

Most members of GCC are based in wealthy countries in the so-called Global North and are in the top percentages of earners worldwide. We believe that, as a result, we have an urgent responsibility to finance climate initiatives, in line with the principles of climate justice.

We encourage all GCC members to be bold, ambitious, and generous, and incorporate SCFs into their wider annual strategies and budgets. SCFs should be seen as an opportunity, and we encourage all of our members to celebrate the contributions they have made and use them as a motivation to increase their impact year on year.

Communicating SCF action

In order to avoid accidentally misleading statements or claims that could be interpreted as greenwashing, GCC encourages honesty, transparency and accountability when communicating about SCFs and climate action in general.

Unlike 'carbon offsetting', SCFs do not allow for lofty claims of 'carbon neutrality' or paying your way to a too-good-to-be-true 'net zero' target. Instead, GCC advises members to focus on highlighting the tangible and effective actions that they have already taken.

For example, rather than claiming something like the following:

"We will be net zero by 2025 and will offset all our emissions through tree planting."

Instead, aim to say something along the lines of:

"By measuring our greenhouse gas emissions and implementing a Decarbonisation Action Plan we have reduced our CO₂e by 15% over the past two years and are currently on track for a 60% reduction target in 2030. We used our 2023 Strategic Climate Fund (calculated at 0.4% of revenue) to install a ground-source heat pump for our office and also donated \$5,000 to SolarAid."

SCFs Summary

- GCC's Strategic Climate Funds (SCFs) policy has been developed in consultation with expert advisors as an alternative to conventional carbon offsetting which is increasingly considered to be ineffective and misleading by environmental leaders.
- SCFs are a commitment to go further than standard emission reduction targets, and must be done in addition to urgent decarbonisation.
- Organisations of all types and sizes can create a Strategic Climate Fund by setting aside a pot of money annually. These funds can be spent on external donations or internal investments as long as the money is spent in line with GCC's guidance criteria.
- GCC's recommendation is that SCFs are financed by allocating a small percentage of revenue into a pot annually but other figures such as 'sales' or 'unrestricted funds' may also be used.
- Ultimately, SCFs are a way to use the platform and resources of the visual art sector to get much needed funding to transformative climate projects. Every contribution that organisations can make will have an impact, and show that the art world is stepping up to be part of these broader solutions.
- It is important to emphasise that SCFs cannot be used to:
 - 'Make emissions disappear' — carbon reporting and effective decarbonisation plans must be implemented concurrently to funding climate action.
 - Claim to be 'net zero', 'carbon neutral' or that SCFs are in some way 'compensate' for

About

GCC is an environmental charity and international membership organisation providing guidance on environmental responsibility, specifically for the visual art sector.

GCC's primary target is to facilitate a reduction of the sector's greenhouse gas emissions by a minimum of 50% by 2030. To do this, GCC provides open-sourced and action-oriented tools and resources tailored made for art organisations and leads campaigns for systemic change.

The coalition has over 1,200 members from more than 40 countries. As a registered charity, GCC does not operate for profit and all tools and resources are provided free of charge.

Contact

We would appreciate your feedback on the SCF policy and love to hear from anyone who has setup an SCF in their organisation. If you would like to contribute your thoughts or suggestions, please don't hesitate to get in touch.

Contact: info@galleryclimatecoalition.org

Website: galleryclimatecoalition.org

Further SCF information
here →

Find out more about the
coalition here →

