

GLOBAL  
RETURNS  
PROJECT

High-impact climate  
and nature charities

The Global Returns Project's  
**METHODOLOGY**

The Global Returns Project Limited is registered in England and Wales.  
Charity number 1186683. Company number 11882899.

# INTRODUCTION

The Global Returns Project is a UK-registered charity with a carefully selected and diverse portfolio of high-impact charities tackling climate change and biodiversity loss.

In order to understand and monitor the overall effectiveness of these global climate and nature charities, we have developed a proprietary selection and assessment methodology, which this document sets out to explain.

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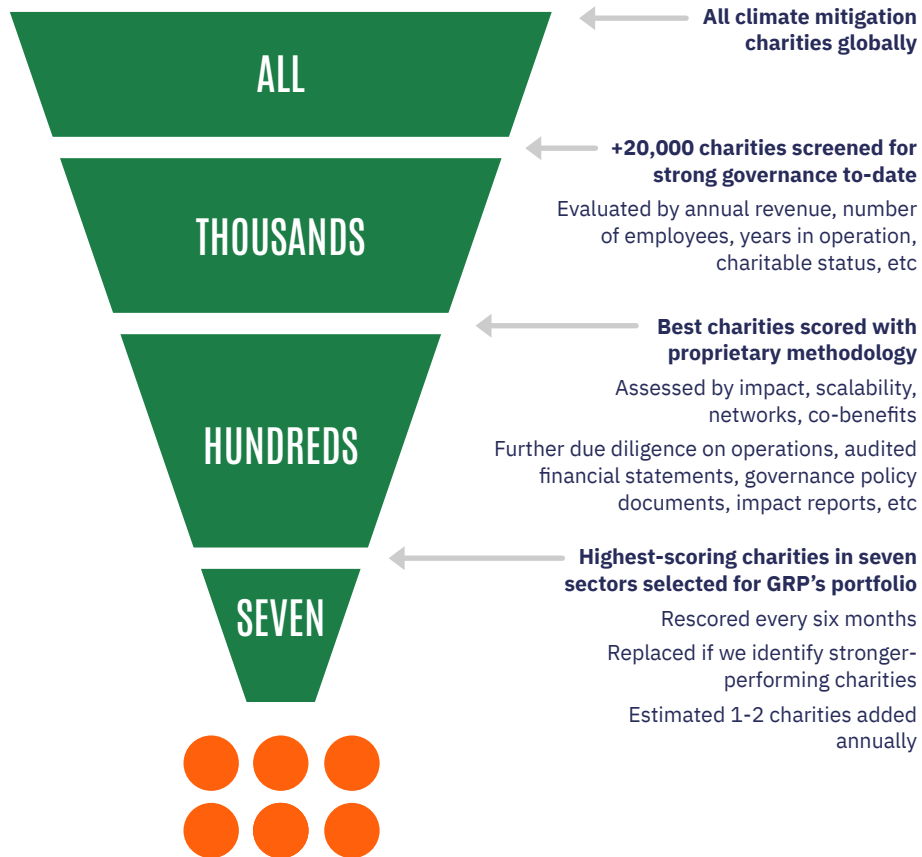
## OUR APPROACH

Assessment of the effectiveness of charities combatting climate change and biodiversity loss can be one-dimensional, often focusing solely on the carbon dioxide equivalent impact of their activities. This approach does not adequately take into account other aspects of their effectiveness. Moreover, carbon dioxide equivalent impacts prove particularly difficult to measure when an organisation's activities are not directly involved in carbon sequestration or emissions reduction.

Accordingly, the Global Returns Project's methodology also

considers often-overlooked aspects of these organisations' activities. Many such elements are qualitative, and their assessment involves a degree of subjectivity. Their translation into quantitative measures can therefore never provide a perfect assessment of a charity's effectiveness. Our methodology, however, ensures that we capture the important but difficult-to-measure elements of a charity's operations consistently.

We continually improve our methodology by learning from experts in the field and applying the most up-to-date science to our process.



## SELECTION AND MONITORING

The Global Returns Project's methodology has been designed to aid in the selection of effective charities for our portfolio, and the monitoring of the existing organisations within the portfolio. The methodology has been carefully

researched and draws on a range of external sources.

To ensure consistency in our assessment of individual climate and nature charities, we have developed a scoring system to measure the

effectiveness of both our current portfolio of charities and prospective additions. The categories considered in this scoring process are:

- **Impact** (activities and outcomes)
- **Scalability** (actual and potential)
- **Networks** (alliances and communities)
- **Co-benefits** (social and other)

The performance and reach of the portfolio of charities as a whole is monitored using two metrics developed by the Global Returns Project:

### 1. Portfolio Diversity

Measures the total range of activities carried out by the portfolio of charities as a percentage of the total universe of activities that can be undertaken by charitable organisations to mitigate climate change and reverse biodiversity loss. This is therefore a measure of the breadth of activities being carried out and the diversity of the portfolio as a whole.

### 2. Global Returns Rate (GRR)

A measure of the effectiveness of the portfolio of charities as a whole. It is calculated and published every six months using a formula that includes scores for each organisation in the portfolio (according to our scoring system) and the Portfolio Diversity figure for that period.

If all charities scored perfectly, and every intervention area in the Total Opportunity Set was fully addressed, the Global Returns Rate would be perfect, at 100. In contrast, if each charity was performing 'adequately', and half of the actions in the Total Opportunity Set were addressed, the score would sit at around 20.

Over time, the GRR will rise or fall depending on the performance of the portfolio. The principle behind the GRR is that 'what gets measured gets managed'. If the GRR rises, we know that the current portfolio has been successful. If the GRR falls, we investigate to understand why.

# THE SCORING SYSTEM

The score for each organisation in our portfolio is based on responses to a series of questions related to each of our assessment areas and reflecting on their work over a six-month period. We also conduct our own research into the charities' activities and probe further during detailed interviews during both selection and re-assessment. The Global Returns Project's Due Diligence Committee – comprising its Trustees and Technical Advisory Board – oversees each step in this process and reviews and approves final scoring.

## Individual Metrics for Each Charity

### A. Impact

Traditionally, charity measurements of impact have focused predominantly on outcomes (the effect of a process or activity). However, by ignoring the activities facilitating an outcome, there is a risk of only measuring or assessing direct rather than indirect impact.

Often, an outcome is the result of months or possibly years of activity. Climate-focused charities involved in advocacy work, for example, aim to reshape complex and entrenched systems like the law, policy, or individual behaviours. Here, the desired outcome (protection of the biosphere) is likely occurring, but since the changes may take place over long time periods, the activities leading to the outcome should also be examined to assess impact on a shorter timescale.

We therefore undertake a 'principles-based' approach, assessing organisations within the context of whether they are an accelerator (creating the conditions for environmental solutions to progress with greater speed and wider scope), a solution (reducing greenhouse gases by avoiding emissions and/or sequestering atmospheric carbon dioxide) or both. This approach captures the nuance and depth of each organisation's activities. Our questions for assessing impact include:

### Activities Questions

- How clear is the charity's mission, and to what extent have their activities in the period delivered on that mission?
- To what extent have the charity's activities made it easier or cheaper for other organisations to undertake similar environmentally beneficial activities in the future?
- To what extent has the charity raised awareness, educated, or changed the behaviour of individuals on a mass scale during the period? (Accelerators-focused)
- To what extent has the charity achieved policy shifts, legal challenges, finance regulation, or other systemic changes in the period which will cause significant carbon dioxide reductions in the future? (Accelerators-focused)

### Outcomes Questions

- Is it possible to estimate the CO<sub>2</sub>e impact of one of the charity's success stories during the period, and if so, how low is the cost per tonne of CO<sub>2</sub>e abated?

- To what extent has this charity exceeded the impact outcomes of its peers over the period?
- To what extent has the charity addressed an issue that is relatively neglected by other organisations?
- To what extent has the charity protected and restored habitats of vulnerable or endangered species over the period? (Solutions-focused)
- To what extent have the charity's activities improved air and water quality over the period?
- Is the outcome likely to be permanent, or do the activities leading to the outcome place a priority on permanence? (Solutions-focused)

### B. Scalability

Scalability is measured in both historic and potential terms – that is, how the charity has delivered on its previously stated scaling ambitions as well as the scalability and ambition of the charity in the future. The questions informing our assessment of scalability are as follows:

## Historical Performance Questions

- To what extent has the charity scaled its operating model over the period?
- Has the marginal cost of the charitable activity decreased as total activity has grown? Or has the marginal benefit of the charitable activity increased as total activity has grown?
- Has the charity received a sudden influx of funding over the period, and if so, have they been able to deploy it effectively?
- To what extent has the charity met previously set scaling targets/are they on track to meet previously set scaling targets?
- How extensive is the organisation's geographical reach, and has it increased over the period?

## Scalability Potential Questions

- Does the charity have ambitious plans to scale, and if so, do they have the infrastructure in place to make this happen?
- To what extent will the charity be

able to cope with a significant influx of funding in the next year?

- Does the marginal cost of the charitable activity decrease as total activity grows? Or does the marginal benefit of the charitable activity increase as total activity grows?
- Will there continue to be demand for the solutions and activities undertaken by the charity in the future?

## C. Networks

The networks of an organisation in the portfolio are measured both in terms of the alliances they form (how well they use strategic partnerships with other organisations like governments, research institutions, and NGOs to amplify their reach) and the communities they work alongside (how well they use the knowledge and expertise of indigenous and local communities to ensure the permanence of their climate solutions).

While the alliances sub-metric is applicable to all climate and nature charities, the communities sub-

metric tends to apply predominantly to solutions. The work of these charities in ensuring long-term protection of carbon sinks or the biodiversity of a landscape requires meaningful engagement and exchanges of knowledge with indigenous and local communities.

## Alliances Questions

- To what extent will the major alliances formed over the period help the charity amplify their reach?
- To what extent are these major alliances held with reputable and influential organisations?
- How many major alliances has the charity formed over the period? (This will also be used as an externally communicated metric in our six-monthly Impact Reports).

## Communities Questions

- To what extent are indigenous communities incorporated into the decision-making process by the charity? (Mostly for solutions)
- How successfully has the work alongside these communities

ensured permanence of protection for carbon sinks and/or the biodiversity of a landscape over the period?

- How many communities has the charity worked alongside over the period? (This will also be used as an externally communicated metric in our Impact Reports).

## D. Co-benefits

By acting to protect the biosphere, an organisation in the portfolio of charities may also deliver a range of co-benefits. We use the United Nations Sustainable Development Goals (SDGs) as a framework for our assessment of co-benefits (aside from SDGs 13, 14, and 15, which are considered as part of our impact assessment).<sup>1</sup>

## Co-benefits Questions

- Does the charity achieve socially desirable outcomes (in the context of the SDGs)?
- Does the charity empower women and more generally foster diversity, equity, and inclusion?

## PORTFOLIO DIVERSITY & GRR

Diverse sources (including research from Project Drawdown, Griscom et al., Sala et al., Chami et al., and IPBES) have been used to map out the universe of potential areas of intervention that charities can undertake or facilitate to help tackle climate change and biodiversity loss.<sup>2</sup> This creates a Total Opportunity Set of climate actions. The Global Returns Project's Portfolio Diversity metric measures the total range of activities carried out by the portfolio of charities as a percentage of this

universe of potential areas of intervention.

Diversity makes any portfolio more resilient and offers similar resiliency to the natural systems that support the biosphere. The complexity and interconnectivity of climate change and biodiversity loss demand that the Global Returns Project covers a broad spectrum of solutions needed to tackle these issues from multiple directions.

## THE TOTAL OPPORTUNITY SET

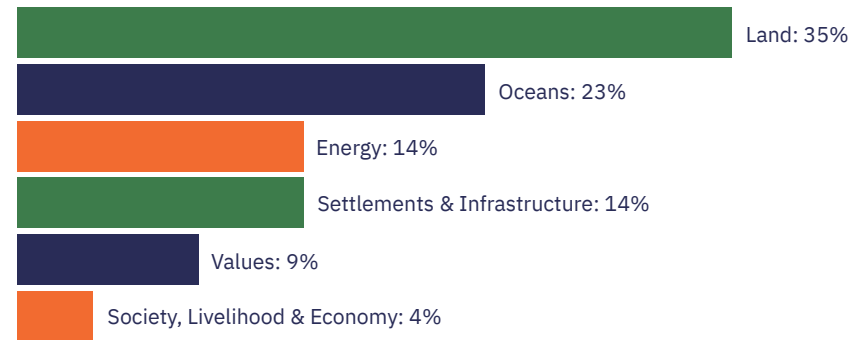
To date, there have been few attempts to map the array of possible actions that charities can take to tackle the climate and nature crisis. The Project Drawdown framework offers one picture of the different categories and areas on which we will need to focus to avoid environmental breakdown, focusing exclusively on atmospheric carbon.<sup>3</sup>

Griscom et al.'s 'Natural Climate Solutions' breaks down the various nature-based climate solutions that we will need to adopt within the next ten years to limit global warming to below two degrees.<sup>4</sup>

However, neither of these pieces of research specifically focus on the role or position of charities in helping to achieve these goals, despite the

## INTERVENTION AREAS OF THE TOTAL OPPORTUNITY SET

(As of October 2024)



major importance of these initiatives. For this reason, the Global Returns Project conducts regular scoping exercises to identify the universe of potential areas of intervention that charities can undertake or facilitate to help tackle the climate and nature crisis – we call this list the Global Returns Project Total Opportunity Set.

This scoping exercise began with an acknowledgement of recent developments in Earth sciences, which have shown that biodiversity and climate boundaries are part of the same system. Johan Rockstrom's Planetary Boundaries framework and a joint report by the

IPCC (Intergovernmental Panel on Climate Change) and IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) identify several areas where solutions to the biodiversity crisis can help slow global warming, and vice versa.<sup>5</sup>

Therefore, as well as using the climate-focused analysis of the Drawdown Framework and Griscom et al., we have analysed the IPBES Global Assessment on Biodiversity and Ecosystem Services to identify overarching categories of charities tackling the climate and nature crisis:

1. **Charities reducing greenhouse gas emission sources**
2. **Charities supporting carbon sinks**
3. **Charities protecting and enhancing life on land**
4. **Charities protecting and enhancing life below water<sup>6</sup>**

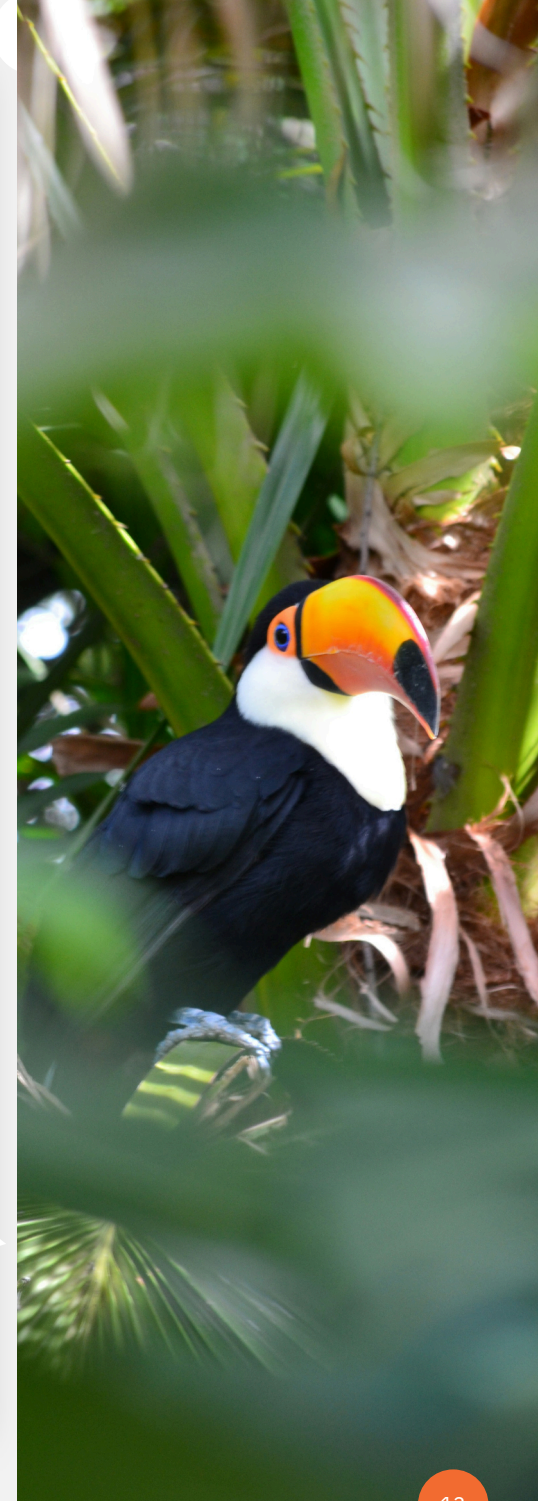
Using these same research sources, we then further analyse each category to identify and annually review a set of 44 actions that charities can take to help tackle the Climate and Nature Crisis. As our scientific understanding of the climate and nature crisis continues to evolve, so too will the Global Returns Project Total Opportunity Set that we use to calculate Portfolio Diversity. For example, only in 2021 did scientists calculate the carbon emissions associated with the industrial practice of deep-sea trawling for the first time.<sup>7</sup> This research came long after the publication of the Project Drawdown and Griscom et al. (2017) research pieces. Without our own ongoing research, then, our framework would not have captured this scientific development. For this reason,

beginning in April 2024, our experts will oversee an annual review of the Total Opportunity Set to ensure it remains aligned with the latest scientific advancements.

Recent updates to the Total Opportunity Set include an increase in ocean and water-based climate actions informed by the Intergovernmental Panel on Climate Change's Special Report on the Ocean and Cryosphere and wider scientific literature.<sup>8</sup> GRP has also paid special attention to actions which recognise the salience of individual behaviour on climate change. Frameworks such as the Inner Development Goals indicate that climate action will continue to struggle without significant changes in individual value sets and culture.<sup>9</sup> With this in mind, actions have been added which focus on the tackling of climate mis- and dis-information.

## CALCULATING THE PORTFOLIO DIVERSITY

Every six months, the Global Returns Project assesses whether each organisation in the portfolio partially or fully tackles each of the identified charity actions in the Global Returns Project Total Opportunity Set. This assessment creates an overall Portfolio Diversity percentage, which can increase or decrease in each six-month period as new charities are added to the portfolio or as new potential charity actions are identified and added to the Total Opportunity Set, or as current portfolio charities expand or contract their range of activities.



# WHY WE USE PORTFOLIO DIVERSITY

We have carefully formulated our Portfolio Diversity metric using peer-reviewed scientific journals and with guidance from our Technical Advisory Board. The metric has proven vital in informing our charity selection and assessment strategy in the following ways:

## 1. As a Scoping Exercise

Constructing the Global Returns Project Total Opportunity Set helps us understand the universe of charity actions available to tackle the climate and nature crises. This provides the basis for assessing the diversity of our portfolio.

## 2. As a Performance Metric

Knowing the Portfolio Diversity – or how much of the Global Returns Project Total Opportunity Set our portfolio covers – offers an invaluable indication of how successfully we are seeing the bigger picture in our charity selection process. This in turn reveals how effectively the portfolio helps tackle the climate and nature

crises from various angles. Producing a Portfolio Diversity percentage every six months allows us to assess progress over time, with the aim that the Diversity figure continues to increase as we add more charities to the portfolio.

## 3. As a Guide for Future Charity Selection

The final Portfolio Diversity figure allows us to identify areas or sectors where portfolio involvement is limited in comparison to the Global Returns Project Total Opportunity Set. Similarly, the exercise highlights areas or sectors where the portfolio may have an over-concentration of charities. In either case, comparing the Global Returns Portfolio Diversity to the Total Opportunity Set helps ensure an appropriate balance of charity solutions in the portfolio, which is reflected in the ongoing charity selection and assessment process.

# END NOTES

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