



# Guidelines for Re-granting

 **OAK**  
**FOUNDATION**

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## INTRODUCTION

Sometimes Oak Foundation gives funds to an intermediary organisation that, in turn, gives out and manages the administration of smaller sub-grants. This is called re-granting.

With a carefully chosen intermediary partner, a realistic financial structure, clear expectations for Oak Foundation staff involvement and outcomes, re-granting can be an effective way of meeting programme objectives. There are positives and negatives that have to be acknowledged and accepted.

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## Purpose of the Guidelines

These guidelines will help programme staff develop a re-granting project and establish the optimum re-granting relationship. The aim of these guidelines is not to prescribe a particular approach or structure for re-granting but to bring together the experience in re-granting of Oak programme staff and their peers in other foundations. Each section of the guide ends with examples, mostly from Oak Foundation's work, that illuminate the guidelines.

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## Guideline Development Process

In spring 2011 Grant Makers for Effective Organisations (GEO) surveyed all Oak Foundation programme staff and interviewed select staff from Oak and peer organisations to better understand re-granting practices. GEO summarised its findings into a report to Oak Foundation in August 2011. A panel of Oak staff used the report to draw up these guidelines.

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## Key Findings and Observations

GEO found that nearly 70 percent of Oak's programme staff (22 individuals) have managed or are managing re-granting projects. Programme staff identified about 100 current or recent re-granting projects. In some of these projects re-granting is the central or only activity, in others re-granting is one of several activities (some of which will be distinct from re-granting) undertaken by the intermediary. In some cases Oak may add in a re-granting element to an existing partnership based on other activities. These 100 projects represent nearly USD 70 million in Oak contributions. Through the research a number of practices emerged.

Programme staff also made some important observations:

- The type of relationship and the type of intermediary should be shaped by the purpose of the grant. Clarity about goals and objectives is fundamental to ensuring an appropriate structure, a positive relationship with the intermediary and ultimately the success of the project.
- Oak can support pre-existing re-granting mechanisms or build a tailored re-granting relationship that will require more staff time, but perhaps result in Oak-specific outcomes.
- Trust is essential in relationships with intermediary organisations and is essential in letting go of control.

- Efficiency may not be the primary purpose of a re-granting relationship. Many worthwhile re-granting projects are time-consuming for programme staff.
- If efficiency is the primary aim, re-granting may not be the only option. Consider other ways to manage a group of grants, such as using a consultant or employing staff directly.

Staff identified three aspects of re-granting that are particularly challenging:

- identifying a good intermediary partner;
- calculating overheads costs; and
- assessing impact.

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## WHY AND WHEN TO RE-GRANT

Re-granting can be an ideal tool to further a variety of objectives of the Foundation, when appropriately applied. Clarifying the reasons for re-granting will guide the relationship with the intermediary partner, the framework for evaluation and budgeting.

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### Re-granting purposes

The following list includes some of the most frequent reasons identified for using an intermediary. Programme staff can use the list below to help clarify the purpose for re-granting and should state the specific reasons for re-granting in grant application forms.

- **Enhance time efficiency** - This is a common aim, but in reality many re-granting projects require more time than direct grants. The contracting model and the intermediary building model (see page 17) both require significant staff time and energy. If efficiency is a primary motivator, then there must be a trusted relationship and a willingness to pass control to an experienced intermediary.
- **Extend into new issues and regions** - Intermediary partners can bring much needed knowledge to the table and allow Oak staff access to expertise in new fields, geographies and communities. The right partner can help Oak achieve a rapid response to a crisis because they are in the right place at the right time. Good due diligence will confirm that the intermediary can do the required work and has a level of expertise that Oak cannot offer.
- **Give smaller grants** - This is a common reason cited by Oak programme staff for pursuing re-granting. There is often great value in the work of small NGOs and re-granting provides a mechanism to fund them.
- **Support grassroots organisations and empowering local actors** – If rooted in a community or issue, intermediaries can bring a type of expertise that Oak is not always equipped to deliver. Several programme areas recognise the importance of community mobilisation efforts that many grassroots NGOs employ. Because of their work on the ground in communities, these same grassroots NGOs are uniquely positioned to assess the needs of an area. In some cases, a community-driven strategy may extend to giving local people control of funding decisions by partnering with an intermediary using a competitive, locally-led selection process.
- **Develop greater funding interest in an under-resourced sector** - An intermediary partner may be able to leverage funds, attract matching grants and/or raise the profile of the issue through its work.
- **Form donor collaboratives** –Donors take an active role in forming collaboratives, which can be highly controlling or hands off. A donor collaborative can enable Oak to explore a new area and allow staff to build expertise by sitting on panels and hearing from experts. On the other hand, the governance of pooled funds can be complex and time consuming. Depending on the priorities and personalities of the funders involved, it can be hard to negotiate the internal relationships.
- **Enhance privacy** – In some cases, the Foundation may wish to remain anonymous as a silent actor in a grant and shift risk to an organisation that is better positioned to manage that risk.
- **Build the field** – Re-granting can help meet programme objectives (i.e., by encouraging collective action around a shared advocacy agenda.)

- **Build capacity of organisations** – Re-granting can support an intermediary tasked with building capacity of its sub-grantees in particular areas (e.g., communication). This might include funding intermediaries as a way to provide seed funding to small, emerging organisations that may later become direct grantees of Oak.
- **Broker funds for a specific purpose** – Oak may choose to support an intermediary who is the fund-raiser for a particular cause, for example.
- **Respond rapidly to a changing landscape** – An intermediary may be able to react more swiftly to change than foundations bound to specific processes and priorities. An intermediary can pull together funding from a range of sources and present a rapid unified response.

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## Working with Intermediaries

If no potential intermediary partners exist, Oak staff should think carefully about the time, effort and funds it will take to create a successful intermediary organisation. What is Oak's rationale for creating an intermediary? Is it best to structure the intermediary in a way that adds programmatic value to the field, not simply create a grant-making infrastructure? If creating an intermediary, programme staff should be mindful that they will be the organisation's lifeblood, at least in the beginning. Offering services, such as legal expertise, to get the intermediary off the ground will be important to getting the work done.

In other circumstances, one potential partner may exist, but it is weak in a key area. If this is the case, staff will need to evaluate the seriousness of its weakness and its readiness to change. If the intermediary is trustworthy, has strong leadership and is interested in developing the weak area that has been identified, then staff should consider the possible long-term benefit of investing in its capacity, in conjunction with a re-granting project. The goal here would be to strengthen the intermediary so that the next funder who approaches it would consider it a top notch choice.

These models (contracting and intermediary building) require a significant time investment. Each programme may want to determine the number of 'contracting' and/or 'intermediary-building' projects that it can comfortably manage at one time.

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## Alternatives to Re-granting

It is important before committing to re-granting to stand back and consider whether re-granting meets the particular purpose. It may be that other solutions should be considered; e.g., if your purpose is to make grants efficiently and there is no capable intermediary, it may be more efficient to make and manage grants through a consultant.

## Examples

### **The European Climate Foundation: A Donor Collaborative as a Form of Re-Granting**

One case of a re-granting project at Oak Foundation that is strengthening an issue area through a pooled fund is the European Climate Foundation (ECF). Oak became interested in developing a climate strategy in Europe and quickly realised how little private philanthropic money there was to deal with climate issues at the pan-European level, with focus on policy decisions taken in Brussels. Other funders were having similar conversations at that time, and six institutions came together in 2008 to form the European Climate Foundation. Creating an independent organisation exclusively focused in the issue area that could leverage funds and make the cause high profile for policy makers and donors was a big undertaking. Oak made a five year, unrestricted commitment of USD 6,450,000 to get the organisation going. Through close mentoring by its founders, including Oak, ECF's staff and Board have built their technical knowledge and have the ability to seek, screen and evaluate their own grantees. The European Climate Foundation now distributes ten times the amount of funds that Oak alone would have been able to put towards this issue.

### **Re-granting with Women's Funds: Giving Small Grants to Grassroots Organisations**

The goal of Oak Foundation's Issues Affecting Women Programme (IAWP) is to build strong, effective and vibrant women's movements, creating the critical mass necessary to advance women's rights, feminist values and ideology. To achieve this objective, the IAWP supports women's funds because they are natural partners to strengthen women's movements and to combat violence against women. The role of women's funds is not only to provide flexible funds in the form of small grants and build the capacity of women's grassroots groups led by women and focused on social changes, but they also employ distinct strategies for leveraging funds, widening the pool of donors to include greater diversity and reach local donors. For these reasons, they are natural intermediaries that provide added value to Oak's grant-making in this area.

The Issues Affecting Women Programme has many re-granting projects that create equal amounts of work for programme management; however, the purpose of the grant is to build the field, so the extra time it takes to administer the grant is a worthwhile effort.

### **Oceans Five Alliance: Shared Responsibility, Initiating a Funding Collaborative and Responding Quickly**

Oceans Five is a donor collaborative with a major re-granting component. It includes both new and experienced philanthropists that are committed to protecting the five oceans of the planet. The group collectively focuses its investments and support on large-scale, opportunistic projects and campaigns aimed at significantly expanding marine reserves and constraining overfishing. As a re-granter, Oceans Five has several distinctive characteristics:

- (1) Oak Foundation, as one of the founders, agreed to cover the costs of the programme officer as a means of motivating other funders by lowering overhead costs of the initiative;
- (2) Rockefeller Philanthropic Advisors (RPA) acts as the fiscal sponsor, so the administrative responsibilities do not rest with any one donor or with a newly-created mechanism;
- (3) The donors chose the Programme Officer, but is formally employed by RPA;
- (4) The programme officer identifies projects and then the donors consider prospective grants for approval;
- (5) RPA executes the approval process, has legal responsibility, and is the formal grant maker; and
- (5) One of RPA's responsibilities is to support fundraising and engaging other donors and partners in the initiative.



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## DUE DILIGENCE

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### Overview

Due diligence and relationship-shaping go hand-in-hand. The nature and emphasis of the due diligence should be influenced by the purpose of the grant. In many ways, the due diligence required for re-granting projects does not differ significantly from good due diligence practice for direct grants. Sometimes the intermediary is clearly the key trusted player in its area, and due diligence is not difficult. At other times, an intermediary may be less known, and there is more to uncover in this phase of the grant-making process.

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### What is a good intermediary?

Researching the strengths and weaknesses of a potential intermediary is essential for defining the relationship. Good intermediaries are likely to have competencies in core functions, including:

- administering grants;
- providing technical assistance to sub-grantees; and
- monitoring and evaluation at two levels: (i) the impact of individual sub-grants; and (ii) the collective impact of the sub-grants.

Intermediaries may not display a high level of competence in all these areas, but they must be good at the role that provides the most value to Oak. In most cases, this will be their grant-making ability. If there is a need to build the intermediary's capacity, ensure that the intermediary is truly interested in developing that capacity, there are sufficient project funds and the organisation has enough resources to absorb the additional capacity.

In other cases, an organisation may bring local knowledge or training expertise to the relationship. Due diligence will reveal its strengths and ability to deliver services as promised; in return, it is often worth the investment for Oak to build its capacity in grant-making.

#### Alternative Approaches

The Gordon and Betty Moore Foundation often only works with groups that are professional intermediaries and have a track record of success. The David and Lucile Packard Foundation looks for the ability to leverage funds with other donors through an intermediary whenever possible.

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### Characteristics to Explore through Due Diligence

- **Credibility and reach in the community**– This was the most frequently mentioned factor; without it, an intermediary would be severely compromised.

- **Stakeholder engagement** - Are community members involved in the intermediary's work? Is there an advisory panel? Is the organisation well known and respected? Is the leadership local and have they secured local funding? These can be positive indicators of stakeholder engagement and an indication that the intermediary can deliver sustainable results.
- **Expertise and leadership**- In some cases, intermediaries provide expert technical assistance, but do not invest in their own capacity (which also requires higher overheads). Strong leadership that is committed to staff and organisational capacity is essential.
- **Financial and organisation competence** - Intermediaries should demonstrate integrity, financial stability and operational efficiency; and provide evidence through audits, references, and independent evaluations.
- **Impartiality** – Intermediaries should have controls that ensure grant-making decisions are impartial and fair. These controls may take the form of selection panels involving external individuals or through fair and open competitive applications.

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## Significance of Site Visits

Site visits can provide valuable insights into an intermediary's work and community standing. When visiting with sub-grantees, clarify the purpose of the visit. Local NGOs may see it as an opportunity to solicit funds directly from Oak rather than an evaluation of the potential intermediary.

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## Set Clear Expectations and Responsibilities

Take the time to set clear expectations of responsibilities and costs before an agreement is finalised to prevent misunderstandings or surprises. Oak staff should:

- negotiate Oak's level of involvement and decision-making role;
- have an understanding of the sub-grantee selection process and Oak's role, if any;
- review the grant selection committee; and
- discuss reporting and evaluation expectations.

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## Due Diligence: Issues to Consider

Below are questions for the due diligence process to consider.

### Funding history

- Previous relationship with Oak?
- Funded by peer organisations?

### Credibility and reach in the community

- Local advisory council?
- Local leadership?
- Local donors?
- Respected by sub-grantees?
- National or regional advocacy role?

### Internal capacities

- Experienced in grant-making?
- Financially stable?
- Able to explain and justify requested operating costs?
- Able to conduct due diligence of sub-grantees?
- Intermediary's leadership is committed to evaluation?
- Has the organisational capacity to conduct evaluations?
- Tracks metrics that can be used to gauge outcomes?
- Able to manage and administer grant funds?
- Able to monitor and report on sub-grantees?

### Training sub-grantees

- Training experts on staff?
- Experienced in capacity-building of organisations?

### Technical assistance services

- Legal?
- Knowledge of the issue?
- Fundraising?
- Financial management?
- Evaluation and reporting?
- Advocacy?
- Convenings?
- Other capacity-building interventions?

### Alignment with Oak

- Similar strategy and goals?
- Agreement on desired outcomes and indicators?
- Agreement on Oak's level of influence and decision-making?

### Criteria for selecting grantees

- Is a third party (including Oak or a grant committee) involved?
- Is there potential for new organisations to become sub-grantees?

## Examples

### Effective Intermediary Partner

Oak Foundation's Issues Affecting Women Programme received a proposal from an intermediary organisation that was not well conceived or well executed. Oak hired two evaluators to review the intermediary's work and found that it worked effectively with sub-grantees, but internally it struggled to build a sustainable organisation, define its mission and articulate its theory of change. Oak provided three years of support to the organisation, which included funding for the intermediary's own capacities through an organisational development process facilitated by an external consultant.

### Building a Community Advisory Board to Select Grantees

The David and Lucile Packard Foundation seeks intermediaries that have strong relationships in the community, financial controls and significant experience in grant-making. In some cases, however, the Packard Foundation may choose to make additional investments in an intermediary. In one case, the Foundation considered some of the traditional re-grantors in an area, but was not satisfied with their standing in the community. "Ultimately, we chose to invest in NGOs that had strong relationships and controls but hadn't done grant-making. We built their capacity to make grants. They turned out to be two of the best re-granters in our programme. They're now raising other money for re-granting." The Foundation provided funds targeted for mentoring and coaching. The Foundation also gave more overheads to the intermediaries during this time period. Eventually, the intermediary provided technical support to grantees and built a community advisory board to help select grantees.

### Assess Leadership and Capacity of Intermediary Partner

One NGO approached Oak Foundation, stating that it wanted to begin doing re-granting. Oak funded them, but the organisation did not hire appropriately to review and administer grants. The project suffered due to lack of skills and staff capacity. This case reinforces that an intermediary must have a desire and the leadership to build its own capacity.

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## ASSESSING APPROPRIATE COSTS

Intermediaries are almost always NGOs and need funding to support the services they provide. The question is, how much?

From the intermediaries' perspective, caps on operating costs may not take into account the reality in which they work. If grant-makers do not provide funding to cover full operating costs, the result may be a continued and persistent 'hollowing out' of organisational infrastructure. It is for this reason that the David and Lucile Packard Foundation says that when it comes to overheads, "there are no firm cut-offs, instead, common sense prevails."

Programme staff need to make an assessment of costs considering: the purpose of the grant; to what extent there are expectations beyond the administration of grants; the nature of the sub-grantees; exceptional work conditions; and number of grants.

There are four primary components of the operating costs of re-granting:

- **re-granting fund** – funds given directly to sub-grantees;
- **administrative costs** – the fee for identifying sub-grantees and processing payments, including staff time, rent, database costs, office supplies, etc.;
- **Services** – sub-grantee meetings, trainings or other support services; and
- **capacity-building support for the intermediary** – relevant in some cases, according to agreed objectives and plan.

The variety of activities in which intermediaries are engaged in, and the services they provide, make it difficult to establish a standard cap on operating costs<sup>1</sup>.

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## Variables in re-granting costs

Many variables affect the costs in this area including the following:

- **Location** – If the intermediary is in the Global North, its costs are most certainly higher (staff salaries and facilities are more costly), yet there are advantages to working with northern partners, such as advanced evaluation capacity and the ability to leverage funds. Some intermediaries may be based in the Global North but make grants in the Global South, in which case, the proportion of the funding they need to operate would be a considerable percentage of the funds they re-grant due to exchange rates and cost of living. Intermediaries in the Global South are likely to be less sophisticated, but are more likely to have lower operating costs. Also of note, intermediaries working in challenging environments (i.e., closed societies or conflict zones) may find it difficult to locate and fund sub-grantees.
- **Cost depends on the size of re-grants and number of sub-grantees** – Another

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<sup>1</sup> In this section, we define operating costs as any cost beyond the grant-making budget.

consideration for operating costs is the relationship between the size of the re-grant and the number of sub-grantees. It costs more to administer 20 grants of USD 5,000 than to administer five grants of USD 20,000, for example. Generally speaking, one can expect that the operating costs of intermediaries will be higher due to the labour-intensive nature of administering small grants. In addition to this administration cost and any services beyond basic re-granting will likely require additional funds (e.g., any form of capacity-building). Making grants to sub-grantees who are not familiar with foundation funding may also add to the cost of administration.

- **Maturity of the intermediary** - Re-granting projects in which Oak is creating an intermediary require start-up funding. Setting up an organisation, or even a new project within an existing organisation, is a large undertaking and can require a significant influx of cash and ample time to get off the ground. Three-to-five year commitments to intermediaries are common at Oak Foundation, which is good practice, especially for projects that involve creating a new organisation.

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## Assessing Appropriate Costs: Issues to Consider

Below are factors to consider when determining the financial structure of a re-granting project.

- Geographic location of intermediary
- Geographic location of sub-grantees
- Maturity of intermediary and its sub-grantees
  - New organisations need seed or core funding and long-term commitment
  - Building organisations, who are working on a skill, may need capacity-building support
  - Mature organisations will be more efficient in their core operations
- Scale of intermediary, size and number of grants
- Technical assistance or convenings services
- Capacity-building for the intermediary

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## LEVEL OF CONTACT AND DECISION MAKING

The desired level of contact and involvement with an intermediary is directly related to the purpose for re-granting. Where the aim is to create an independent intermediary, programme staff may wish to ultimately step away from the sub-grantee selection process; in other circumstances there may be good reasons to stay closely involved.

The level of involvement between Oak programme staff and intermediaries can range from weekly reviews of incremental progress to quarterly reviews about strategic decisions or meeting annually when grant reports are reviewed. Where one's level of involvement falls within this spectrum is an important matter to determine while considering what type of intermediary partner would be best for a particular project. Once a programme officer selects an intermediary, the next step is to negotiate the depth of Oak's involvement and decision-making authority. This understanding should be included in the final grant agreement.

With intermediaries that have a well established relationship with Oak and/or a highly reputable re-granting programme, Oak staff will tend to have a lower level of involvement with the intermediary. Perhaps the programme staff and the intermediary speak once a quarter. The most important point of involvement with this type of intermediary is during the project's inception. This is the opportunity for Oak to participate in defining the vision, strategy and desired outcomes for the project.

With intermediaries that are just forming, or undertaking a type of project that is new to them, it is important for Oak to consider the amount of time it will take to help the intermediary manage the new endeavour. In these types of projects, it is typical for Oak's staff to speak with the intermediaries at least once a month. Inevitably, this model leads to Oak's closer involvement in smaller decisions.

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## Types of Engagement

There are many ways for Oak staff or proxy staff to keep up with an intermediary, which may include:

- attending trainings and convenings that the intermediary hosts for sub-grantees;
- sitting on the Board of an intermediary; and
- participating in grant selection process.

## Three models for levels of involvement

The following models should be used with caution. In reality projects do not fit neatly into one of the three models; some sit in between or overlap all three boxes. The model focuses on just one variable regarding the type of relationship to be developed — the desired level of involvement. There are many other dimensions to the relationship.

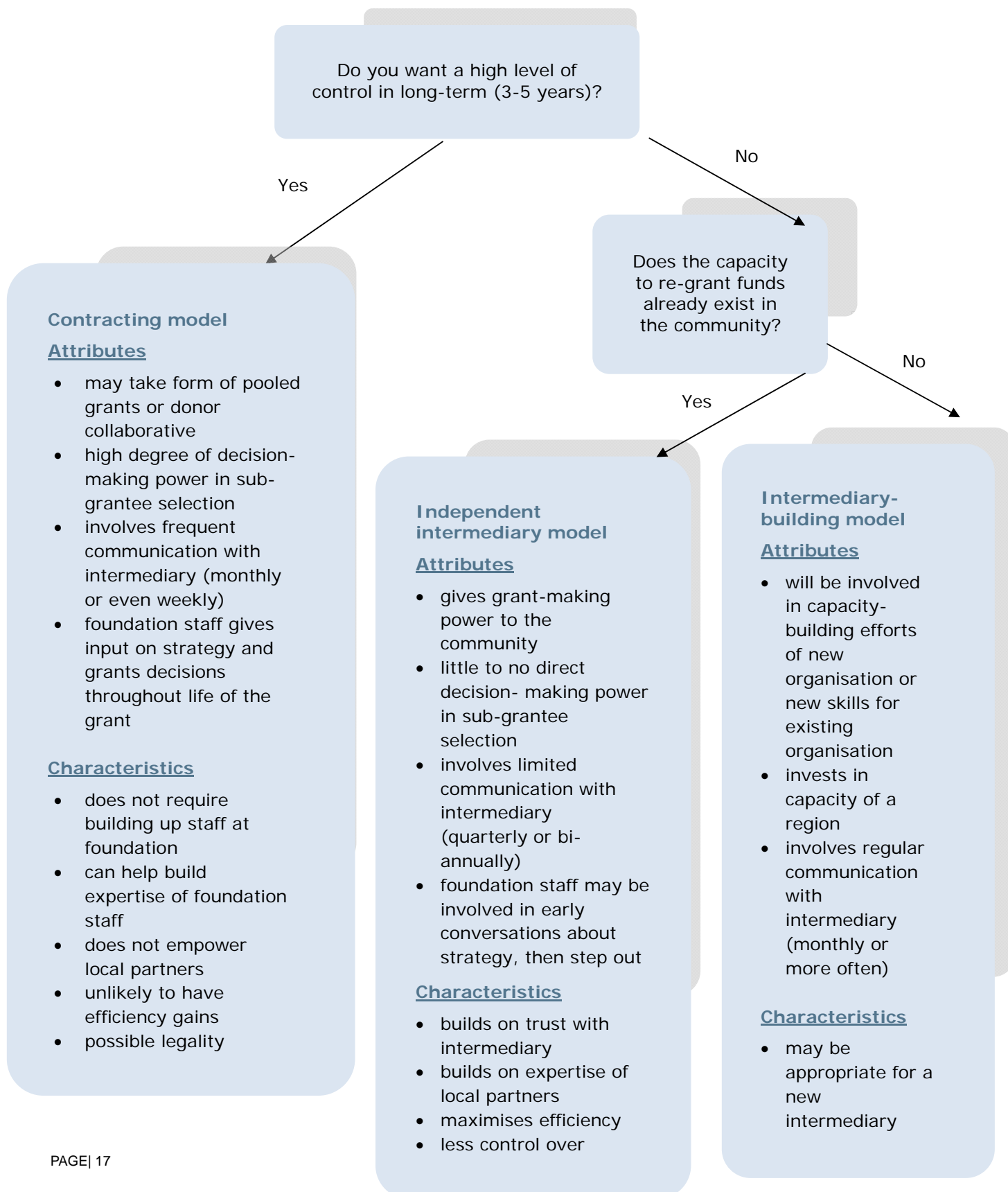
- Independent intermediary** - The programme officer identifies an intermediary organisation with all of the criteria to effectively make re-grants in a given region or thematic area. These include relationships with local partners, proven grant-making capacity and, in some cases, the capacity to raise grants from additional funders. In this model, the programme officer is minimally involved — primarily negotiating strategy and outcomes with the intermediary.
- Intermediary-building** - An intermediary with all the skills necessary to make re-grants may not exist. In this case, the programme officer may be involved in supporting capacity-building efforts at an existing organisation or, in extreme cases, creating an entirely new organisation. In the short-term, this will involve more frequent communication between the programme officer and the staff at the intermediary organisation. The programme officer may also be involved in providing technical assistance to the intermediary. The long-term goal in the intermediary-building model is for an intermediary organisation to become autonomous.
- Contracting Model** – This method uses a third party, but the programme officer remains highly engaged in decisions. There are times when a foundation may decide it would like to fund in a given area, but it is not prepared to hire staff to build up its internal expertise. In cases like this, a foundation may use a contracting model, which creates a grant-making mechanism to fund in this new area. Alternatively, a group of funders may decide they need a single entity to distribute money from a pooled or collaborative fund. In either case, the foundation may choose to pursue a contracting model, which involves a great deal of control over where the funds eventually go. There may be minimal efficiency gains, because it is in some ways like managing another staff person and the programme officers can spend a great deal of time overseeing the intermediary. If this is the case, it may be more appropriate to consider contracting a consultant to deliver these functions; in some instances, Oak Programmes have preferred to do this.

### High Levels of Trust Require Less Time

Oak's International Human Rights programme has a long-standing relationship with the International Rehabilitation Council for Torture Victims (IRCT). IRCT receives a core support grant as well as funds for re-granting. The Director of International Human Rights, Adrian Arena, communicates with IRCT about three times a year. There is a high level of trust that IRCT is making good decisions about sub-grantees. The relationship is open enough that Oak can communicate any concerns. For example, Oak has negotiated for IRCT to provide more detailed documentation about sub-grantees; IRCT has complied and is now reporting strong outcomes data.



## The models for levels of involvement



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## Level of Contact and Decision Making: Issues to Consider

Below are issues to consider related to Oak's relationship with the intermediary to discuss prior to the start of a project.

- frequency of communication — oral and written;
- intermediary's stage in its lifecycle;
- expectation of outcomes and discussion of how they will be measured;
- appropriate staffing for project and establishing the best point of contact; and
- involvement in sub-grantee selection process.

Does the programme officer:

- expect to serve on selection panel or be able to choose applicants?
- expect to be shown applications and have behind-the-scenes input?
- expect to review sub-grantee applications after sub-grants are given?
- not wish to be involved in decision-making and expect the intermediary to decide and monitor the sub-grants independently?

Are there possibilities for site visits?

- with intermediary;
- with sub-grantees;
- with sub-grantee beneficiaries;
- join a convening; and/or
- observe a technical assistance activity.

## MONITORING AND EVALUATION

Monitoring re-granting projects presents some particular challenges, given the number of organisations and types of activities involved. Monitoring can take place at three points — monitoring sub-grantee outcomes; collating impact across sub-grantees; and evaluating the performance of the intermediary. It is important to acknowledge that risk is an inherent part of grant-making and that there is an added level with re-granting. Setting up clear expectations, targets and a framework for change can help make monitoring and evaluation easier and reduce risk.

A re-granting project's success will be measured based on the original purpose of the re-granting project. For example, if one of the goals was to devolve grant-making power to an indigenous population, evaluation might be an assessment of empowerment rather than examining the outcome for each sub-grant. Alternatively if the aim was for Oak to learn about a new area of work, evaluation would focus less on sub-grantee achievements but more on acquired knowledge.

- **Set clear goals for monitoring, establishing baselines and identifying outcomes** — Without clear goals, it is difficult to assess the success of a project. There should be clear criteria for continuing the relationship with the intermediary. In the intermediary-building model, ask if the intermediary is now capable of fitting the independent model. If not, do they need additional capacity-building assistance, or is there a more fundamental weakness? In an ideal world, the intermediary would establish baselines and targets in partnership with Oak at the start of the programme.
- **Schedule site visits** — Site visits provide keen insight into sub-grantees and the communities they serve (whether the evaluator is Oak staff, intermediary staff or an outside consultant). The scale of monitoring should be appropriate for the significance of the grant, so evaluators should aim to meet with a representative sample of sub-grantees.
- **Gather case studies to show impact** — intermediaries can share anecdotal information, such as case studies, that emphasise the impact and outcome of a sub-grant. What happened to participants that attend training or to individuals when a law has changed? Did they start a business? Did they change their behaviours? How did they use their knowledge? Following beneficiaries and seeing how they evolve from the start to finish of a project can demonstrate the successes or limitations of a re-granting project. Information gathered through case studies can be shared broadly, which could stimulate partnerships, more funding opportunities or simply allow people to understand what a project has done to improve lives or address environmental issues.
- **Provide a framework and training to measure change** — Many intermediaries and sub-grantees can report on activities, but not all can quantify their outcomes. It may be necessary to either partner with an intermediary that has evaluation expertise or to provide the framework and training on how to capture data for the desired measures.
- **Establish basic reporting structure for sub-grantees** — In some cases, outcomes measurement may be too cumbersome, or too much to expect from sub-grantees. This lack of evaluation capacity is part of the risk of investing in small NGOs through small grants mechanisms. Yet even in these cases, the intermediary can pass valuable learning back to Oak. Intermediaries should be able to have a basic reporting structure for sub-

grantees that allows the NGOs to convey a headline of what was accomplished. As part of their own grant-making ability, intermediaries should be able to set basic goals and reporting requirements for sub-grantees.

- **Report on best practices and lessons learned** - In addition to outcome data, intermediaries should report best practices and lessons learned back to Oak. This serves two purposes. On the one hand, it helps Oak understand what has been accomplished with a sub-grant and what expertise the intermediary has gained from its experience with the project. On the other hand, the project's learning will further Oak's own knowledge of what works in a given context, which might have implications for Oak's future grant-making.

Setting clear expectations and evaluation criteria with the intermediary partner at the outset of a project is the most likely way to ensure that there will be something to report. As for outcomes evaluation, the concept of collective impact is just beginning to be understood and become measurable. Unfortunately, outside evaluation, such as a cluster evaluation model mentioned in the example section, can be expensive.

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## Monitoring and Evaluation: Issues to Consider

Below are issues to consider that the programme officer and the intermediary partner can use to discuss expected outcomes and evaluation.

Did the intermediary meet the primary goal of this project?

- Did it report on best practices and lessons learned?
- Did it quickly get funds to a region or issue in crisis?
- Did it identify sub-grantees with potential to become direct grantees?
- Did it increase community involvement in grant-making?

Did the intermediary collate all of the grant outcomes?

- Could that information be used to benefit the field overall in terms of learning and best practices?
- Are there stories to be told?

If not, is there a way to make reporting simple and train sub-grantees on the requirement?

- Is there a baseline metric that all sub-grantees could report on?
- Is there a common framework that reveals progress towards desired outcomes?

How does the evaluation of this project fit with other evaluation efforts in the programme area?

- What techniques has the intermediary used to evaluate?
- Is there an evaluation framework used in the programme's direct grants that could be helpful to the intermediary?
- Can the data be used when reporting back to the field through Oak's website, conferences, publications, etc.?

## Examples

### **The Challenges of Standardising the Evaluation Framework**

In some cases, a particular issue area may have developed an evaluation framework that Oak can use or that it can assist in developing. For example, the Women's Funding Network spearheaded the development of the "Making the Case" tool to measure and evaluate social change by asking reporting grantees (or sub-grantees) to identify the shifts that are occurring in their communities. Several women's funds have used this evaluation tool with moderate success as the tool can be complex and not very easy to follow, just as social change is not easy to measure.

Faced with the difficulty of assessing the grants made to different women's funds, using different models of evaluation, Oak Foundation has engaged in a process to strengthen the monitoring and evaluation of those intermediaries. Oak convened a meeting to discuss the challenges of measuring the impact of social change work and supported the development of an initiative for establishing an innovative monitoring and evaluation platform capable of capturing the value of women's funds and the role they play in building women's movements and advancing women's rights.

### **Atlantic Philanthropies: Evaluating Groups of Grants**

In recent years, Atlantic Philanthropies has increasingly chosen to work with intermediaries. The Foundation has moved away from evaluating individual grants to conducting evaluations of groups of grants. Often, the evaluator will use a process of cluster evaluation. In some cases, this is included with the grant to the intermediary, and in others, Atlantic Philanthropies will hire an evaluator: "Sometimes in a cluster of grants we might be trying to advance the rights of gay people in South Africa, for example, and we have a range of grants. We may have five to six we make directly, as well as an intermediary that gives to 30 other small groups." In cases like these, Atlantic Philanthropies will appoint an evaluator who evaluates all of that work.

### **Set Clear Expectations and a Clear Framework for Change**

Oak Foundation's Child Abuse Programme in Eastern Europe is managing a re-granting project with the Tulip Foundation related to the prevention of institutionalisation. In developing the project, Oak and Tulip identified criteria for change. When sub-grant applicants present proposals, they are required to give baseline data as well as targets. Tulip staff trains the sub-grantees on how to measure outcomes through this model.

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## RESOURCES

Below is a short list of articles and resources that might be helpful:

Grantmakers without Borders, "Working with Intermediaries in International Grant making."  
Available at [http://www.gwob.net/pdf/intermediaries\\_presentation.pdf](http://www.gwob.net/pdf/intermediaries_presentation.pdf).

Kania, John and Mark Kramer. "Collective Impact." Stanford Social Innovation Review. Winter 2011.  
Available at: [http://www.ssireview.org/articles/entry/collective\\_impact/](http://www.ssireview.org/articles/entry/collective_impact/).

Sanders, J. R. "Cluster Evaluation." The Evaluation Exchange. Volume IV, No 2, 1998. Available  
at: <http://www.hfrp.org/evaluation/the-evaluation-exchange/issue-archive/evaluation-in-the-21st-century/cluster-evaluation>.

U.S. Department of Health and Human Services Center for Faith-Based and Community Initiatives  
and the White House Office of Faith-Based and Community Initiatives. "Breakthrough Performance:  
Ten Emerging Practices of Leading Intermediaries." 2008. Available at:  
[http://www.daremightythings.com/pdf/media\\_center/breakthrough\\_guide.pdf](http://www.daremightythings.com/pdf/media_center/breakthrough_guide.pdf).

Women's Funding Network. "Making the Case." Information available at:  
<http://www.womensfundingnetwork.org/the-network/member-services/about-making-the-case>.

Partnering with Intermediaries, Tom David, 2007  
([http://www.tdavid.net/pdf/Partnering\\_With\\_Intermediaries\\_Finale.pdf](http://www.tdavid.net/pdf/Partnering_With_Intermediaries_Finale.pdf))