

# **MORE THAN GRANTS: HOW FUNDERS CAN SUPPORT GRANTEE EFFECTIVENESS**

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## EXECUTIVE SUMMARY

Trusts and foundations are increasingly looking to become agents of social change themselves as well as funders of it—asking themselves whether providing more than direct services might make more of a difference. Two common ways that funders do this are through providing support to help organisations develop their capacity, and by using a funder’s influence to advocate for change. Both of these methods are powerful tools. But at the same time, the difficult funding environment means that funders need to carefully consider whether they should be moving money away from services that will help people in need. Funders need to be clear about their aims and understand the likely impact of the work they are doing; what factors will help it succeed, and the risks involved in the work. This will ensure that they are making the best use of their resources.

This is the first report of a two-part series, looking at how trusts and foundations can give more than grants to support their grantees and the causes that they care about. This report focuses on the organisational development support provided by funders from around the world—exploring the types of support given, the evidence for whether it works, and how funders can approach impact measurement.

### Organisational development

Organisational Development is defined as *‘the funding and technical assistance necessary to help charities increase specific capabilities to deliver stronger programmes, take risks, build connections, innovate and iterate’*. Within this, there are many different aspects that funders can focus on. Some funders are looking to develop organisational effectiveness, while others focus on growth; some are more interested in skill development, while other focus on providing resources.

### Good practice principles

There are some principles of good practice that are important when funding capacity building.

- 1. Test a grantee’s readiness.** Capacity building is unlikely to be effective when imposed upon a grantee; funders need to work out what is needed and whether the grantee has the means and will to engage with the work.
- 2. Gain the trust of the grantee.** Trust is essential in delivering effective capacity building, but difficult because of the inherent power imbalance in funding.
- 3. Make support contextual.** The characteristics of an organisation—such as age, stage of development, location, income size, staff size, sector and type of activities undertaken—will affect the type, topic and level of capacity building that is required.
- 4. Keep it continuous.** Making significant changes within a charity will not happen in a short time-frame. If a funder is committed to supporting a grantee and to using capacity building effectively, it should take a long-view approach to give enough time to plan, implement and sustain a change within an organisation.
- 5. Work collectively to enhance impact.** Where appropriate collective working can bring economies of scale, channel capacity building to more members of staff, and help funders share what works.

## Organisational development typology

Our review of approaches to capacity building has revealed five main types—although within this typology there are many differences in the approach that funders take, and many combine approaches.

1. **Funding.** Funding in itself is an important and helpful part of organisational development in building capacity. This can take the form of unrestricted funding or loans, which gives organisations the freedom to innovate and develop the capacities they would like—as well as more targeted grants restricted to capacity building.
2. **Assistance.** As well as providing money, funders can play a more direct role in providing grantees with the assistance they need. This can be through in-house help, external assistance or providing a full programme of support. Providing external assistance has the advantage of mitigating some of the power dynamics involved, while in-house support has the advantage of capitalising on the funder’s knowledge of the grantee.
3. **Peer work.** Peer work—both informal and structured—is an appealing method of capacity building bringing economies of scale and the ability to generate grassroots learning. It is most effective when grantees have issues in common, but funders need to think carefully about the groupings that they put together.
4. **Services.** Providing services to grantees is a way of providing instrumental capacity building. A common method is by providing shared office space, but there are also examples where foundations take over the entire functions of a grantees operations—eg., finance or HR. This method of support is useful with start-ups.
5. **Advice.** Advice is a good method of helping to upskill staff—particularly senior staff. This can be done through mentoring and coaching support or through more intensive support. This approach can be particularly helpful in smaller charities where the leadership can be in quite a lonely position.

When putting in place capacity building measures and deciding on what type to focus on, there are many things that funders need to consider. It is important to be clear about the aims of the capacity building work, and pick an approach that is likely to lead to those aims. Some of the approaches have more delivery risk than others. Against this, funders will want to think about the cost of approaches, both in terms of money and in terms of the involvement of the foundation and the grantees. Some approaches are more suitable to being used by a group of grantees meaning that you can achieve economies of scale, but other issues and approaches are more suitable to individual charities. A very important thing to consider is the power dynamics—funders have a great deal of influence over their grantees. This influence means that it is common for grantees to agree to take part in organisational development work without fully committing to it, which can mean it fails. These issues should be considered by funders before putting in place an organisational development strategy.

## Conclusion

Through organisational development, trusts and foundations have an opportunity to make a different type of impact than can normally be achieved through funding services. There are also numerous ways to be involved in organisational development, as shown in the typology above. Our research, however, does not determine which approaches are more effective, as the impact created from each example we explored very much depended on how effectively it was carried out and the context that the funder operated in.

We found that little innovation is happening in this area and that many funders are engaging in this work without it being a ‘strand’ of work. Ad-hoc capacity building support provides flexibility for the funder and can be highly valued by grantees, but can make it more difficult to establish what support is available for charities. This may also be the reason why there are few evaluations published about this work, and as a consequence funders do not have the information about what is working and ways to improve upon it.

Overall, organisational development is a useful part of the grantmaker’s toolkit. It is a powerful way to use a funder’s accumulated expertise and understanding about what works. When used well, organisational development can provide the impetus to help the charities improve their capabilities to help their service users.

# INTRODUCTION

Organisational development is known by many terms: for example, capacity building, funder-plus, strategic giving, catalytic philanthropy and high-engagement philanthropy. Grantmakers for Effective Organizations (GEO)—a community of grantmakers in North America well versed in this topic—defines capacity building as ‘*the funding and technical assistance necessary to help charities increase specific capabilities to deliver stronger programmes, take risks, build connections, innovate and iterate*’.<sup>1</sup> There are different ways to approach this too—some prioritise organisational effectiveness, while others prioritise growth; some focus on skill development, while others focus on providing resources. Support that is more focused on skills and processes is known as developmental assistance, whereas support more focused on tools is known as instrumental assistance.

This report was commissioned by Lloyds Bank Foundation for England and Wales. The report looks at organisational development methods used by other funders, particularly funders outside of the UK. It examines the issues that funders need to consider when deciding whether to use these methods, the advantages and disadvantages of each method and reviews the cases where funders are best placed to use these interventions.

## Methodology

This research was conducted through a literature review of both capacity building and influencing by funders, particularly looking for evidence of impact. Unfortunately, there was relatively little evaluative information about what works—especially whether one method was more likely to work than another. We also looked at research from other sectors—such as social enterprises, umbrella bodies, and the private sector. This research was supplemented by several interviews from across the world—Greece, Japan, Singapore, Nicaragua, Canada and the United States.

We would like to thank everyone who took part in these interviews: Linda Baker, Director, Organisational Effectiveness at **Packard Foundation**, Barbara Kibbe, Director, Organisational Effectiveness at **S.D. Bechtel, Jr. Foundation**, Meghan Duffy, Associate Vice President of Programs & Amy Shields, Program Manager at **Grantmakers for Effective Organizations**, Claudia Samcam, Development Coordinator for Institutional Donors at **Fondo Centroamericano de Mujeres**, Jennifer Clarke, NGO Capacity Building Officer & Sotiris Laganopoulos, Programme Director at **Bodossaki Foundation**, Nanako Kudo, Associate Director of Social Finance at **Japan Venture Philanthropy Fund**, Martina Mettgenberg Lemiere, Head of Insights and Capacity Building at **Asian Venture Philanthropy Network** and Ryan Conway, Innoweave Program Officer at **J W McConnell Family Foundation**. Special thanks to the staff and trustees at Lloyds Bank Foundation for providing guidance and challenge.

## Report structure

This report presents our research and analysis on the topic of organisational development. We discuss our general findings and principles of good practice, before going through a typology of different methods of capacity building and key considerations involved in using each method. We then discuss measurement and evaluation, looking at methods and approaches to measuring these issues. Our last chapter draws out our conclusions and recommendations for funders that are looking to work in this way.

# RESEARCH FINDINGS AND BEST PRACTICE

More and more grantmakers are shifting the focus of their funding—away from providing funding purely for services, to enhancing grantees as organisations so they can ultimately create more impact by providing these services in a more effective way. A survey from GEO revealed that 77% of staffed foundations in the United States provide some type of capacity-building support to grantees.<sup>2</sup> Whilst such a high rate cannot be found outside of North America, this is an approach that several UK grant-making trusts and foundations have taken as part of wider ‘funder-plus’ efforts to use their assets to accelerate and intensify their impact upon grantees and the communities they serve.

Whilst many grantmakers have seen how funding organisational development can help grantees improve their capacity and abilities in issues such as leadership, fundraising, technology and evaluation, this is also an area that should not be rushed into, as there are sensitive issues to navigate and several different approaches that can be taken. Our conversations with GEO in this research highlighted that, unlike some other funder-plus initiatives, capacity building should be thoroughly considered, as it is something that can easily go wrong, taking away funds that could be used on services. For organisational development to be effective, grantmakers should first consider principles in best practice and review the various possible approaches to determine the best fit for their assets and grantees.<sup>3</sup>

## Research findings

### Innovation

Our research into a wide range of international examples in capacity building revealed very little evidence of innovation. Whilst some could argue that stepping outside of the traditional role of grantmaking and going beyond programme funding is innovative, most examples within the approaches we reviewed did not go beyond payment of a consultant to assist the charity in one form or another.

Some of the most interesting capacity building examples from our research are modelled on approaches taken in the business and investment world. Supporting start-ups, delivering incubation programmes, and helping to test and scale ideas are methods used in the for-profit sector. These have inspired venture philanthropists across the world.<sup>4</sup> Use of investment managers and cost-saving capacity orientated methods such as shared office space and providing functions are other examples of well-trodden ways of working in business that have yet to capture the charity sector’s attention as widely.

Central branches of nationwide federated charities are also another interesting parallel to the capacity building world. To varying degrees, several offer training and grants for local branches to build capacity and encourage the sharing of knowledge and learning of what works within the network. Infrastructure organisations that serve membership organisations or a wider group of charities within their region often provide capacity building training and services using in-house expertise, with the aim of improving the governance, fundraising, and impact of organisations. These two examples could be models to develop more innovative approaches to capacity building in grantmaking. This could work particularly well if grantees share certain characteristics, or are working within the same part of the charitable sector.

## The unique role of funders in capacity building

We found some examples of funders using intermediaries to provide organisational development support to a group of charities or to a specific sector more widely, such as supporting an infrastructure organisation. These organisations are often well placed and experienced to do this, potentially reaching more charities and taking away some of the issues of power and risk that can sometimes be an issue when funders are more closely involved. At the same time, the position of funders means that they can provide a different role in providing capacity building support without such intermediaries. Funders can use the power and influence they have over grantees to encourage them to do capacity building work and bring them to events. In theory, this may mean that capacity building done by a funder does more to improve the capacity of those who would not prioritise this work otherwise. The granting process also provides funders with the potential to spot a different range of problems than an organisation or an intermediary might.

There may also be cases where a sector body may be in a stronger place to deliver the capacity building. This may be, for example, where the sector body shares similar values or has a similar mission. This can help organisations to speak a similar language, understand the issues that they face, and therefore to be more credible in their advice. One example might be that faith based organisations may prefer capacity building by organisations that understand how faith is reflected in their approach to delivering services.

## Diagnostic tools

Diagnostic tools are an important part of the capacity building process. Many people involved in organisational development think that using diagnostic tools leads to better results: however, there is no conclusive

evidence for this.<sup>5</sup> The evidence also stresses the skills of the advisors helping organisations to use the tools. One foundation we interviewed said that organisations often gave themselves inaccurate results, simply placing themselves in the middle for everything, as they didn't have the perspective to see how they were placed compared to other organisations.

## Best practice principles

The typologies listed in the next section explore the strengths and weaknesses of different approaches to organisational development. How important these strengths and weaknesses are to a situation will depend on the specific context that a grant maker and its grantees operate in. This research, alongside other reports, has helped compile several principles in best practice that should be applicable to any approach that is taken in capacity building. These five universal principles are summarised here.<sup>6</sup>

### Test a grantee's readiness

Capacity building is unlikely to be effective when imposed upon a grantee, or if the grantee doesn't recognise or cannot prioritise their need to develop; funders need to work out what is actually needed and whether the organisation has the means and will to engage. Organisational development works best when the grantee recognises its development needs and is committed to acting to develop them. This suitability does not necessarily depend on size alone; a small organisation might not have headspace to spend time and resources in this area, while a more established charity may not have the culture to actually engage with it properly. It does not matter how much expertise a funder or a consultant has if the conditions aren't right within the charity to learn from the work undertaken, or use the tools provided. To complicate this further, a grantee may not always know itself what support it needs and whether it is ready to work on this. Readiness can be tested by using a number of methods, such as consulting grantees on what capacity building options would be useful, assessing the weaknesses that are acting as barriers in a grantee's development, and targeting grantees that will be able to take on the advice and support to take the next step and develop their organisation.<sup>7</sup>

## Gain the trust of the grantee

Trust is essential in delivering effective capacity building, but difficult because of the inherent power imbalance in funding. Funders need to trust that grantees have been honest about where their weaknesses lie in order to be able to target support and to track progress. Grantees need to be able to trust funders that unveiling these weaknesses will not affect grant-making decisions in the future. This is a big thing to ask for both parties, especially when a grantee has worked hard to champion its strengths when applying for support. Building trust takes time through open dialogue and experience—this is also where neutral parties such as third-party consultants or intermediary organisations can help grantees feel more comfortable in sharing their difficulties in ways that they might not be willing to share with a funder.

## Make support contextual

The characteristics of an organisation—such as age, stage of development, location, income size, staff size, sector and type of activities undertaken—will affect the type, topic and level of capacity building that is required. A method that yields benefits for one grantee may not have the same outcome for another. If a one size-fits-all model is used indiscriminately, it risks becoming a waste of time for some participants and may not address their challenges. To make capacity building bespoke, funders, providers and grantees should work through the options together and seek to practically apply the support to the day-to-day work of the charity.

## Keep it continuous

Funders may be tempted to provide and pay for ad-hoc support when the opportunity arises. This is a mistake; research from Institute for Voluntary Action Research has shown that limited and isolated provision of capacity building support is less likely to produce a credible and sustained impact.<sup>8</sup> Making significant changes within a charity will not happen in a short time-frame. If a funder is committed to supporting a grantee and to using capacity building effectively, it should take a long-view approach to give enough time to plan, implement and sustain a change within an organisation. A short-term engagement also risks treating the symptom and not the cause of an organisation's development weakness. It can take some time and for both funder/provider and grantee to learn what is required to overcome issues that are holding back a charity. Taking a multi-year approach will also help funders who want to be able to track the changes taking place and how the support provided played a role.

## Work collectively to enhance impact

Working collectively will not always be appropriate, but there are three main ways where thinking collectively can be considered. First, this can be to exploit the economies of scale and create opportunities for networking by bringing a set of peers together to undergo capacity building at the same time. Second, on the level of a single organisation, this can mean channelling capacity building efforts away from the skills and experiences of the chief executive alone to the wider staff. This may involve looking at those working above as well as below the CEO. Trustee involvement helps ensure buy-in and understanding of the issues; they are then also well placed to drive capacity building throughout the organisation. By opening up training to wider staff, it reduces the risk in placing all efforts and resources into one person, and helps sustain these efforts in the future. Finally, by working collectively with other grant-makers involved or interested in capacity building, funders can learn what works from each other, advise on processes for assessing capacities, share contacts of quality providers, and invest together in shared grantees.

# TYOLOGY OF APPROACHES

Whilst there is a growing literature of guidance on the general principles in organisational development, it is difficult to grasp the wide-ranging approaches to capacity building and the complexities that are involved. In response to this, NPC has created a typology using the findings from the literature review and research interviews. Analysis from this research highlighted five main groups of approaches:



## 1. FUNDING

Types: Unrestricted funding or loans and grants restricted to capacity building  
Benefits: Flexibility, limited specialist skills required, grantees can drive the process  
Challenges: Can be undirected and difficult to measure



## 2. ASSISTANCE

Types: Providing in-house or external assistance, or providing full programmes of support  
Benefits: Specialist skills, can get economies of scale  
Challenges: Can be difficult to judge if a charity wants to engage



## 3. PEER WORK

Types: Networks and communities of practice  
Benefits: Economies of scale, benefit from learning from each other  
Challenges: Can be unstructured, need to make sure all organisations are ready



## 4. SERVICES

Types: Paying for or providing functions for grantees  
Benefits: Economies of scale, particularly with small grantees  
Challenges: Necessitates a close relationship with the grantee



## 5. ADVICE

Types: Mentoring, coaching and staff support  
Benefits: Can be used when there isn't one 'problem' to solve  
Challenges: Concentrates on specific staff members rather than the organisation as a whole

Within each of these groupings, there are further approaches and tactics that can be taken depending on the capability of the funder and the desired outcome. Often funders combine more than one of these approaches. The next chapter summarises some of the typical trade-offs for these types of approaches. This chapter explores these five approaches in more detail.

## Funding

Funding is an important and under-considered element of organisational development. This can be as unrestricted grants, interest-free loans or supplemental grants to help build capacity alongside programme funding.

### Unrestricted funding or loans

Unrestricted grants can be used freely by a charity as long as they further their charitable objectives—this may be on project or core work. For organisational development, the organisation has the opportunity to use this to develop the organisation's capacities, for example in hiring staff in new roles. Unrestricted funding works best when looking at the overall development of the organisation and is a good match for funders that are not necessarily looking to play a hands-on role. Most grantmaking from the **Weingart Foundation** in the USA is unrestricted and the Foundation has developed a learning and assessment framework to understand how unrestricted support furthers the organisational development of grantees.

Research suggests that unrestricted funding is worth more than project funding—for example, nfpSynergy found that charities, especially smaller organisations, prioritise unrestricted funding and would prefer a reduced unrestricted grant than a larger restricted grant.<sup>9</sup> This type of funding provides complete flexibility and can be used to develop the organisation and trial innovative work. The downside for some funders is that even with the use of milestones to help identify progress, the specific capacity building impact can be difficult to track. Unrestricted funding is not a targeted method for organisational development as grantees are not required to prioritise capacity building, and in reality, may find it difficult not to spend the money on day-to-day work. Grants are considered more valuable than social investment by most charities, but there are circumstances in which loans would give charities similar freedoms to grants—for example in building a sustainable income stream.

### Grants restricted to capacity building

There are some funding programmes where grants are available to support certain types of charities with capacity building funding, but most funders we found give these types of targeted grants to charities and social enterprises that they are already supporting with other grants. The aim here is to strengthen the organisations that they are funding. This type of support often allows a funder to provide a rapid response if a challenge or opportunity arises. When **Tudor Trust** in the UK identifies challenges for grantees, it can provide a restricted organisational development grant. These grants are not available to be applied for through open application, and are normally identified by the grant manager or when a grantee discusses potential areas of development. Also in the UK, the 'Big Assist' scheme was a **Big Lottery Foundation** programme that provided diagnostic support for charities, followed by a grant and support to act on challenges and opportunities identified.

Targeted support for organisational development can get the charity to develop a specific issue that might not otherwise be funded or prioritised, especially if funding is tight. Funders can therefore use their power in a focused and positive way. The question of funders using this power can, however, be a difficulty with these types of grants—sometimes grantees feel that they cannot say that they do not want the support a funder has outlined for them. If they take a grant without really wanting the work, the capacity building often does not stick. One way to mitigate this is to funnel funding to an intermediary who will provide the capacity building support after a conversation with a grantee—without the same power dynamics. **Impact** in Singapore acts as an intermediary between funders and charities; it matches the funder's objectives and staff skillsets with the capacity needs of charities. **The Young Foundation** in the UK set up the Communities Can programme with **Big Lottery Fund** funding, using local infrastructure organisations to promote and manage a system of vouchers worth £2,500 for very small charities to spend on consultants and other providers to build up their capacity.

A further problem with this type of support is that grantees may not understand exactly what support is required (for example, they may ask for fundraising support, but, need governance restructuring). There can also be a

tendency for grantees to develop an area simply because a funder is offering them the opportunity, regardless as to whether they believe this is where they most need help. Grant managers or in-house expertise in capacity building with the right experience and skills to recognise capacity needs can help prevent this. At the **S. D. Bechtel, Jr. Foundation** in the USA, grant managers—who may be experts in their grant-making topics, but not necessarily on an organisational level—can rely on the Foundation’s organisational effectiveness team to qualify and advise on opportunities for providing capacity building grants.

## Assistance



Instead of providing money for charities to self-select capacity building support, funders can also play a more direct role in providing grantees with the external and internal assistance required. There are three main ways in which this is done: external technical assistance; in-house expertise; and a full programme of support.

### Assistance: External technical assistance

Providing support by paying the provider directly is similar to awarding grants to pay for the services of external consultants, but more directive. This can take the form of technical assistance programs, training, organisational assessments, consulting engagements, or providing more instrumental support such as databases or outcomes tools. In the UK, **The Mayor’s Fund for London** used a range of technical assistance providers to help grantees use data to enhance their programs by establishing appropriate metrics, collecting data efficiently, analysing it effectively and adapting programmes accordingly. **Tudor Trust** has worked closely with a consultancy to provide support to grantees on strategy, governance, and sustainability. And **Social Investment Business** works with the Worshipful Company of Management Consultants to provide developmental support.

This approach has the advantage of allowing a funder to select preferred providers—which helps charities that may not have assessed services before and might not know what a good service is—and potentially also providing economies of scale. Including an additional party also means that there is a level of distance, which is a benefit when sensitive issues of capacity are involved. Grantees can feel more able to discuss matters with a consultant rather than with their grant manager.<sup>10</sup>

This approach has similar weaknesses to those in providing grants; if a charity is not convinced of the need of the services, they may not engage with them. Grantees can feel under pressure to take the services—and may feel that they would not have chosen the particular provider selected by the funder. There can also be a problem in charities not having the ongoing resources to implement a plan—for example, there is little point in having a fundraising plan if there is not enough resources to do fundraising properly. Although more reliable and controllable than pro-bono providers, paid providers of capacity building support can occasionally be unreliable or too ambitious and may not deliver what is expected. This may be particularly true if the funder does not have the skills or understand the context enough to select the best intermediary for the job. In the USA, **Vitalyst Health Foundation** created the *Consultants Community of Practice* to increase coordination and knowledge sharing among consultants working with its capacity building recipients. A group of funders called the **Statewide Capacity Collaborative in Washington State** created and maintain a vetted online directory of consultants to be used by funders for grantee support to overcome these issues.

A capacity building programme of an unnamed UK foundation found its capacity building work unsuccessful due to the compulsory element it employed. Its programme awarded traditional grant funding on the condition that a paid consultant would then work through any organisational issues, but the evaluation found this top-down approach did little to engage grantees. This approach did not consider whether the grantees had the available headspace required or were in a ready enough state to benefit from external assistance.<sup>11</sup> This shows the importance of working with grantees.

## Assistance: In-house specific technical assistance

In-house capacity building assistance provided directly by staff at the foundation can work particularly well when grantees are small and do not require technical support beyond staff's expertise, or within large foundations that can resource this effectively. **Fondo Centroamericano de Mujeres**, based in Nicaragua, runs sessions using skills of its staff to benefit small grassroots groups, for example, the finance director runs sessions on financial accounting and the communications manager will offer tips on social media. In the UK, **the Ballinger Charitable Trust** uses its small staff team, who have previous careers in the legal and financial professions, to support grantees when required. In larger foundations, staff can have specific expertise in capacity building. As well as using external support, the **S. D. Bechtel, Jr. Foundation** in the USA has a team with expertise in a much bigger range of capacity building to work alongside grant managers and grantees.

An advantage of in-house support is that the funder has knowledge of a grantee's needs and what has worked with other grantees. However, this approach is less objective, and the power imbalance may mean grantees are uncomfortable to direct this work. A high level of trust is required for this to work effectively. A grant manager could make a poor recommendation of capacity support that a grantee feels unable to turn down. Foundations with limited resources could also find it difficult to draw a line when grantees make repeated requests for continued support.

## Assistance: Full programme of support

Sometimes funders go further than providing support on an ad-hoc basis, and put in place a structured programme of capacity building covering several issues and opportunities for development. A structured programme gives organisations the space and opportunity to touch on many topics over a sustained period of time. The *Innoweave* programme from the **J W McConnell Family Foundation** in Canada provided social innovation training and resources in nine areas. This model was found to work and has now been successfully scaled—funded by the Canadian government to open access up to other charities.

Venture philanthropist programmes often include a programme of support. Many are characterised by core funding, high-intensity training, pro-bono expertise, legal restructuring and strategy reviews to scale up early-stage organisations and attract investment from other funders to allow the funder to exit. Grantees of **Crevisse** in South Korea receive 300 hours of support through weekly meetings, focused on developing their business model and revenue streams. In the UK, **Impetus PEF** offers a full range of support using approximately a third of funding each for grant funding, pro-bono services and the resources of the investment team. **Hatch Enterprise Accelerator** scales and grows social ventures by providing a 6-week *Launchpad* programme, followed by the 12-week *Incubator* programme and supported by alumni networking.

Other capacity building programmes may allow a group of charities to learn at the same time. This appears to work best when bringing together similar charities in size, sector and nature of activities. The **Bodossaki Foundation** in Greece is good example of this, using the benefits of peer learning and economies of scale in supporting a range of organisations at the same time.

Longer programmes can potentially be a costlier way to support grantees in capacity building requiring both foundation and organisation's time and resources. Venture programmes are often prescriptive and involve a high level of interference in the governance and direction of the charity.<sup>12</sup> A programme of support can take much longer than funders originally anticipate and are not always successful. In multi-grantee programmes, not all organisations will be at the same stage or require all modules of support and some would benefit better from bespoke training—which risks wasting the precious time and resources of grantees.

## Bodossaki Foundation and the EEA Grants NGO Programme

The Bodossaki Foundation was established in 1972 by Prodromos Athanasiadis-Bodossakis, who decided to donate his entire fortune to promote education, the provision of health care, environmental protection and the strengthening of civil society. Since its inception, the Greek foundation has managed more than €400 million. Its emphasis is on decreasing the inequality of opportunity, treating socially vulnerable groups, contributing to the education of young people, improving medical and research infrastructure and promoting environmental protection.

During the recession that followed the 2008 global financial crisis Greece lost 25% of its GDP and unemployment skyrocketed to 30% (50% among young people). This crisis shook the environment in which charities were accustomed to operate. The EEA Grants NGO Programme for Greece decided to start a two year programme in 2013 supporting civil society with €7 million. The programme *We are all Citizens* aimed to reach 100,000 beneficiaries and the Bodossaki Foundation was appointed as the fund operator.

*'It helped most organisations improve their financial sustainability. If you take into account how difficult the financial environment has been in Greece, this is a significant achievement.'*

All charities receiving funding from the programme were required to participate in the NGO Capacity Building Programme. To create this programme, Bodossaki drew upon well-known successful approaches to capacity building, but included materials and tools specially developed to reflect the Greek context. Its aim was to implement an unprecedented curriculum of capacity development activities and set new standards for civil society empowerment in Greece.

At the start of the programme, each of the organisations were individually assessed using a specially developed tool, *the Capacity Map*, in order to identify its capacity level and development needs, as well as the good practices which can be shared. Over a period of eight months, batches of 20 grantees at a time went through the training programme of 120 hours of activities comprising eight thematic units, taught by 19 trainers. The schedule included topics such as leadership, HR and volunteer management, financial management, income diversification and marketing.

*'At the end of every training session, we had a less formal peer-to-peer meeting for sharing expertise. It was important for grantees to hear practical solutions from their own peers.'*

The programme combined an interactive training methodology with an e-learning platform for grantees, alongside opportunities for networking and the sharing of good practices, both between the participating organisations and a wide range of guest speakers. Grantees also had access to free advice and support given by a team of experienced volunteer mentors in order to offer further advice and guidance on specific issues to challenge the organisation and monitor their progress.

*'Organisations that worked with mentors achieved more than those that just attended the training.'*

The Bodossaki Foundation found that most organisations went on to improve capacity and is planning to use the learning gained from this experience to run further programmes. Future adjustments include reducing the number of compulsory elements of the programme, making mentoring more integral and encouraging more than one staff member to become involved so they can support each other in making changes to their organisations.

## Peer work



As touched upon in some of the other approaches outlined here and possible to incorporate in many of the examples we found, peer work appeals to funders as a method of capacity building because of the ability to generate lessons from grass roots and the economies of scale that can happen when working with groups of charities. There are two main methods: networks and communities of practice.

### Peer work: Networks

Networking is often an ‘add-on’ to other capacity building, by bringing together grantees that are also working to develop their capacity to help deepen the organisational development. This networking could be a structured programme which grantees take together, or lighter touch meetings, events and online platforms. Additional funding is sometimes also provided specifically to aid collaboration.

In the example from the **Bodossaki Foundation** in Greece, small, thematically-based working groups were used for the training seminars—as well as creating an online platform and organising a number of networking events. The **Access Foundation** in the UK is also trialling capacity building through peer learning. The **Paul Hamlyn Foundation** brings together its grantees working on similar issues to learn and solve problems together—for example on the topic of asset based approaches in the youth sector. **Packard Foundation** give capacity building grants to one organisation to help them build relationships in the field so that there can be more collaboration, networks and co-ordination.

In peer work there are benefits from the economies of scale in working with collectives—rather than training and going through the issues with each grantee separately. It also moves towards building the capacity of a field rather than looking at the issues in silos. To make this support really effective, funders need to bring together the right types and size of groupings. Problems occur when applying the same treatment to different organisations. For example, **The Boston Foundation** in the USA found that collaborative capacity building could sometimes overlook the individual needs of its participants.

### Peer work: Communities of practice

Peer learning communities build cohorts of organisations to learn from each other to build capacity. This can be structured programmes like leadership development, or less formed communities. Foundations can use their convening power to enable engagement in each other’s learning, research and policy analysis.

This approach makes use of others experiences in a structured way. By providing a time and place to gather—whether that is an actual meeting space or an online platform—the funder uses its power to give charity leaders and workers the headspace to reflect and help peers build relationships for collaboration and networking. **St. David’s Foundation** in Texas gathers grantees every month to work on capacity building and troubleshoot problems together. Lighter-touch methods can be peer led and require little administration from the funder. **Crevisse** in South Korea puts the onus on grantees to find out how to build capacity themselves, bringing together grantees at meetings to share progress and collaborate in ways they devise themselves.

Again, the right types and size of groupings is required for this to be most effective. It is also delicate and difficult to encourage sharing of failure between charities that are sometimes in competition. The benefits of this approach will often be unequal between grantees at different stages of their development. This also can be very time-consuming for grantees, possibly feeling this is a compulsory task to complete and another hoop to jump through.

## Services



Funders can deliver essential services (or pay for intermediaries to deliver these services) that the organisation needs to function. For this to be a method in organisational development it must do more than save the

organisation money, but inform capacity building or enable the organisation the space to pursue capacity building. The two main methods here are shared office space and covering entire functions of grantees.

## Services: Shared office space

Funders can provide start-ups or small charities with shared office space (along the model of ImpactHub and WeWork) for free or at a reduced cost. This is often much more than just a desk in a building, but a specially designed space with a networking activities and meeting spaces, that makes networking and learning easy while at the same time offering a place to be productive and further the work of the charity.

This is mostly seen in the social business sector with **Greenpoint Manufacturing and Design Center**, **SpaceWorks** and **The Brooklyn Navy Shipyard** examples from the USA. In the UK, **Trust for London** runs Resource for London, which provides office space and rooms for events at subsidised rates for the voluntary sector, with all profits feeding back into the work of the Trust.

As well as saving charities the costs of renting and the hassle of finding appropriate properties, it gives the opportunity to be based centrally and connect to partners and funders, as well as other people in the co-working space—developing a sense of community. This works best for capacity building when those in the co-working space are peers from similar sectors with enough in common that could spark collaboration and learning. Some research has also shown that employees are more likely to thrive in a shared office space and organisations have more capacity to execute their missions.<sup>13</sup> A key weakness is that it has high overheads and responsibility for the funder with high upfront costs. It also needs to be well designed and managed in order to be effective.

## Services: Covering entire functions of grantees

Outsourcing is commonly used by for-profit businesses and can also be used by non-profits to build up their capacities. Funders can take up the reins of the day-to-day essential operating functions that keep the organisation running, so that the grantee can refocus its energy, time and resources on building capacity in other areas. This can be done by the funder directly if it has the in-house skills and tools available, or by purchasing an intermediary to deal with this instead. Within its venture programme, Japan Venture Philanthropy Fund, the **Nippon Foundation** can handle services in PR, general accounting and donations.

This can work well with start-ups or small organisations, which otherwise might expect the chief executive to undertake some of these roles (eg., human resources, payroll, communications, and reception). This can help ensure that an essential service is delivered to an acceptable standard, while saving costs and time of small teams to focus on its primary goal. If a group of grantees can receive the same service, this could also exploit economies of scale. The downside of this is that it can encourage dependency from the charity, it requires heavy interference of the funder if delivered directly, and there is no certainty that the organisation will be able to use the additional time to focus on capacity building rather than 'business as normal'.

## Advice

The final approach to capacity building listed here is the use of structured advice provided or coordinated by the funder to help charity leaders develop their organisations. Two forms of this are explored below: mentoring and coaching; and intensive staff support.

## Advice: Mentoring and coaching

Mentoring and coaching can be provided effectively to senior staff members of charities when offered as tailored and one-to-one support from experienced volunteers or foundation staff, addressing specific needs or general guidance. **Social Ventures Hong Kong** in China leverages its extensive pro-bono professional network to provide a range of different investees with legal, accounting and consulting support.

In small or developing charities, it can be a lonely place for staff in leading positions without the opportunity to build relationships to share and learn from others. Mentors can provide connections, ideas and reassurance—bespoke to the charity's needs. This can be high cost if using staff or low cost if the foundation is in a place to attract volunteers. Both **Fundación SECOT** in Spain and **The Forbes Funds** in USA use retired executives with business expertise to volunteer their time to provide mentoring support and to construct capacity-building plans.

One downside of this type of capacity building is that it is often focused on individual people working at the charity. These individuals may then go onto leave without sharing experience and skills with the wider charity, though these enhanced skills may then be redirected to benefit other organisations within the social sector.

### Advice: Intensive staff support

Foundation staff can also be used to support grantees in a more focused, closer way, more intense than the mentoring and coaching approach defined above. Foundation staff can work as investment managers and be expected to get involved in developing plans to build capacity and influencing the direction of the charity. This is a key part of many venture philanthropy approaches, such as **Impetus PEF**, but also used by other grant makers.

The **Japan Venture Philanthropy Fund** and the **Draper Richards Kaplan Foundation** in USA uses investment managers to sit on the boards of grantees to help build capacity and scale grantee's impact. The place-based approach of the **Corra Foundation** involves appointing community coordinators to work in all nine areas of Scotland to build trust with grantees and to understand know local needs. This support is not always from the staff of a foundation; for example, the large board of trustees at **Andrews Charitable Trust** in the UK gives it the flexibility for trustees to join the board of its early-stage ventures to provide advice and expertise.<sup>14</sup>

This approach can provide ongoing guidance over a prolonged period of time to help develop and implement plans. The funder's aims in providing this funding is kept in clear focus throughout this work. Others, however, consider it an invasive approach, which also requires high expertise and time from foundation staff in order to be effective. Delicate balancing of the priorities of the foundation and the charity are needed to make it work.

#### The Japan Venture Philanthropy Fund

As Japan's first venture philanthropy fund, Japan Venture Philanthropy Fund (JVPF) provides non-profit organisations in the educational sector with financial and management support to increase their social impact. JVPF was established by the Social Investment Partners and the Nippon Foundation—the latter of which is Japan's prominent foundation that has started to experiment with less traditional grantmaking.

At the due diligence phase, an assessment of potential organisations is conducted to identify suitability to the scheme and to flag the areas where JVPF could potentially help build capacity. For successful candidates, JVPF invests up to \$300,000 in financial grants over the course of three years.

The JVPF approach is highly involved in the affairs of each investee. Following the administration of the grant, there are monthly meetings with a Nippon investment manager. The manager sits on the board of directors or trustees, works with the organisation on a five-year projection plan, provides management support and continues to assess the organisation's needs and progress in tackling these issues.

The investment manager delivers in-house capacity building support where required. For example, this could be developing a new fundraising strategy to enable an investee to become more sustainable and strategic. To provide ancillary support for the grantees, the Nippon Foundation also takes over some of their day-to-day operating services (eg., HR, payroll, communications, publications, general accounting, donations, etc.). This allows the developing organisations to focus on areas such as strategy and impact.

JVPF has had success with investees becoming financially sustainable within two years and achieving their programmes' aim. However, it has faced challenges in gaining the trust of investees in using this very engaged approach—as investees can find it difficult to reveal weaknesses in their organisations.

## KEY CONSIDERATIONS FOR FUNDING ORGANISATIONAL DEVELOPMENT

As well as the level of impact that the funder is looking to create, our research highlighted other considerations that need to be thought through before selecting the appropriate approach for a foundation. Some of these are fundamental to the funder's approach to its work—such as how hands-on it likes to be, and how it treats the power inequality that exists with its grantees. Some of these are issues of practicality—such as how much an intervention will cost. The type of capacity that you are looking to develop also matters—some approaches are more suitable to developmental capacity building and some more suitable to instrumental means.

The table overleaf illustrates the importance and risks of the following key considerations. The indications we have suggested may not be relevant for all examples within these approaches, and we have discussed ways to mitigate them, but these illustrations do help to explore the issues that can arise in each approach. Those indicated as high levels should not necessarily be avoided, as in the right circumstance these could create high impact.

- **Delivery risk.** This focuses on the potential of this approach resulting in no impact or a negative impact using the limited time and resources of the funder and grantee without sufficient pay off. For example, using an intermediary fund with expertise in allocating and providing capacity building support carries a lower delivery risk than parachuting in a grants manager to provide intensive support to an organisation.
- **Involvement.** This is the involvement of the foundation, both in terms of frequency of contact and immersion into the affairs of the grantee. Here a low involvement approach would be a funder paying for consultant to provide external technical assistance putting aside some of the issues involved in the power imbalance of funding. Higher levels of involvement would include a funder covering the functions of an organisation as the funder then becomes part of the charity's day-to-day work.
- **Costs.** This is the costs paid by the funder for any additional capacity building support beyond the primary support in grantmaking. For example, an unrestricted grant may be of a large value, but as the funder had not spent any additional funds specifically delivering capacity, this is a low-cost approach to organisational development. In comparison, the legal, utility and design costs in providing shared office space can be high.
- **Skills:** This is the foundation's staff skills that are required to undertake the capacity building. It is the capacity building skills in issues such as governance, fundraising and technology that this indicator focuses on—skills that are required for the approach of delivering in-house assistance.
- **Resources of grantee to sustain change—**do grantees have underlying human/financial resources to act on recommendations and sustain improvements.
- **Power dynamics:** Funders have influence over the organisations that they fund. Funders can use this influence to help their grantees, but this needs to be managed carefully. Some forms of organisational development involve having more power over grantees than others. Funders need to be aware of the issues of power in this, and consider what levels of influence they are comfortable exercising and what steps need to be put in place to ensure that bad dynamics do not end up undermining the work.
- **Suitability for groups of charities:** Funders which have a narrow range of issues or types of charities they fund might find that similar issues are coming up repeatedly. Therefore, it might be better for them to think about funding groups to undertake capacity building together, rather than working on an individual case-by-case basis.

Table of key considerations for the organisational development typology

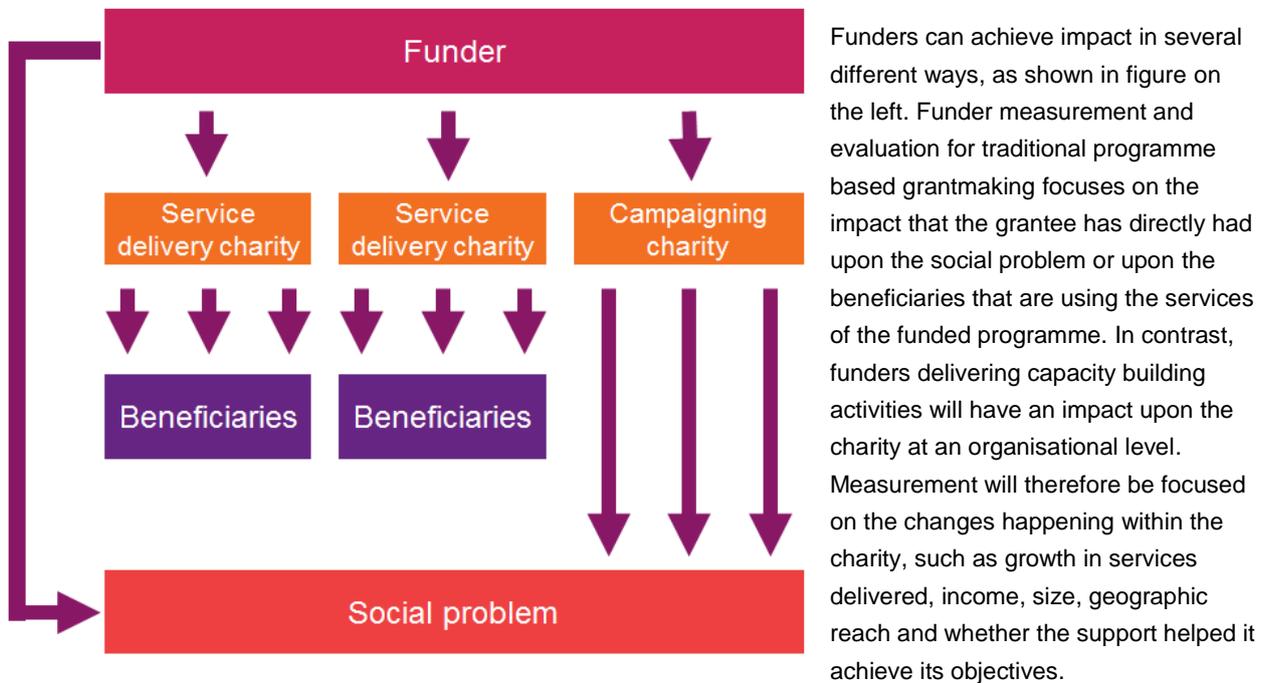
Approach	Developmental or instrumental	Delivery risk	Involvement	Costs	Skills	Power dynamic issues	Suitability for groups of charities
 <i>Funding</i> : Unrestricted grants or loans	Both	Very low	Very low	Very low	Very low	Very low	Very low
 <i>Funding</i> : Grants restricted to capacity building	Both	Low	Very low	Low	Low	Medium	Medium
 <i>Assistance</i> : External technical assistance	Both	Very low	Very low	Medium	Low	Medium	Medium
 <i>Assistance</i> : In-house specific technical assistance	Both	Medium	Low	Low	Very high	Very high	Very high
 <i>Assistance</i> : Full programme of support	Both	High	High	High	High	Very high	Very high
 <i>Peer work</i> : Networks	Developmental	Low	Low	Very low	Very low	Very low	Very high
 <i>Peer work</i> : Communities of practice	Developmental	Low	Low	Very low	Very low	Very low	Very high
 <i>Services</i> : Shared office space	Instrumental	Very high	Very high	Very high	Low	Medium	Medium
 <i>Services</i> : Covering entire functions of grantees	Instrumental	Very high	Very high	Very high	Very high	Very high	High
 <i>Advice</i> : Mentoring and coaching	Developmental	Medium	Medium	Very low	Medium	Medium	Very low
 <i>Advice</i> : Intensive staff support	Both	Very high	Very high	Medium	Very high	Very high	Very low

# MEASUREMENT AND EVALUATION

## Funder measurement

To drive change in their chosen cause, funders should not only expect their grantees to undertake evaluations, but should also examine the impact of their own work. If funders can understand the impact created by their interventions, they will then reach a better place to understand what works, take more informed decisions, and prioritise their limited resources to maximise impact created for the causes and people that they serve. NPC provides several examples of funders that are prioritising measurement in [Making your funding go further](#).<sup>15</sup>

Figure 1: Types of impact of funders



While the rationale for funders to measure impact is clear, it can be a complicated process. Funding organisational effectiveness may often appear to be beneficial for the charities involved, but there is currently very limited evidence to fully support the case for funders getting involved in any particular form of capacity building.<sup>16</sup> Also, while grantees are expected to report their progress back to a grantmaker, a funder providing direct assistance, support, services or advice does not have this same pressure—and therefore is more likely to miss out on the benefits of evaluation in improving practices. The funders we spoke to in our research appreciate these challenges, plan their impact practice and use a variety of approaches to understand the difference that they are making.

## Planning impact practice

Using Inspiring Impact's cycle of good impact practice is a good way for funders that are interested in organisational development to plan what impact they want to have and how best to achieve it.<sup>17</sup>

1. **Plan.** Working out the purpose of your impact measurement and being clear with grantees what is expected from them in terms of reporting on agreed indicators.
2. **Do.** This is where the grantee collects and provides information on its impact, which can be in a variety of forms. Funder best practice is to cover the costs of evaluations, which is particularly important if a funder is asking charities to collect specific evaluation data.
3. **Assess.** In this part, funders and grantees should use the information that has been collected by analysing and making sense of the data, starting to draw conclusions on the impact that was created.
4. **Review.** Funders should then use these findings to learn how to improve and share externally where appropriate. Sharing with grantees or other funders can help them learn from this work.



## Measuring organisational development

### General considerations in measuring organisational development

Some general considerations apply to measuring the impact that capacity building activities have upon an organisation. This can also include capacity building in campaigning and advocacy skills that might take place as part of a funder's influencing strategy. These include:

- Creating a **theory of change** can be used to articulate the change that the funder aims to create, and these will look quite different depending on the approach to capacity building. This can help identify, prioritise and measure outcomes, and NPC provides an introduction for this approach in [Theory of change for funders](#).<sup>18</sup>
- Funders should be **realistic** about the changes that are possible from the length of time and intensity of the support that was provided. Significant improvements in an organisation's capacity are unlikely to take place within one year; this is often a slow process involving many smaller steps such as increases in a leader's skills.
- Impact needs to be evaluated acknowledging **other actors** in the environment that are also contributing to the change that has occurred. For example, an increase in a charity's fundraised income is likely to be the result of other positive internal and external changes and cannot be solely attributed to a funder covering the cost of a training course.
- Monitoring and evaluation practices should be **proportionate** to the support that was provided and not overly burdensome for the grantee. Short-term or limited capacity building activities may not merit evaluation, especially if it requires grantees to open up to funders on issues that may be sensitive in the organisation.
- **Supporting grantees to collect data.** Funders should appreciate that monitoring and evaluation can use up essential time and capacity of the grantee and if a grantmaker needs to be prescriptive about what data is required, it should cover these additional costs.
- Where possible, **engage grantees in designing** the evaluation processes. For example, the Four Freedoms Fund of NEO Philanthropy developed quantitative metrics with a cohort of grantees in the social justice sector.

## Methods used in practice

### Evaluations, milestones and surveys

There is no universal measure used to track the impact of capacity building activities on an organisation's development. The results of several evaluations came up in our research, where external independent evaluators were commissioned to undertake in-depth data analysis or conduct focus groups and interviews, but this isn't feasible or proportional in most cases of day-to-day giving.

Our research highlighted the use of milestones in measuring impact in organisational development support and helping to track how well plans were executed and implemented. These milestones should set clear indicators related to the aim of the funding—such as drafting a new strategy document, or an aim to close the deficit in the accounts by setting up a new income stream to cover it. Where possible, these should be connected to the outcomes and goals in the theory of change, whether that is of the funders or of the specific capacity building programme. This, however, may be more difficult with some of the more complex approaches. Some changes resulting from capacity-building efforts can be subtle or intangible such as confidence levels and organisational culture. But these changes should still indicate progress to a larger goal.

Several foundations use annual satisfaction surveys with grantees to help gauge the value of their capacity building support, any learning that has occurred and what the funder could do better in future. For example, **UnLtd** in the UK issues end of programme surveys to investees asking them to value the non-financial support received on a Likert scale, while the **Shell Foundation** in USA conducts an annual survey to assess grantees' satisfaction on the quality of the pro-bono support provided. These work best when they are truly anonymous or externally administered, to encourage honest responses. European Venture Philanthropist Association (EVPA), however, finds this method to be limited as these are self-reported opinions and therefore the answers cannot be benchmarked with the opinions of other grantees.<sup>19</sup>

### Charity assessment frameworks and tools

Our research also highlighted the use of charity assessment frameworks and scales that can be used as a basis for monitoring discussions or as a tool to track improvements in grantee's capacities.\* A framework can help grantees determine where they are in various capabilities, setting a baseline to map future improvements upon and reviewing it again at various review points—making sure this process is a useful learning experience for both the funder and the grantee. Funders may wish to include providers of the capacity building service and grantees themselves in this tracking where appropriate. The **Bodossaki Foundation**, for example, mapped capacity levels with grantees before and after the intervention to track which areas had improved. Funders may wish to develop bespoke frameworks appropriate to their grantees, or build upon an established framework such as:

- EVPA's impact tool for non-financial support assesses investee's perception using a questionnaire, calculates the cost of the intervention with a monetisation tool and aims to objectively measure organisational improvement using the topics of social impact, financial sustainability and organisational resilience.<sup>20</sup>
- NPC has a charity analysis framework in *What makes a good charity?*, that can be used to think about progress in developing a charity's purpose, impact practice, people and finances.<sup>21</sup>
- The S. D. Bechtel, Jr. Foundation has developed a resiliency guide with seven capacity checklists that can be used to inform conversations and illuminate areas of strengths and weaknesses.<sup>22</sup>
- The Marguerite Casey Foundation Organizational Capacity Assessment Tool is a self-assessment instrument that helps charities identify capacity strengths and challenges and establish capacity building goals.<sup>23</sup>

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\* Another diagnostic tool is the Confidence Framework, designed to help service delivery organisations identify areas of strength and areas for improvement: <https://www.theconfidenceframework.org.uk/>.

## CONCLUSIONS AND RECOMMENDATIONS

Organisational development offers trusts and foundations the chance to make a different type of impact than can normally be achieved through funding services. It can be an important part of the grantmakers' toolbox, a way for funders to use their power with purpose to help grantees become more effective.

As our typologies show, there are numerous ways to be involved in organisational development. Our research does not determine which approaches are more effective as the impact created from each example we explored very much depended on how effectively it was carried out and the context that the funder operated. The research did however, highlight the levels of risk, costs and power that are often involved, and these will be more suitable to some funders and some aims more than others. Further points noticeable from our research included:

- Many funders are engaging in this work without it being a 'strand' of work. Many funders will provide ad-hoc capacity building support, or will support advocacy as part of their wider grant-making. This provides flexibility to the funder but makes it more difficult for charities to establish what support is available.
- There is little evidence of the impact of this work. There is certainly little evidence that can be used to compare different approaches and make decisions about what might be most cost effective. Some funders do not have clear objectives for the work that would allow them to judge whether it has been successful. There are probably more unpublished evaluations held by funders, and we think the sector would benefit if these were published.
- There seems to be relatively little innovation in the organisational development sector. Many of the techniques used seemed to have been in place for many years. This may be because as there is so little evidence about impact, funders are not getting the information they need to improve their work.
- Collaboration between funders on these issues seems to be relatively uncommon. Funders do collaborate on these issues—particularly when they are funding a similar sector—but more often funders will set up a programme by themselves.

### Recommendations

- Organisational development can help grantees be more equipped to make real change on the problems that funders are trying to tackle. As part of a taking a strategic approach to grantmaking, more funders should consider whether these methods are appropriate for them. Funders should be aware of the principles of good practice in capacity building and consider what assets they can bring to this work.
- Funders need to have clear objectives about what they are looking to achieve when engaging in this work. NPC thinks that funders should try to develop theories of change before they start doing this. This will help them think through what the most appropriate method of working is.
- There are many issues that need to be considered before starting this work—such as power dynamics, legitimacy, cost and skills. Providing ineffective support is likely to waste the time and resources of grantees, therefore having a negative impact. Funders should carefully consider the effect of their actions.
- Many of the best examples of capacity building work have been where funders have invested in in-house expertise—at the very least in assessing the capacity needs of charities. Capacity building is a different skill to grant-making, and it should not necessarily be assumed that this is an easy bolt-on activity for grant managers. Funders with distinctive staff roles to undertake capacity building have highlighted how this model works well. This could also be an area where funders can collaborate with those who have invested in this expertise.
- Funders should evaluate their work and publish these evaluations to help others learn from their work.

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## TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy. Over the past 15 years we have worked with charities, funders, philanthropists and others, supporting them to deliver the greatest possible impact for the causes and beneficiaries they exist to serve.

NPC occupies a unique position at the nexus between charities and funders. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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