



Funder Collaboratives: Where the Work Touches the Ground

**Prepared by Ruth Richardson, Open Blue Consulting,
for the Canadian Environmental Grantmakers' Network**

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CEGN works to strengthen the impact of
philanthropic support for an environmentally
sound and sustainable future for Canadians

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Introduction

In the development of CEGN's new Strategic Plan for 2012 - 2014, the need to "facilitate funder collaboration" emerged as one of five leading priorities. In commissioning this report, we realized that we weren't working from a blank slate and that CEGN has instigated and facilitated collaboration on issues including the boreal forest, energy, water and environmental education, as well as participated in regional collaborations. We were eager to learn both from our own experiences with these initiatives, as well as draw on that of others, including a number of funder affinity groups in the U.S. in order to tap the best practices in the structure and operation of funder collaboratives. This report will be one tool in helping CEGN meet the commitments of our strategic plan with respect to facilitating funder collaboration. These areas; i) increasing the effectiveness of funder collaboration; ii) supporting the efforts of current funder collaborative; iii) developing a framework and exploring the opportunity for new funder collaborative and; iv) increasing regional programming, including adapting the model developed by Alberta funders through their "Picture a Province"

While this was intended as an internal report, the Board of CEGN has decided to publish an abridged version of the report more widely given the importance of collaboration in solving the challenging issues we face today, and given positive feedback from others in different sectors and different fields on the potential application of the recommendations on work beyond CEGN and its member network. This report was written for funders, and for CEGN's funder collaboratives in particular, however we recognize the value of collaboration beyond.

We thank Ruth Richardson of Open Blue Consulting, for her excellent work in researching and authoring the report and for her continued commitment and support of our network and its mission of strengthening the impact of philanthropy in support of a more environmentally sound and sustainable future for Canadians..



Pegi Dover
Executive Director

Project Description

CEGN currently has three funder groups focusing on Water; Environmental Education; and Climate and Energy. The organization also facilitates regional collaboration and aspires to do more work on a provincial basis. CEGN would like to ensure that these groups are as effective as they can be, and position any possible new funder groups for success.

Open Blue's task was to research best funder group practices used by the Consultative Group on Biological Diversity, the Funders' Network on Smart Growth and Livable Communities, and others, and provide recommendations to CEGN on how to approach funder collaboratives, particularly as the activities relate to CEGN's new Strategic Plan. This information is intended to help structure the governance and activities of groups in an optimal way and point to sustainable approaches to their financing.

CEGN Funder Collaborative Context

“Funder collaboratives are important to fulfill CEGN's mission because it's where the work touches the ground.”

Interviewee

CEGN has just crafted a new Strategic Plan (2012 – 2014) in which funder collaboratives play an integral part. As one of the 5 strategic priorities, the new Strategic Plan states that:

“Facilitating collaboration remains a primary objective for CEGN and a key tool for increasing the impact of philanthropy. CEGN has instigated and facilitated collaboratives on issues including the boreal forest, energy, water etc. as well as regional collaboratives that elevate the issues in a particular jurisdiction. CEGN will experiment and innovate in fostering the right conditions for funder collaboration whether the objective is shared learning, pooled funding, or formal strategic alliances, in order to enable members to leverage their assets and their influence. Over the next three years, CEGN will:

- 1. Increase the effectiveness of funder collaboration by undertaking work to determine: focal areas of highest need; best practices of other funder collaboratives; and best means to support/enhance communications and collaboration within the groups*
- 2. Support the efforts of current funder collaboratives: water, energy; and environmental education*

Funder collaboratives are important to fulfill CEGN's mission because it's where the work touches the ground.

3. *Develop a framework and explore the opportunity for new funder collaboratives based on best practices research, strategic priorities, and resource capacity*
4. *Increase regional programming based on the success, and adapting the model, of Alberta funders which seeks “to explore peer-to-peer leadership and philanthropic investment in the future of Alberta’s environment.*

General Observations

There is an overwhelming consistency in what is being said about funder collaboratives in the research, information papers, and interviews. When boiled down the success of funder collaboratives are attributed to a handful of key factors as stated in *Collective Impact* by John Kania & Mark Kramer: “Our research shows that successful impact initiatives typically have 5 conditions that together produce true alignment and lead to powerful results:

- A common agenda
- Shared measurement systems
- Mutually reinforcing activities
- Continuous communication
- Backbone support organizations

Each of these points will be described in more detail below under “Recommendations” but suffice it to say as a general observation that success is linked to knowing where the ship is headed, having a dedicated captain to steer the ship, and ensuring that all those aboard are able to effectively participate in the journey. There is no formula for this – no one has a how-to manual. Instead, these are general principles to apply to what is a diverse and disparate field in which each funder collaborative will need to stand on its own merits.

There are other considerations of course – from how formal a collaborative should be to who is included in any given collaborative to the level of investment needed – but these decisions should flow out of the 5 key considerations above.

Recommendations

Based on the research, interviews both internally and externally, and knowledge of CEGN including both its collaboratives and culture, the following are recommendations for the organization as it works to increase the effectiveness of funder collaboration:

Develop a strategic organizational framework

Most collaboratives tend to be initiated in an ad hoc manner based on the interest and enthusiasm of one or two funders. This isn't necessarily a negative thing – as membership organizations CEGN, CGBD, EGA and others must stay responsive to their membership base. That said, collaboratives should align with the strategic goals of the organization and there should be some framework to guide the establishment of new collaborative groups. CEGN should explore what this framework might be and articulate how it will be used to guide the work of collaborative groups.

“We will develop specific guidelines to direct the management and establishment of two different types of regional and issue-based funder groups: light-touch mechanisms for facilitating collaboration and dialogue among funders interested in working and learning together on specific issues over a relatively short time; and deeper facilitation and partnership when deemed appropriate. Funder groups will be facilitated within EGA if they have support from a critical mass of EGA members (critical mass to be defined); they have support from the EGA board; and, as determined by the EGA Board, there is a direct correlation between the focus of their work and EGA’s mission and strategic priorities.”

EGA Strategic Framework

Clearly articulate CEGN’s role for each collaborative

One of top 5 conditions of a successful collaborative is having a backbone support organization. Collaboration takes time and lots of coordination and therefore requires dedicated support to realize its potential. The backbone support organization could be a member foundation with CEGN as background support; it could be CEGN providing the lion’s share of administrative support with strategic direction provided by the chair of the group; or it could be CEGN providing strategic direction with a foundation assisting with administrative support. There is no one-size-fits-all but CEGN should ensure that with each collaborative, a champion backbone organization has been identified and that CEGN’s role is clear and transparent.

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***Moving Ideas and Money: Issues and Opportunities
in Funder Funding Collaboration***

Place high priority on having an internal champion

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Alongside CEGN’s role, the importance of a chair or co-chair role can’t be underestimated. As one interviewee noted, “Everyone is good at ideas but not everyone has time to execute. People generate ideas and then everyone leaves and walks away. There needs to be a driver keeping things in focus. You can’t underestimate this need.” While having a champion from a member organization facilitates engagement and volunteer contributions, the most effective model is hiring a coordinator with explicit responsibility for maintaining the effective management of collaborative(s).

“It was wise to move the priority groups to coordinators within existing active grantmaker associations. Paid professionals whose job it is to collect and disseminate useful tools and case studies will assure the likelihood of collaborations down the road.”

***Funders Exploring Collaboration On A National Water Agenda:
Report on the effort to find collaborative opportunities for
grantmakers on a National Water Agenda***

Develop a sustainable financing model

“Everything costs money. I don’t know how to think about how to do this without money involved. We can’t just rely on people’s time.” As this interviewee argued, CEGN needs to establish a sustainable financing model for collaboratives which takes into account staff time, coordination costs, meeting costs, and administrative fees. Most of the affinity groups interviewed agree that each collaborative, if supported adequately, costs approximately \$150,000. While this may seem high, “everything costs money.” CEGN should develop a financing model for each collaborative and work actively to secure ongoing financing which would ideally not rely too heavily on one funding source but be shared by member organizations with a vested interest in the collaborative.

Set out common objectives

It’s not enough that funders have similar interests. If a group of funders are interested in a collaborative approach to the issues in which they are engaging, a set of common objectives needs to be clearly articulated and owned by the whole group. Objectives need to be specific to each collaborative and thus will vary significantly from one to the next. Success of the collaborative must

be measured against the common objectives. If the objective is to facilitate shared learning, then effectiveness will be measured against that objective. If the objective is to change federal policy or communicate broadly to the Canadian public, effectiveness will be measured in very different ways. CEGN should ensure that all funder collaboratives have a Terms Of Reference (TOR) and statement of common agenda that answers the questions What is the purpose of the collaborative? As well, the TOR should address What is the Governance/Structure? What roles are there in ensuring its effectiveness and who will fill these roles? And what activities will the collaborative engage in to achieve success?

“There is a tendency to want to move funders from learning to action. People think that if we aren’t doing pooled grantmaking, then we are not having an impact. That’s not actually the case. It really depends on what your goals are at the beginning. I understand the inclination to do that but I’m now less focused on action and more on what funders need and want to get out of the collaborative.”

Interviewee

Experiment with different models across collaboratives

Just as the common agenda of the group will dictate measures of effectiveness, so too will the objective, or common agenda, dictate the structure. What works for the Water Funders Group may not work for the Environmental Education Group. What works for Alberta may not work for British Columbia. The uniqueness of each situation makes it difficult for CEGN to craft universal guidelines for its funder collaboratives as they relate to structure and approach. The standard continuum for collaboratives includes:

- Information Exchange
- Co-Learning (Learning Network)
- Strategic Alignment – Informal
- Strategic Alignment – Formal
- Pooled Funding
- Joint Ventures
- Hybrid Networks (combination of elements)

As much as possible, CEGN should experiment with a few of these approaches and allow the objectives of the collaborative to dictate the structure. For example, if the collaborative is exploring a new issue, information exchange might be the best structure. If a small network of funders is interested in the implications to the changes of a particular environmental legislation, a strategic alignment might be the best way to influence change. If a funder collabor-

orative wants to catalyze innovation in a certain field, pooled funding would be a creative and influential approach. At the same time, CEGN should be realistic in terms of where the membership is at and the work involved – with each step along the continuum, collaboratives become more complex and require greater inputs.

“90% information sharing is what you’re going to get. That’s where it’s happening and anything more than that is rare. And, don’t get me wrong, information sharing is great. I love it when we go beyond that but it’s hard and not that common. My advice would be to aim for great information sharing while keeping your eyes open for other opportunities.”

Interviewee

Experiment with different models *within* collaboratives

A number of the other funder affinity groups practice a layered approach, particularly CGBD. For example, the Climate and Energy Funders Group has an overall membership with an agenda focused on information exchange and networking. Embedded within the group, there are several subsets that focus on much more targeted outcomes with different operating principles closer to Strategic Alignments and Pooled Funding. CEGN could experiment with this approach where the situation calls for multiple strategies and/or the group is big enough to accommodate activity-based nodes. For example, the water funders group might focus on information exchange but have a policy sub-group, or regional sub-group, that operates quite distinctly.

“I think the opportunities for collaboration are one level down from the big funders group – around specific issues or regions. It’s not realistic for the broad funders group to have a common agenda. You will only get common agendas at the regional or issue specific levels.”

Interviewee

Groundtruth interest in new collaboratives

CEGN recently polled its membership regarding a potential focus on Nature and Kids within the Environmental Education Funders Group. The interest was not high and the idea was shelved. CEGN should continue this approach and ensure that there is an adequate level of interest so that the collaborative has relevancy and buy-in. Are CEGN members demanding this service? Is there an appetite for it?

“Many funders emphasized that a true collaborative takes into account the goals and perspectives of a diverse group of funders, not just one person or a small group that has already decided what should be supported and how. Often, someone will say, ‘I want to start a collaborative,’ but what they really mean is,

‘I have an organization or a pet project that I’d like to get more people to be funding with me.’ I don’t see that as collaboration. I see that as fundraising.”

Grantcraft

Open up participation to a broader audience where appropriate

One of CEGN’s key principles is to build a big tent. The Strategic Plan states that this is in relation to a diversity of environmental grantmakers and a wide range of approaches to philanthropy. This could also imply opening up collaboratives to an even wider audience including NGOs, academics, and others where appropriate. If the objective of the collaborative is to learn from one another about funder approaches, then the collaborative should be exclusive to funders. If, however, the objective would be furthered by the inclusion of a broader range of actors, there is no reason that CEGN should not consider a big tent approach. It’s worth noting that opening up the collaboratives to a larger constituency, where appropriate, could also contribute to revenue generation and a more sustainable financing model.

“A hugely successful part of the event in Vancouver was the inclusion of NGOs. It enriched and deepened dialogue. As long as the rules are set out in advance it can be very constructive. It was inspiring to have stories about working with people in communities – it brings the conversation to a different level.”

Interviewee

And a few other things

One important question that arose in the interviews was where do funder collaboratives sit on CEGN’s list of priorities? CEGN is a lean organization with limited capacity to fulfill an ambitious agenda. It’s important that the board provide some prioritization of strategic goals in order that the Executive Director have clear direction on where to spend her time and energy.

The other important consideration is where do the issue briefs fit in? Thus far they have supported funder collaboratives in an indirect way but have not been formally tied to the goals and objectives of collaboratives groups – they often precede, not follow, the interest of funders to work together. Perhaps by formally aligning the collaboratives and the briefs CEGN will have a tighter strategic framework in which to assess the efficacy of a particular brief.

“Briefing papers didn’t of themselves mobilize funders in the way we hoped they might. One person wrote on our annual survey ‘brilliant idea – never read them but I think it’s a great idea.’ That kind of sums it up.”

Interviewee

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Some suggested readings

Collective Impact, by John Kania & Mark Kramer, Stanford Social Innovation Review, Winter 2011

Collaboration Approaches for Smaller Foundations Partnering to Focus on Results for Communities by the Annie E. Casey Foundation, January 2004

Cultivating Change In Philanthropy: A Working Paper on How to Create a Better Future, by Katherine Fulton and Andrew Blau, 2005

Funder Collaboratives: Why and How Funders Work Together, Grantcraft, 2009

Moving Ideas and Money: Issues and Opportunities in Funder Funding Collaboration, prepared for The Funders' Network on Smart Growth and Livable Communities & The Program on Philanthropy and Community Change of the Chapin Hall Center for Children, 2002

Philanthropies Working Together Myths and Realities, by Robert Hughes, February 2005

What's Next for Philanthropy: Acting Bigger and Adapting Better in a Networked World, by Katherine Fulton, Gabriel Kasper, Barbara Kibbe, July 2010

Funders Exploring Collaboration On A National Water Agenda: Report on the Effort to Find Collaborative Opportunities for Grantmakers on a National Water Agenda

Great Lakes Funders Collaboration Work Group: Summary of Model, Collaborations Query, and Proposed Next Steps, October 2011