

Funding Organisational Development: a smart investment to multiply impact

Views from **five** foundations

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Executive summary

Funding Organisational Development (OD) is a **smart investment to multiply impact**. Five funders have come to this conclusion after several years of investing in their grantee partners' organisational health: **Laudes Foundation, MAVA Foundation, Mercator Foundation Switzerland, Oak Foundation and PeaceNexus Foundation**. The aim of this paper is to **share their key insights on how to engage in OD**, describe a standard OD process and address dilemmas. It promotes **OD as a key dimension in the daily work of any grant-making foundation**. The paper is written for peer funders and intended for practitioners.

OD helps foundations deliver on their core mission and improve their partners' organisational health by increasing partners' resilience and sustainability. OD is **not a goal in itself; it is a means to an end**. Ultimately, OD will help partners to achieve their goals.

Each foundation has its **own reasons** for engaging in OD, depending on their missions. For example, OD can be used as: a response to clear requests from existing partners; a stand-alone investment in an organisation; a complement to programmatic funding; a way to better understand partners' goals, missions and strategic plans; or a reinforcing step before exiting programmes or even closing a foundation. OD is provided to partners that have a high strategic relevance and exhibit readiness for change.

OD, as a vehicle to achieve social progress, is **anchored in a foundation's strategy** as part of their theory of change. Engaging in OD needs buy-in from leadership as well as dedicated staff. The OD manager develops the strategy, sets priorities and acts as OD experts for programme staff and partners. Beyond **dedicated staff**, the foundations expect all staff to see OD as part of their daily job. Foundations that use OD as a complement to other programmes rely on **programme officers (POs) as essential allies**. Consultants play a supporting role and bring the relevant skill set and contextual know-how to OD work. They add a neutral layer between the funder and the partner, allowing for more openness during the OD process.

Once the partner is selected, based on its readiness and strategic relevance, a basic **OD process flow** consists of four phases:

- (1) assessment - to see what type of OD support is needed
- (2) OD plan - to build a vision and plan for implementation
- (3) implementation - to put the plan into action
- (4) evaluation – to assess the results, learn from the experience, and estimate the potential for future support or collaboration.

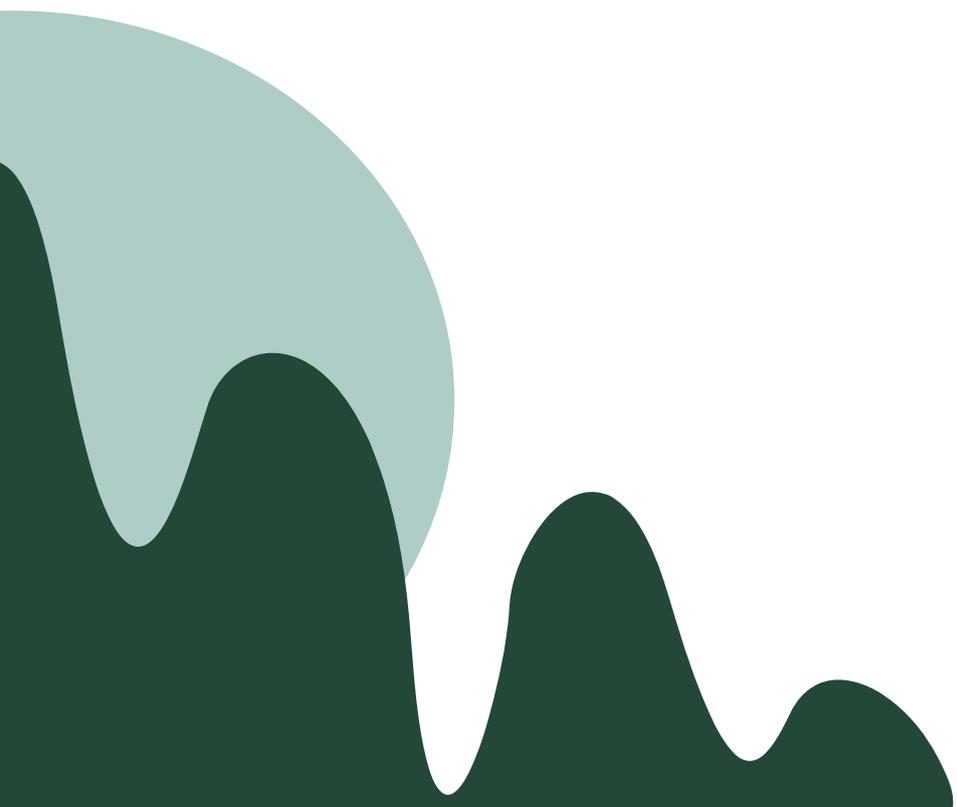
Each foundation approaches the four phases in an own way. The paper highlights **five on-going dilemmas** OD funders face: tailoring OD to partners' needs; building trust and ownership in an asymmetric relation; managing multiple relationships (within foundations, and with partners and consultants); dealing with timelines (i.e., leaving sufficient time to keep up motivation and focus); and defining and measuring success.

The paper concludes that foundations **increase the likelihood of achieving their own purpose** by strengthening their partners in the field. The support works best through authentic, balanced partnerships, and when foundations check in with their partners to ensure that they have the right systems and capacities to deliver on their programme objectives. **Impact assessment** stays a **challenge**: Immediate OD results are often incremental and not so glamorous. Longer-term results of OD interventions are difficult to measure.

Strong buy-in from foundation boards and directors is essential at the onset. Their commitment can be nurtured through ongoing communication on the purpose, results stories and learnings of the OD work.

Peer-learning among foundations has proven useful in creating ownership, shared buy-in and new insights on what works and what needs further improvements. Foundations can **start progressively** with easy steps such as organising learning and peer knowledge sharing events.

Finally, the current group of foundations would be happy to widen the group and **invite other funders to join a learning community or simply bilaterally share their experience with them.** Please reach out to the authors for further information.



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1. Introduction

Five foundation professionals, based in Switzerland, working on organisational development (OD) started an informal group eighteen months ago with the aim of capitalising on existing knowledge and sharing experiences. They had understood early on the value of peer-learning and wanted to practice it.

The aim of this paper is to share key insights collected over the past several months on how to engage in OD, set up OD programmes, examine the OD process and address dilemmas. The underlying intention is to promote OD as a key dimension in the daily work of any grant-making foundation. The paper is written for peer funders and intended specifically for practitioners: programme officers and OD facilitators/managers within foundations, including newcomers interested in exploring OD as a potential new form of support.

The authors distinguish between capacity building and organisational development: capacity building encompasses technical knowledge and focuses on strengthening specific organisational areas. Organisational development (OD) takes a holistic view of the organisation and its broader context. OD is greater than the sum of multiple capacity building interventions.

2. Engaging in OD

OD helps foundations deliver on their core mission and improve their partners' organisational health, by increasing partners' resilience and sustainability. This applies to individual leaders and organisations, as well as to NGO networks and civil society infrastructure (e.g., capacity building intermediaries, pro bono legal counsel). All of this contributes to the development of a vibrant civil society. OD is not a goal in itself; it is a means to an end. For example, one foundation said, *"our mission is not to save*

NGOs; our mission is to address the root causes of social issues (e.g., poverty, conservation, and peace) and transform the context."

Beyond this overarching motivation shared by all five foundations, there are many reasons for a funder to engage in OD, including as: a response to clear requests from existing partners; a complement to programmatic funding; a way to better understand partners' goals, missions and strategic plans; or a step before exiting programmes or even closing a foundation (see Box 1 below). Each foundation has its own reasons for engaging in OD, which is determined by its mission.

Box 1

OD as additional strengthening measure

"Since its beginning in 1994, MAVA Foundation has been building strong partnerships with the biodiversity conservation actors, providing them with projects funding, core support and sometimes OD support. MAVA was focused on impact, and therefore not reluctant to fund the entire budget of a project if this was deemed as essential, or even get involved in the creation of NGOs if necessary. Over the time, MAVA became an important (or the main) donor for a lot of these partners. In 2016, when MAVA reaffirmed its decision to end its grant-making in 2022, it was clear that the sustainability of its partners was a key component of the sustainability of its impact. Therefore, MAVA put an emphasis on OD to make sure MAVA's key partners are robust and financially autonomous enough to pursue their activities after MAVA's closure. Here, OD must address strong constraints in a limited amount of time.

In addition, OD is part of an overarching strategy on sustainability, next to individual leadership development, nature conservation community building and conservation finance (i.e., generating sustainable financial flows for the issues MAVA cares about), as interlinked levers the foundation can use."

The partner's readiness for change represents the key precondition for success. The level of dissatisfaction with the current situation should reach a point where apathy or resistance to change can be overcome, on the basis of a shared vision and some first steps to implement it. The phase of confirming or building the willingness of an organisation to engage in an OD process can be quite long (up to one year or more). A critical mass of change champions (including both Board and operational staff), willing to invest their time in OD, is critical to ownership and success.

OD is typically provided to those partners that exhibit readiness for change and have a high strategic relevance for the funder. In a few cases, OD is used to increase the partner's capacity to absorb more funding for an initiative or as unrestricted core funding. To identify the right partners and help decision-making, the foundations develop a set of criteria related to their mission (e.g., see the decision-making tree from Laudes Foundation in Box 2).

The five foundations are closely aligned when it comes to the prerequisites for engaging in OD with partners.

“The decision tree structures the discussion internally and guides programme managers in identifying the most suitable grant type for each partner. It also shows the role OD grants can play in strengthening partner organisations aiming for stronger and longer-term commitments.”

—Laudes Foundation

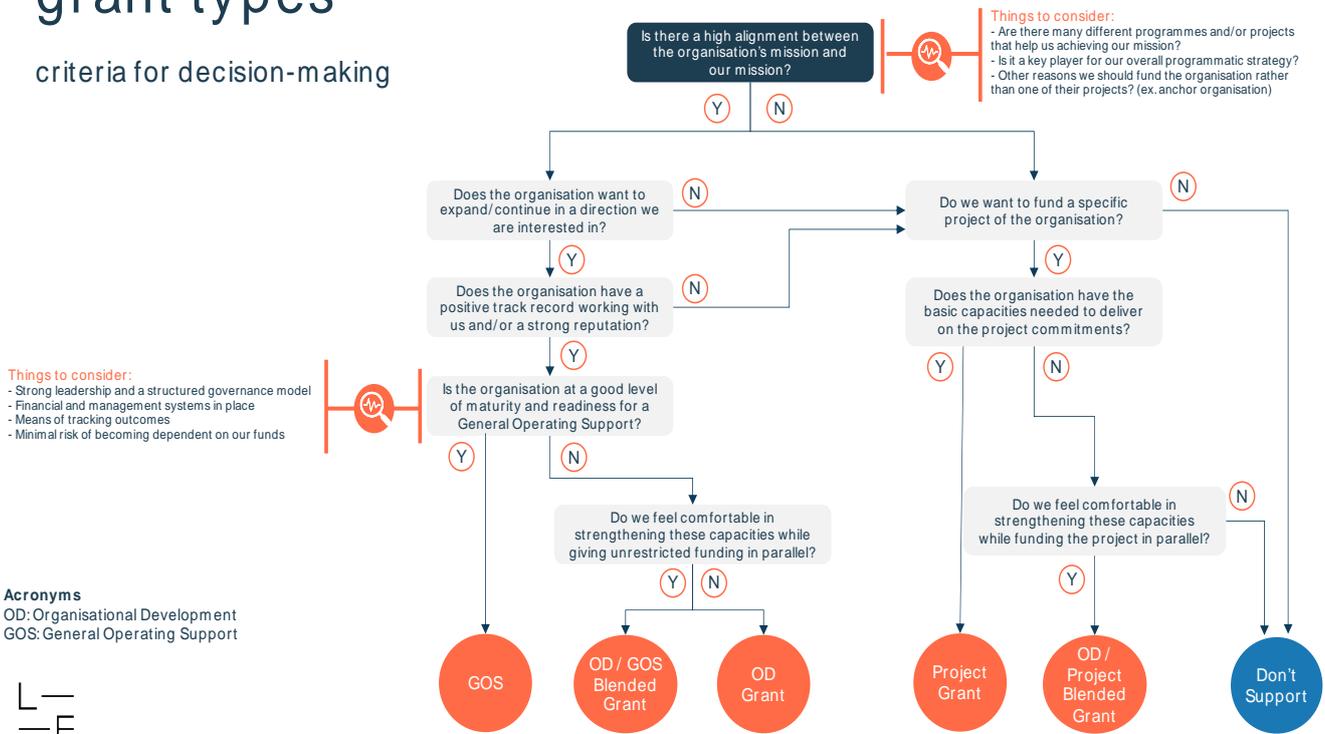
Box 2

Decision-making tree to help identify the partner and the type of support (Laudes Foundation)¹

¹ inspired from Jared Raynor and Deepti Sood, TCC Group, [Capturing General Operating Support Effectiveness: An Evaluation Framework for Funders and Evaluators, Briefing paper, p. 12](#)

grant types

criteria for decision-making



3. Institutional set-up

3.1 OD anchored in strategy

OD as a vehicle to achieve social progress needs to be **anchored in the foundation's** strategy and processes as part of the theory of change. Two foundations formalised this in their statutes: "The purpose of the foundation is to support organisations (...)" (Mercator Foundation Switzerland), and "The Foundation (...) provides assistance to individuals and organisations working towards this goal" (MAVA Foundation). It is shortcoming to provide OD as a "nice-to-have activity" on the top of programme strategy and budget. An OD strategy gives direction and describes the theory of change. It carries the values and principles underlying the foundation's work and is characterised by the flexibility needed for OD work. In addition, clear leadership buy-in as well as dedicated staff are needed for successful OD.

In the case of PeaceNexus Foundation, OD has been defined as a main intervention in the foundation's strategy (Box 3).

3.2 OD Dedicated OD staff and engaged programme officers

Overall, the participating foundations have a comparable set-up for delivering and enabling OD support to partners, with small nuances. All five foundations hired staff to develop and implement the OD work. The range goes from 0.3 to over 1 FTE depending on the size and focus of the foundation. In their experience, **dedicated staff is needed** to engage in OD with partners. The OD manager develops the strategy, sets priorities and acts as OD expert for programme staff as well as for partners. The OD manager is often a facilitator who has a specific role at the interface of programme staff, partners and consultants.

Beyond specific OD staff, the foundations expect all staff to see OD as part of their daily job. Foundations that use OD to complement their other programmes rely on **programme officers**

(POs) as essential allies and pivotal figures in the set-up of OD. These POs are the counterpart for partners on the programmatic side, and thus are ideally placed to also play a supporting role in developing the partner. However, not all programme officers feel at ease with OD: *"I don't know enough about organisational development to be able to have those conversations with the partners, to monitor and to determine what success looks like. I will look at that objective being delivered, and ask myself is it good? Is it bad?" This is where we struggle.*" A key activity for OD staff is to work with POs to help them define OD needs and increase their OD skillset. Oak Foundation chose to keep the OD headcount small. The OD staff acts as an advisor by emphasising programme staff training (Box 4), an approach also followed by Mercator.

Box 3

OD as core activity

PeaceNexus provides **organisational strengthening support as a stand-alone intervention**, which is not combined with programmatic funding. Partners are selected through a Call for Proposals, on the basis of their contribution to peacebuilding (the Foundation's core mission) and their readiness for organisational change. The approach ensures the support is driven by the partner. The support is strictly limited to the change process and comes with hands-on process design from the foundation staff, facilitation and technical support from consultants and financial support to cover the process costs. Different types of support are possible: pure OD for peacebuilding organisations and support to mainstream a peacebuilding lens into the operations of organisations that have multiple mandates or a different focus, such as humanitarian, development, climate change or business actors.

In such a set-up, the OD staff plays an internal adviser and mentor role. The focus on (internal) programme support vs. on (external) partner support depends on the foundation. Oak Foundation, Laudes Foundation and Mercator Foundation Switzerland emphasise internal support; MAVA Foundation and PeaceNexus Foundation concentrate more on external support.

Box 4

Oak Foundation training focus: programme officers (POs) and intermediaries

Training programme officers: “We increase POs’ capacity to engage in OD conversations with partners, to be able to guide and sometimes design OD interventions, and then to monitor that during the lifetime of the grant. We are not training POs to become OD staff; we train them to be OD interlocutors for the partners.” To back this approach and empower the programme officer in charge, OD is often part of the (programmatic) grant at Oak, rather than a separate add-on.

Training intermediaries: “Intermediaries play a role similar to a PO. We provide the same support as we do in-house. This includes training and working with POs who work for intermediary partners to play a more prominent role in doing due diligence and supporting capacity building; we treat the intermediary POs like we treat our own POs. We started last year with one intermediary partner. It seems that there is an interest. It is also about strengthening their own organisation.”

3.3 Consultants as key resource

Consultants play a support role in the OD set-up of all five foundations. They add a neutral layer

between the funder and the partner, allowing for more openness during the OD process. Consultants also bring the **relevant skill set and contextual know-how**. It is crucial for consultants to have the right profile to meet the partners’ needs. Relevant questions to reflect upon when considering consultants in OD support include: What skills are we looking for given the capacity issues in the partner organisation? How do we assess those skills? How can we ensure the service quality, i.e. that the partners’ needs are met? The required skill set is often broad and ranges typically from functional and thematic expertise to understanding the civil society sector, values, soul and cultural adaptability of the organisation. The **consultant selection** comes in many shapes. One foundation coaches their partners on how to define a profile and select consultant; another leaves the process to the partner entirely. In addition, several suggest providing a list of consultants or directly allocating a consultant to the OD process, depending on the context.

“It’s always critical to find local consultants, but it might be impossible in certain geographies.” A majority of the five foundations have been working on **building a network of consultants**, including the collaboration of MAVA Foundation and PeaceNexus Foundation in West Africa. Several foundations have exchanged experiences and partnered with peer funders to set up a **dedicated online database**².

²The Nonprofit Builder is a resource website for capacity building (organisational development) of nonprofit organisations. Its aim is to make it easier for nonprofits to access capacity building support, and as part of a wider project to make nonprofit capacity building more efficient, collaborative and accessible. It currently contains a directory of vetted consultants who provide organisational development services to nonprofits, a directory of trainings, and a resource library. www.nonprofitbuilder.org

There is a conscious effort to widen the pool of consultants: *“We’ve been trying to be inclusive, publishing requests for proposals (...). Then we do shorter term agreements to test them out. We*

give them a mixed bag of grantees for them to work with, take stock and see whether they can adapt their services”.

In addition to building a network of consultants, some foundations encourage **peer-learning and capacity building events** for consultants themselves. Beyond an initial sense of competition, the consultants appreciate the rare opportunity to share experiences with their peers. For foundations, these events contribute to learning and building trust with consultants.

4. The OD process

A basic OD process flow consists of four main phases, a pre-phase and a follow-up phase (see below):



- Partner selection: review of readiness/ willingness to engage and partner’s contribution to the foundation’s strategic objectives
- Assessment: needs evaluation and momentum building in the partner organisation
- OD plan: defining objectives, means and planning to achieve them
- Implementation: execution of the OD plan
- Evaluation: results and impact
- Follow-up: any relevant subsequent measure

The distinction between phases helps the involved parties keep focus, even if each OD process is unique and the phases may overlap (e.g., monitoring and evaluation is done during the implementation phase; learning can happen in the follow-up phase). This basic flow can be

leveraged by several learning loops (among partners, consultants, staff and peer foundations) and entail ongoing adjustments as needed.

4.1 Assessment phase

The needs assessment is a crucial step for partners, but also for foundations. It allows both of them to identify areas requiring further development for prioritisation. This situational analysis can take **different shapes**: as a self-assessment, a participatory audit facilitated by foundation staff or consultants, or a foundation driven health check.

As a holistic reflection, the needs assessment represents more than just a prerequisite to work on OD. Taking stock of where the organisation stands and what it needs for optimal development is a unique opportunity to

build the momentum for change. Champions (i.e., motivated staff willing to contribute, drive and implement a development plan) are identified and as many as possible involved, with the aim of building strong buy-in across the organisation, from board to staff.

Understanding and integrating the **local context** is particularly relevant early on in the OD partnership, since the initial assessment will influence the entire OD process. Furthermore, OD serves to help the partner become more agile in responding to that particular context. This is particularly true for PeaceNexus as it focuses on supporting peace actors for whom an ability to analyse and adapt to a volatile, conflict-affected environment is essential.

Often the **initial need** identified by the partner – typically communications and fundraising – turns out to be a symptom of deeper issues and ends up becoming a development area in a second or

third cycle of support. Some of the deeper issues can include governance, strategy and operations.

4.2 OD plan

An OD plan is developed on the basis of the assessment results, along with clear sequencing and budget. The partners prioritise the identified issues according to their strategic goals. The **prioritisation** depends also on absorption capacity, organisational buy-in and available resources. Such a plan entails a wide range of topics – from core OD needs (e.g., strategy, governance, structure and sustainability planning) to internal systems (e.g., HR, finance, monitoring, evaluation and learning and digitalisation) and external relations management (e.g., fundraising, communication and advocacy). Strategy development is a frequent entry point for OD work, e.g., for PeaceNexus³ and for Mercator.

The five foundations highlight the importance of **sequencing** and **focusing** on a limited and manageable number of action points. Given “less is more”, PeaceNexus Foundation has concentrated on a maximum of three change objectives. Oak Foundation has reduced the OD grant size to intermediaries in one geography (US), concentrating on one objective at a time, with a possibility to reapply later on for a new grant on a different subject. Mercator may ask for a third-party evaluation prior to the grant approval, which typically results in a sharper project.

4.3 Implementation

While the partner is responsible for the implementation of the OD plan, the foundations play a variety of support roles. These include participating in selecting the right consultant to accompany the process and establishing a sound relationship. There are varying levels of involvement among the five foundations, which depend on their own approach but also on the degree of maturity of the partners. Those that are more heavily involved in implementation support take great care in ensuring that they play a different and complementary role to the

one played by any external consultant. They have found that, with clear communication and processes, this triangular model can be very effective in leveraging the impact of interventions. For instance, the foundation can challenge the partner in ways the consultants cannot, and in turn, can help ensure the consultant meets the needs of the partner. OD support in this phase can include coaching, mentoring, giving training, organising workshops and encouraging peer-learning. Leadership training can further be provided if appropriate. *“Accompaniment is as much appreciated as money.”*

4.4 Monitoring, evaluation and learning (MEL)

While there are different methods to assess OD results, most of them consist of a lean set of simple tools to monitor progress against the objectives of the OD plan. Indicators are defined for the different targets, a measurement plan developed and specific evaluation methods chosen.

The majority of foundations rely on the **classical logic frame “Input-Output-Outcomes-Impact”**⁴, trying as much as possible to move **beyond output towards outcomes** and, ideally, impact. For example, this means evaluating how a strategic plan can make a difference in terms of organisational performance, rather than looking at whether the plan exists or not.

Box 5 shows the learning approach that frames Oak’s MEL.

³PeaceNexus Foundation, Strategy Development, Organisational development and peacebuilding practice paper, March 2020

⁴Mercator Foundation Switzerland set up a specific thematic area on impact (in German “Wirkung”), a dedicated webpage, a flyer and offers trainings for NGOs. <https://projekte-mit-wirkung.ch/>

Box 5

Four levels of outcome at Oak Foundation

- **Foundational level:** *Are the (financial, legal or safeguarding) compliance standards met?*
- **Direct support level:** *To what degree the capacity building improves the functioning or performance of the organisation?*
- **OD level:** *What does it take to enable the organisation to more effectively serve its mission?*
- **Field level:** *How access to and quality of capacity building providers improved the OD process?*

While output and outcomes can be measured towards the end of an OD partnership, impact can often only be assessed later on: deeper impact evaluations, going beyond the immediate OD results, allow foundations and partners to see longer-term contributions to strategic objectives. Concretely, **external evaluations** and **partner surveys** can assess medium-term indirect impact and sustainability. Evaluating OD outcomes and impact is complex; therefore, it is more promising to look at how the OD support contributes to organisational transformation rather than try to attribute success. The five foundations are all further developing their assessment methods as well as regularly evaluating their OD portfolio and approach.

4.5 Follow-up

After the OD process, relationships with partners should be cultivated to pursue the support in a new way. The five foundations are increasingly investing in peer-learning initiatives. Partners find it highly valuable to engage their peers as

they go through the change process, which is often long and challenging.

Mercator recently introduced a "transfer strategy" as follow-up to OD projects, which includes the following: the partner documents the learnings in an "understandable" and accessible way for other NGOs, offers peer learning sessions for them (bilateral) and shares experienced knowledge in Mercator's "educational formats" (pop-up events, round tables and learning sessions). *"I am convinced that knowledge transfer between peers will become more important."* Mercator strives to formalise learning journeys in a systematic way and to create a decentralised, autonomous way of empowering the different NGO-ecosystems.

Finally, given OD is a continuous cycle, it is not rare that the MEL follow-up results into another OD process. All five foundations have experienced this.

5. Ongoing dilemmas

5.1 Importance and challenges of tailoring

Systematically, the five foundations adapt their approach to the context, the issues and the partners. This allows them to answer to the real need and avoid proposing a "one solution fits all" approach. *"Calibration is important to meet the grantees where they are."* While crucial, tailoring also brings a few challenges: the risk to over-engineer and lose focus, which in turn might scare, exhaust or demotivate partners. It helps to avoid this trap by **managing** the partners' **expectations**, ensuring **process clarity** by providing a framework and defining a **measure of success**.

5.2 Building trust and ownership

The five foundations seek to build **healthy relationships** with partners early on in the process. *"The relationships we build with our grantees help us understand the way we could*

play our part in making them stronger. As we build relational trust, our grantees come to us and ask for support." The three key factors in building trust include: ensuring **transparency as a mutual obligation** (also on the funder's side); **managing and clarifying expectations** on both sides; and establishing an **"art of failure" attitude**. When trust is present in the relationship, organisations will share their struggles and feel empowered to take ownership. This also allows for more targeted organisational support, which leads to better outcomes. Contrasting with more traditional funder-grantee relationships, building the partners' capacity to engage in such an open way is part of the process.

A classical funder-grantee interaction entails an **asymmetric relationship**, the power being with the former ("money talks"). This imbalance is exacerbated in the field of OD, where the partner is expected to unveil weaknesses to be tackled, not just to do more of the same great content work. The **power imbalance** needs to be **acknowledged and addressed** as far as possible. The five foundations manage this power play consciously with two opposite approaches. MAVA separates OD and programming decisions, and Oak and Laudes consider OD as part of continuous improvement and thus integrate OD into programme grants. Mercator takes both of these approaches (separating and integrating), depending on the focus. *"When we examine project-grant-applications, we also address OD issues that might represent 'dangers' for the concrete project, whereas pure OD-grants focus on the organisation and are not linked to a project."* All five foundations stay **available, open and flexible**, and **hand over as much decision power in OD as possible** to partners, e.g., in the areas of priorities, timelines and consultant selection.

5.3 Facilitating multiple relationships

Many actors are involved in an OD process (e.g., OD staff, programme staff, partners and consultants). These multiple relationships require smooth management. Tensions may

arise due to diverging expectations and working styles. **Roles and responsibilities** need to be **clarified and validated** on a regular basis. *"All agreed on the importance of investing time in clarifying roles, expectations and rules of engagement upfront and throughout the process."* Regular opportunities to **exchange views and agree** on an overall OD project course help manage that dilemma and ensure coherence.

The **in-house relationship** between OD managers and programme officers is worth a closer look where this set-up applies. The role depends on the OD readiness of each programme. The relationship can go from remote adviser to closely involved coach. Sometimes OD staff have to **overcome resistance**, especially when programme managers and partners do not identify a need for OD. Beyond their functional expertise, OD managers of one foundation see themselves as "creative itch" for their colleagues in programmes. *"We bring the difficult questions to the table, put the finger on problematic criteria. For programme managers it is sometimes difficult to balance between organisational change and specific programme impact."*

5.4 Managing the timeline

Managing the timeline is a **balancing act** between keeping momentum and giving sufficient time for the process. **Keeping momentum** in OD processes can be a challenge, since organisational transformation never represents the core activity of partners. Often partners are surprised by the work and time involved in a process of organisational change. At the same time, **patience** (i.e., being generous in time allocation) and flexibility increase the likelihood of success. (Too) long time horizons can in turn test funders' patience, when partners expect the foundation to accommodate never-ending processes. Beyond keeping a certain pace during the implementation, the **context** in which partner operate can change rapidly, e.g., through the Covid-19 pandemic, in the climate movements or in leaderless organisations.

Timeline management is even more intense when a foundation is exiting: *“You have to allow for the process to follow its own speed, while at the same time not being able to extend the duration of your support. You have to focus on specific issues that can be dealt with in the remaining time. This time pressure also exacerbates the tension between delivering conservation impact and working on organisational development.”* (MAVA)

5.5 Defining and measuring success

The question of what success looks like in OD projects for partners can be answered in various ways, as there are different methods to measure its results. It is worth defining early on what success will look like and then monitor progress along the line “input-output-outcomes-impact”. Mercator is asking as early as in their online project submission form for outputs and outcomes (a three-step approach: objectives description, target size/unit of measure and evaluation method) to launch MEL process. Given that many qualitative and soft factors are involved in OD, measuring strategic outcomes and broader systemic impact is a challenge both for partners and for foundations. *“The proof of concept of the theory of change is quite a tough one. Being pragmatic, we have specific indicators of success for each change objective. Literally we ask: what would success look like in this area and then: how would you know you are making progress?”* (PeaceNexus). Defining and measuring success is an ongoing learning field for the different foundations and will remain a topic in future.

6. Conclusion

Funding OD is a **smart investment** as it is a precondition for partner performance and

impact. Foundations increase the likelihood of achieving their own purpose by strengthening their partners in the field. The support works best in a more balanced relationship as authentic partners, away from a traditional funder-grantee relationship.

The OD benefit becomes even more obvious when looking at the opposite: There is a **risk of not supporting OD** and investing only in programmatic projects without checking if the partner has the right systems and capacities to deliver. Even long-term trusted partners may collapse if they haven't been able to invest in their organisation. A funder neglecting the organisational perspective of its partners jeopardises its own impact and reputation. OD requires **tailored approaches** and **investments in foundation** staff, both dedicated OD staff and aware programme staff, as well as consultants. OD can be supported alongside programme funding, and core funding can complement the OD partnership. Foundations assume **different roles** in an OD set-up for partners. They can be seen as funders, vehicles for achieving a fundraising purpose, coaches, facilitators or even mediators between consultants and partners. Staff need to be at ease with the different roles.

Immediate **OD results** are often incremental, while longer-term results (outcomes and impact) are **difficult to measure** and attribute. This is why contribution rather than attribution should be in focus. Often OD staff are reluctant to take credit for their partners' success; however, **storytelling can help** highlight the before and after picture of an organisation, linking it to its most recent achievements. **Strong buy-in from foundation boards** and foundation directors are essential from the beginning.

The leadership commitment towards OD for partners can be **nurtured through ongoing communication** on the purpose, results and learnings.

A foundation considering entering the field of OD can start with **small OD interventions** such as inviting the existing partners to peer-learning exchanges among partners, and then progressively **build their own internal capacity and commitment** to support more ambitious OD efforts.

Peer-learning at all levels (partners, consultants, OD and programme staff) has proven useful in creating **ownership, shared buy-in** and **new insights** on what works and what needs further improvements. It also contributes to improve internal practices. **Trust** helps create a **safe space** to share and learn along the process. Peer learning groups exist nowadays in every form and shape, in functional, programmatic or in geographical areas. It is just a matter of choice.

The current group of foundations is seeking to **widen the group** and would be happy to invite other funders interested in OD to **join their learning community or simply bilaterally share their experience with them**. The group will explore topics such as **impact** definition, measurement and assessment. Reach out to the authors for further information.

7. Appendix: Foundation profiles

7.1 Laudes Foundation

Basic facts

Name	Laudes Foundation (https://www.laudesfoundation.org)
Mission	Respond to the dual crises of inequality and climate change by supporting brave, innovative efforts that inspire and challenge industry to harness its power for good. https://www.laudesfoundatoin.org/what-we-do
Grant-making budget 2019	€ 47.5 million* * information referring to C&A Foundation, whose work was absorbed by Laudes Foundation after its creation in 2020
# of OD projects as compared to overall	Most of our OD grants are blended with project support. We don't have an estimated # of OD grants.
# of staff (overall)	Around 70
OD purpose	Partners we depend on to achieve our mission face numerous challenges to improve their organisational performance. Often, available funds are restricted to specific projects, limited partners investments in their own infrastructure and capacity development. The constant struggle to keep the lights on may also detach organisations from their mission and prevent collaboration. To deal with this context, Laudes Foundation offers Core Support grants to our partners, combined with a wide range of resources to address OD needs embracing tools, methodologies and technical support.
Geography	All regions where Laudes Foundation operates, Europe, Asia (mainly India, Bangladesh, Pakistan, Hong Kong and China), South America (Brazil).

A glance into the OD practice

Partner selection	Selection process and criteria	Following existing set of criteria and decision-tree
	Type of partners	New or Existing partner
Institutional set-up	# and role of dedicated OD staff	1 FT employee
	OD capacity building for PO	<ul style="list-style-type: none"> - Internal training to all Programmatic Staff (2019). - Bi-monthly Webinars to discuss relevant topics of Partner Effectiveness.
	Recruitment of consultants	<ul style="list-style-type: none"> - Recruited directly for OD assessments - OD pool of consultants available to support partners and PMs at all stages of the grant-making cycle.

OD process	Typical length of OD support	6m – 1,5 y
	Typical value of OD support	N/A
	Typical areas of OD support	Strategy, M&E, Communication, Gender, Equity & Inclusion, Safety & Security, Governance, Leadership, Fundraising, Financial Management
	Not covered by OD support	Operational deficits, staff's salary not directly linked to OD activities.
	Assessment of needs	- Assessment (standardised): OD Assessment tool. Process facilitated by external consultant. Funded directly by Laudes, from its pool of consultants. Output: OD plan - Implementation (customised): funded through an approved grant proposal including OD plan. Intensive use of external consultants in the different OD areas. Consultants roster offered to partners. - M&E (standardised): application of OD Assessment tool against the initial results. Consultant who conducted the assessment follow and support the entire process.
	Implementation support	
	Monitoring and Evaluation	
	Follow up	
Knowledge-sharing	Publication of lessons learned	Independent evaluations, publicly available .
	Peer learning among	OD group (MAVA, Oak, PeaceNexus) Direct contact with other foundations (Ford, Hewlett, Packard).
	- partners	Collective Journeys involving groups of partners to exchange practices and knowledge.
	- consultants	Consultants roster
	- staff (foundation internal)	After Action Reviews (for all grants), Partner Perception Report (every 2 nd year), Foundation's Overall Effectiveness Evaluation (every 5 th year)

7.2 MAVA Foundation



Basic facts

Name	MAVA, Fondation pour la nature (https://mava-foundation.org)
Mission	We conserve biodiversity for the benefit of people and nature
Grant-making budget 2019	About € 70 million per year
# of OD projects as compared to overall	About 20 direct OD partnerships + 19 indirect OD partnerships, on a total of 183 partners
# of staff (overall)	MAVA's team is about 20 people
OD purpose	Taking a holistic approach , we examine all aspects of how a particular organisation functions, from mission, governance and strategy to fundraising, and identify what kind of development is needed.
Geography	Mediterranean countries, West-Africa, Switzerland, Europe

A glance into the OD practice

Partner selection	Selection process and criteria	Importance for MAVA's conservation strategy and its sustainability, readiness for OD, potential impact
	Type of partners	Mainly NGOs and networks. Some public administration.
Institutional set-up	# and role of dedicated OD staff	One OD manager coordinating the OD partnerships. PO are key in identifying potential OD recipient and to build coherence between OD and programmatic objectives.
	OD capacity building for PO	PO are involved in OD discussions. No specific training but hands on sensitisation in the discussion with OD manager.
	Recruitment of consultants	Mainly recruited by partners based on a short-list of consultants suggested by MAVA

OD process	Typical length of OD support	At least 3 years
	Typical value of OD support	From 60 to 400 K€
	Typical areas of OD support	HR and financial management, governance, fundraising
	Not covered by OD support	No restriction
	Assessment of needs	We often operate through a three-part partnership between the partner, the advisor-consultant and MAVA. In case there is no need for a full, holistic process (e.g., there is a specific need, clearly identified), MAVA can do one-shot OD grants. In some cases, MAVA also delegates OD process to other organisations (International NGO). In this case, MAVA is not directly involved with the final beneficiaries, but sets the framework and target with the intermediary. For monitoring, MAVA follows a limited number of indicators, simple enough to be relevant for most partners (budget evolution, staff dynamic).
	Implementation support	
	Monitoring and Evaluation	
Follow up		
Knowledge-sharing	Publication of lessons learned	An OD partner perception survey
	Peer learning among	
	- partners	Exchanges between OD partners
	- consultants	No specific mechanism
	- staff (foundation internal)	Discussion between Programme and OD staff

7.3 Mercator Foundation Switzerland

**STIFTUNG
 MERCATOR
 SCHWEIZ**

Basic facts

Name	Mercator Foundation Switzerland / Stiftung Mercator Schweiz (MCH) (https://www.stiftung-mercator.ch/de/)
Mission	The Mercator Foundation Switzerland stands up for an open-minded and engaged society which treats the environment responsibly and offers young people the opportunity to fully develop their potential. The foundation initiates, funds and implements projects in four fields: Education, Intercultural Understanding, Participation and Environment. Across all topics the Foundation deals with digital transformation.
Grant-making budget 2019	2019: 18.5 CHF 2020: CHF 20 Mio.
# of OD projects as compared to overall	Only few of our grants go to pure OD-projects, but approx. 25 % of the supported projects have OD-components. We are in the process of reinforcing the OD grant line (eb. OD-Programme e.g. for Digitisation) and will continue in this direction.
# of staff (overall)	Around 20
OD purpose	In order for organisations to be able to establish themselves as relevant actors in the long term, they need support in their development. Foundations can play an important role in this - and thus also strengthen their own impact.
Geography	Focus on Switzerland

A glance into the OD practice

Partner selection	Selection process and criteria	Criteria: Relevance of the organisation to implement MCH's strategy and within its respective ecosystem. Key OE-Problem which prevents the organisation from having its full impact and weakens the long-term sustainability of the organisation's activities. Potential of the OD Process to solve the problem (impact), cost/benefit, quality of the OD-project The Selection process depends on the complexity and cost of the project.
	Type of partners	NGOs and NPOs
Institutional set-up	# and role of dedicated OD staff	Approx. 0.3-0.5 FTE to constantly develop the OD-programme, coordinate its implementation and maintain the pool of experts. The OD-Project Assessment, the Implementation support and Monitoring is in the responsibility of the project managers (with the support of the OD-Staff and external experts).
	OD capacity building for PO	Peer Learning and Team Learning Sessions

	Recruitment of consultants	As our field of action and partners' OD-needs can be very diverse, MCH has started to build up a "curated" pool of experts for the different kind of OD-projects and their specific context (e.g., an external curated coaching-pool of experts for digital transformation, another for Impact methodology). The partner is free to choose from our pools/lists or choose their "own" consultant.
OD process	Typical length, value and areas of OD support	Our OD support is customised to the needs of each individual OD-Project.
	Not covered by OD support	Infrastructural costs, regular operational cost.
	Assessment of needs	Up to now mostly in collaboration with the partner and 1-2 external experts. Currently exploring a 2 phase OD-model, starting with a pre-project (to define the needs and potential of their OD with an external consultant) and – based on this – develop the project application for the implementation of the OD project. We give implementation support if needed and monitor the projects (tailor-made, e.g., through reports, peer learning session). We started to include follow up obligations in our OD projects to strengthen the ecosystem through different forms of knowledge transfer to peers (e.g., other NGOs/NPOs).
	Implementation support	
	Monitoring and Evaluation	
	Follow up	
Publication of lessons learned	For internal use and the longer the more for informal knowledge transfer within the sectors of our field of action (peer learning)	
Knowledge-sharing	Peer learning among partners	Is being developed peer-NGO's/NPOs and funding partner
	- consultants	No specific instrument
	- staff (foundation internal)	Peer Learning meetings and regularly Team-Learning Events (knowledge management, e.g., brown bag lunches)



7.4 Oak Foundation

Basic facts

Name	Oak Foundation (https://oakfnd.org/)
Mission	Oak Foundation commits its resources to address issues of global, social and environmental concern, particularly those that have a major impact on the lives of the disadvantaged. https://oakfnd.org/values-mission-history/
Grant-making budget 2019	USD 294.05 million
# of OD projects as compared to overall	Approx. 46% of the total number of grants have some OD component Approx. USD 50 Mil in total in 2019
# of staff (overall)	80 staff
OD purpose	Oak's capacity building and organisational development enables grantees to have access to and funding for high quality assistance. This helps them to develop leadership and management skills and builds high-performing organisations and effective networks.
Geography	37 countries. See Annual Report 2019 for more data.

A glance into the OD practice

Partner selection	Selection process and criteria	No specific selection processes. Main criteria: current Oak strategic partners with OD needs.
	Type of partners	Any new or existing partner can benefit from OD support.
Institutional set-up	# and role of dedicated OD staff	1,2 FTE. To shape the OD strategy of the Foundation, to support programme staff in assessing the grantee's readiness for OD, to support grantees design and implement OD support and to coordinate learning.
	OD capacity building for PO	Oak trains its POs via induction programmes, comprehensive OD learning programmes and short sessions focused on specific OD topics.
	Recruitment of consultants	Oak encourages grantees to select their own consultants. Oak also uses an online database of consultants, the Nonprofit Builder.
OD process	Typical length of OD support	Varied, depending on needs and length of grant-making relationship.
	Typical value of OD support	Varied, depending on the needs.
	Typical areas of OD support	No restriction but mostly focused on strategy, governance, leadership, fundraising and communications.
	Not covered by OD support	Tuitions or fellowships, publications, staff time not related to the OD process.
	Assessment of needs	All OD support is customised and provided for individuals organisational, small clusters of grantees or networks.
	Implementation support	
	Monitoring and Evaluation	Oak provides the financial support for some or all the OD stages, as well as advisory services on the OD design and process. Grantee organisations are responsible to hire the necessary expert consulting, depending on needs.
Follow up		

Knowledge-sharing	Publication of lessons learned	
	Peer learning among	
	- partners	Support to peer consultations among CEOs
	- consultants	Support Training of Trainers programmes
	- staff (foundation internal)	Ad-hoc, as needed



7.5 PeaceNexus Foundation

Basic facts

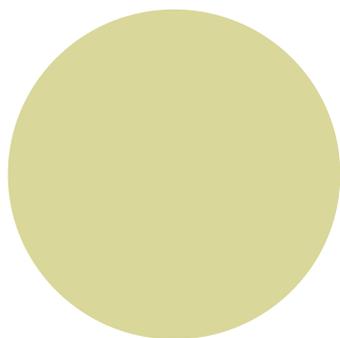
Name	PeaceNexus Foundation (www.peacenexus.org)
Mission	To strengthen the capacities of and collaboration between organisations to increase their contribution to reducing violence and building peace.
Grant-making budget 2019	700'000 CHF (does not include staff time and travel nor learning events)
# of OD projects as compared to overall	35 out of 60 projects since 2018 have been OD
# of staff (overall)	20 staff
OD purpose	If peacebuilding organisations strengthen their core capacities, their interventions will be delivered more effectively and they will achieve more relevant, inclusive and sustainable contributions to peacebuilding.
Geography	Central Asia, South East Asia (Myanmar), the Western Balkans, West Africa + international partners

A glance into the OD practice

Partner selection	Selection process and criteria	New partners approved by the Board after staff assessment based on contribution to peacebuilding priorities and readiness for change. Applications received after open call (for NGOs) and targeted outreach (for governments or multilateral organisations)
	Type of partners	Organisations contributing to peace (civil society, governmental and multilateral organisations)
Institutional set-up	# and role of dedicated OD staff	10 (50% of staff) – provide direct support to managing OD partnerships
	OD capacity building for foundation staff	Induction programme for new OD staff + professional development
	Recruitment of consultants	Contracted usually by partner, with Foundation involved in selection process
OD process	Typical length of OD support	3 years
	Typical value of OD support	20 000 for CSOs, 35 000 for INGOs per year
	Typical areas of OD support	Wide range – Strategy, Governance, Restructuring, Monitoring, Evaluation and Learning, Communication and advocacy, Fundraising and funding diversification, etc.
	Not covered by OD support	Staff salaries, overhead and admin costs
	Assessment of needs	Participatory process, facilitated by foundation staff.
	Implementation support	Hands-on support by foundation and consultant(s)

	Monitoring and Evaluation	On-going monitoring by Foundation staff, external evaluation after three years, partner survey every 2 years to get feedback to improve OD practice
	Follow up	Peer-learning events for current and previous partners
Knowledge-sharing	Publication of lessons learned	Yes, Practice Papers by Foundation or jointly with partner(s)
	Peer learning among	
	- partners	Yes, joint regional events and thematic peer-learning events
	- consultants	Yes – peer-learning workshops for OD consultants every 1-2 years
	- staff (foundation internal)	Quarterly learning meeting for OD staff, OD learning event for all staff within annual retreat, and ad-hoc ‘brown bag’ lunches to share new learning/tools etc.





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