

Changing Grant Making to Change the World: Reflecting on BUILD's First Year

By Kathy Reich



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Forward

At Rockefeller Philanthropy Advisors, our mission is to help donors create thoughtful, effective philanthropy, and so we're proud to partner with the Ford Foundation to issue Kathy Reich's informative analysis of the early results from the Ford Foundation's innovative BUILD program.

The Ford Foundation's notable commitment to equity has many dimensions, from the focus of its grant making to its commitment to incorporating beneficiary voice, helping funders understand how to support systems change, and supporting the core capacity of the nonprofit sector through the BUILD program.

Rockefeller Philanthropy Advisors shares this commitment to reframing how philanthropy approaches its work, and this report is a natural extension of our work at RPA in this field. A few examples:

1. With funding from the Skoll Foundation, and guidance from the Ford, Skoll, Porticus, and Draper Richards Kaplan Foundations, we recently published a study on best practices for philanthropy to enable systems change. Kathy Reich was an adviser to this project, and not surprisingly the key principles outlined in our report align with what Kathy explores in her account of the BUILD program. Using examples from NGOs around the world, RPA's report, *Scaling Solutions Toward Shifting Systems*, highlights the importance of funders empowering nonprofits to create equilibrium change by shifting power dynamics, sharing learnings, and streamlining financial and nonfinancial support.
2. We're also the fiscal sponsor of the Fund for Shared Insight, a funder collaborative launched by the Hewlett and Ford Foundations that now has over 60 participating funders committed to bringing beneficiary voice and input into the funding process.

3. With support from more than 30 foundations, including the Ford Foundation, RPA has been developing new models for foundations in the 21st century, including how foundations engage with direct stakeholders and society, more broadly. Through this, we seek to enhance the ability of foundations to effectively align their purpose, strategy, and resources for the impact they envision.
4. Along with the UN Development Programme, and with lead underwriting from the Ford, Hilton, and MasterCard Foundations, RPA has developed platforms around the world to link private philanthropy with the NGO and public sectors to create partnerships that take on the challenges of the UN's Sustainable Development Goals.

As these examples illustrate, significant shifts are underway in philanthropy across the globe that are making it more responsive and effective. It is in that spirit that we bring you this report from the Ford Foundation: ***Changing Grant Making to Change the World: Reflecting on BUILD's First Year.***

We hope that as you read this, you will find ways to leverage the learnings from this innovative program to ignite an increased commitment to supporting organizations, individuals, and initiatives committed to advancing equity.

We're grateful to the Ford Foundation for all the ways it helps RPA achieve its mission, including this opportunity to share an inside look at a cutting-edge program in global philanthropy. We also thank Kathy for sharing her insights so generously, clearly, and honestly.

Melissa A. Berman

President & CEO
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Introduction

In June 2015, Ford Foundation President Darren Walker announced *FordForward*, a blueprint for focusing the foundation’s programs and assets on a singular goal: tackling five common factors that drive inequality in the US and around the globe. One key tool in this fight would be \$1 billion, deployed over six years, “for a concerted effort to support stronger, more sustainable, and more durable organizations.”¹

This effort—Building Institutions and Networks, or BUILD—represents one of the largest ever to support nonprofits that are moving the needle on inequality. BUILD does its work through large, long-term, flexible grants that offer generous operating support as well as focused support for institutional strengthening.

I joined the Ford Foundation as its first BUILD director in June 2016. In the year since Walker’s announcement, Ford’s program staff had been deeply engaged in planning for *FordForward*, but some crucial elements of the BUILD initiative had yet to be fully defined. In my first 18 months, I hired a seasoned team and together we codified a theory of change, developed an evaluation and learning framework, crafted a technical assistance strategy to benefit BUILD grantees, rolled out a multilingual organizational assessment for BUILD grantees, and trained hundreds of Ford Foundation staff. Most importantly, we worked collaboratively with program staff to make more than 200 BUILD grants, which are starting to yield major benefits to organizations around the world.

Even though we are almost a third of the way through BUILD’s six-year time frame, it still feels pretty new. Nevertheless, we already have learned a few lessons that

we think can help other grant makers who are interested both in supporting nonprofit sustainability and changing intractable systems. This report identifies six key lessons, as well as some future areas for inquiry.

Lesson 1: Nonprofits thrive with larger, longer, more flexible grants.

Lesson 2: Long-term, flexible grants work best when they closely align with strategy.

Lesson 3: Grants like these can foster deeper relationships between grantmakers and the organizations they support—but money can’t buy trust. It takes work.

Lesson 4: Grants like these can work anywhere in the world.

Lesson 5: Supporting institutions is critical—but so is catalyzing and supporting networks.

Lesson 6: Patience is a virtue. So is rigorous evaluation.

We offer these lessons in the spirit of transparency and shared learning, and look forward to sharing more as the BUILD initiative continues to develop.

Kathy Reich

Director, Building Institutions and Networks
Ford Foundation

What does BUILD aim to accomplish?

An idea takes shape

When Darren Walker became President of the Ford Foundation in September 2013, he and the foundation's leadership sought advice from nonprofit leaders, scholars, and government officials in the US and around the world on how Ford could best move the needle on social change in an increasingly complex and unequal world. Their feedback clarified that inequality is one of the defining challenges of our time. Ford's leaders came to believe that Ford's unique strength in fighting inequality lies in fostering the "3 I's"—individuals, institutions, and ideas—that can seed, build, and sustain a more equitable world.

To the Ford Foundation, it was clear that institutions in particular play a critical role. Strong civil society institutions can provide a bulwark against authoritarianism and inequality by giving voice to marginalized people. As Ford's leaders reflected on its 75-year history, they recognized that launching and strengthening powerful civil society institutions around the world had ranked among the foundation's signature achievements.

An independent assessment of Ford's funding patterns over the previous two decades also revealed that the Ford Foundation was not providing grants that enabled many of these institutions to thrive. The assessment found that Ford, like many funders, was making mostly short-term grants, with insufficient support for indirect costs.² These "project" grants often were highly prescriptive around both budget and deliverables. Although Ford staff were usually flexible about changing grant requirements as needed, in practice these changes sometimes proved tough for nonprofits to request and implement.

The 5 drivers of inequality

1. **Cultural narratives** that undermine fairness, tolerance, and inclusion
2. **Unequal access** to government decision making and resources
3. **Persistent prejudice** and discrimination against women as well as racial, ethnic, and caste minorities
4. **Rules of the economy** that magnify unequal opportunity and outcomes
5. **Failure to invest** in and protect vital public goods, such as education and natural resources

Although there are certainly instances where project support is appropriate and useful, it often does not go far enough toward sustaining an organization's operations. In Walker's words, "For all that project-based grants can accomplish, they cannot keep the lights on."³ Too many Ford grantees were struggling to make ends meet, which in turn stifled innovation and discouraged long-term thinking.

Ford’s leaders realized that it was not enough to change *what* they were funding. They also had to change *how* they were funding. And so, when Walker announced Ford’s strategic focus on eliminating inequality, he also announced *FordForward*: a three-pronged initiative to change the nature of Ford’s support to its nonprofit partners. First, the Ford Foundation committed to increasing its use of general support. Second, where project support was necessary, the foundation committed to paying an indirect cost rate of at least 20 percent.

The third prong of *FordForward* was BUILD. The brainchild of Walker and Ford executive vice president Hilary Pennington, BUILD is a \$1 billion effort to support the long-term capacity of up to 300 civil society organizations and networks around the world in their efforts to dismantle inequality. In six years, through flexible grant making, collaborative relationships with grantees, and holistic support for institutions, BUILD strives to:

1. **Measurably increase the durability and resilience** of BUILD-supported organizations and networks.
2. **Make BUILD grantees more powerful, more impactful, and more networked** in their fields.
3. **Create deeper, more strategic, and more trusting relationships** between Ford Foundation program staff and BUILD grantees.
4. **Increase understanding among other funders and NGOs** of the role of institutional strengthening in advancing social justice and fighting inequality.

The BUILD initiative is based on the belief that institutional strengthening, coupled with multiyear general support, will enable social justice organizations to accelerate and amplify their impact.

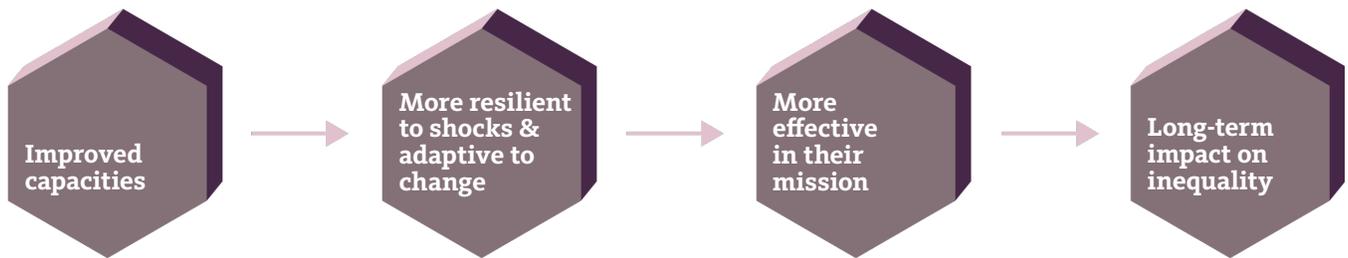


Figure 1: While acknowledging that progress in social justice and organizational development are both nonlinear, the BUILD Theory of Change envisions this basic pathway for organizations working toward achieving BUILD’s goals.

How does BUILD work?

The BUILD initiative has evolved somewhat since its inception, but the basics have remained constant. Each program at Ford allocates 40 percent of its total grant making for five-year BUILD grants, and nominates key grantee partners to join the program. These organizations and networks must be core partners in the foundation’s strategies for eliminating inequality. They also must be ready to engage in the tough work of institution building. Whether they are on the cusp of growth, of leadership transition, or of a need to change strategies or operating models, prospective BUILD grantees must demonstrate that they are ready to invest significant time and money in strengthening their institutions for the long term.

Once invited to join the program, BUILD grantees receive five years of generous funding, including both general support and core support dedicated to institutional strengthening. On average, approximately 60 percent of each BUILD grant is general support: completely unrestricted funding for organizations to use in any way they wish.

The remaining 40 percent of each grant is still very flexible funding but must be used for what we call “core support for institutional strengthening”—activities designed to promote long-term resilience at the organization. With help from the Bridgespan Group, we devised the BUILD Pyramid as a guide to potential institutional strengthening investments.

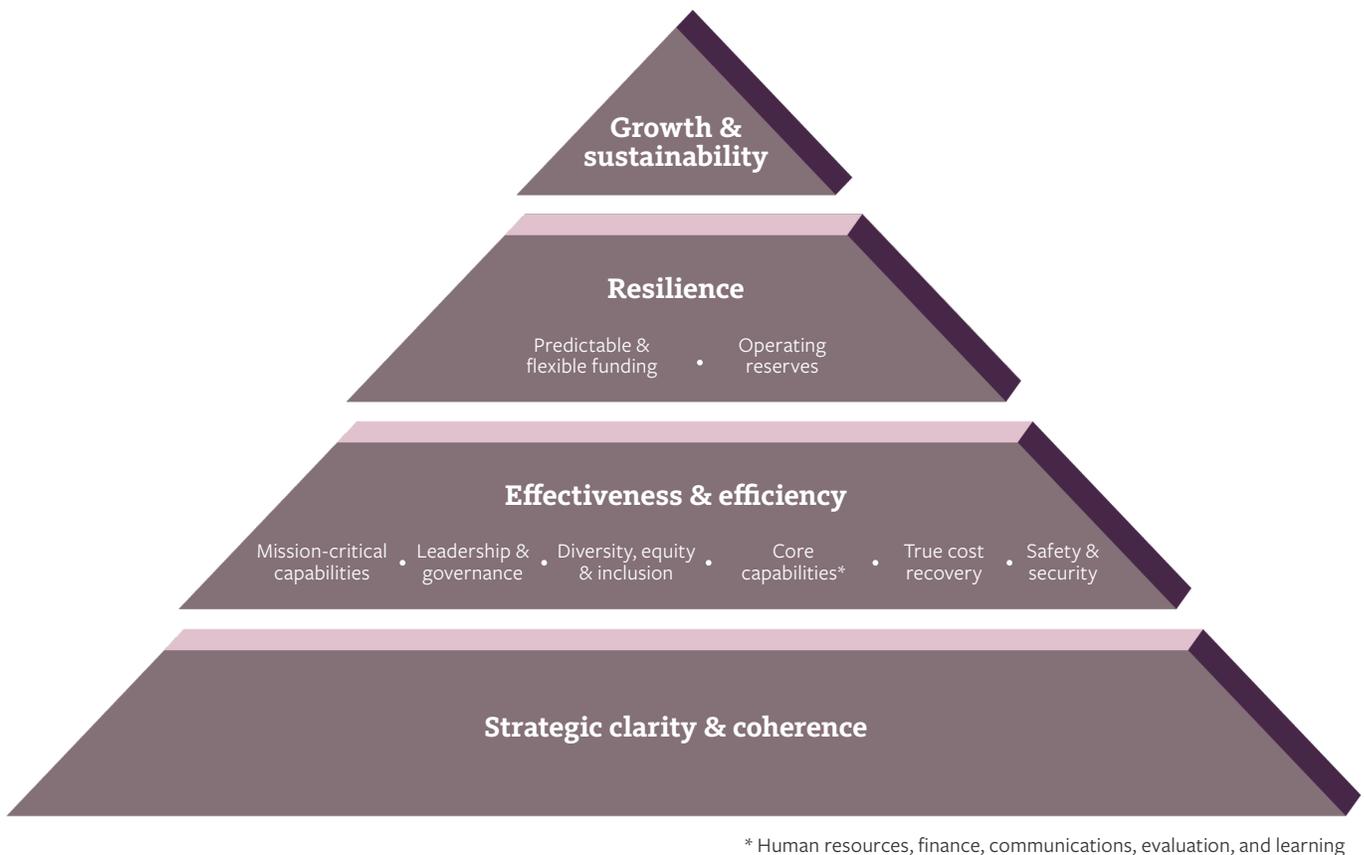


Figure 2: The BUILD Pyramid describes areas in which grantees can choose to invest the institutional strengthening portions of their BUILD grants.

Organizational Mapping Tool

The OMT, or Organizational Mapping Tool, is an organizational assessment originally developed by Wellspring Advisors and adapted by the Ford Foundation for use with all BUILD grantees. The OMT relies upon an outside facilitator to take an entire organization's staff through a consensus-based process to identify organizational strengths as well as priorities for improvement. Staff members assess the state of their organization in 15 key domains:

- Mission & strategy
- Programming
- Learning & evaluation
- Advocacy
- Field engagement
- Network leadership
- External communications
- Governance
- Financial management
- Fundraising & donor relations
- Administration
- Human resources
- Safety & security
- Organizational culture
- Executive leadership

Among dozens of outstanding organizational assessments available for nonprofits to use, three factors persuaded us to choose the OMT. First, we wanted to use one tool across all of the BUILD grantees, regardless of country. The OMT

was developed in the Global South for use with grassroots organizations, making it more culturally sensitive and less jargon-laden than some other tools. Second, the tool's qualitative, nonjudgmental nature appealed to us; the OMT takes an asset-based approach and doesn't focus on scores or on a single model for organizational excellence. Third, the strong preference to include all employees of an organization in the OMT process means that the assessment is inclusive of all voices in an organization, something that aligns well with Ford's social justice values.

Importantly, organizations are not required to share their OMT results with the Ford Foundation, though many choose to do so. We want grantees to trust the tool and use it for their own benefit, rather than feel like they risk exposing weaknesses to a funder.

The OMT is an open-source tool, and we have trained more than 100 facilitators around the world in its use. The tool is available in seven languages: Arabic, English, Indonesian, Mandarin, Portuguese, Spanish, and Swahili. By the end of 2018 it will be available on a public website.

BUILD grantees can focus their institutional strengthening activities on any of the areas identified in the pyramid. BUILD does not use a "one size fits all" approach to capacity building. Using the Organizational Mapping Tool (OMT) as a collective (and confidential) self-assessment, each BUILD grantee develops its own set of institutional priorities to focus on. Over the course of a five-year grant, most grantees choose to focus on three to five areas.

The "grantee in the driver's seat" ethos drives the BUILD initiative. After grantees determine their institutional strengthening priorities, they have wide latitude to pursue those priorities as they see fit. Some hire staff for essential, and often underfunded, backbone roles in areas like finance, fundraising, communications, and human resources.

Others bring in external consultants to advise on strategy or issues requiring particular expertise, such as physical and digital security. Still others invest in new technology or set aside funds as operating reserves.

Along with providing general operating support and assessment tools to grantees, BUILD has developed a Cohorts, Convenings, and Technical Assistance (CCTA) strategy, which connects grantees working on similar issues, in similar geographies, and/or on similar organizational capacities. Through CCTA, BUILD grantees have access to virtual and in-person spaces to connect with each other for learning and action alignment. Support is also available for tailored technical assistance and coaching to small cohorts of grantees.

So far, more than 200 institutions and networks across Ford’s programs have been invited to apply for BUILD support. Grantees span the range of nonprofit organizations around the world. Advocacy organizations, grassroots mobilizers, think tanks, litigators, intermediaries, and narrative change organizations all are represented within the BUILD cohort. The largest organization in the cohort has an annual budget of over \$200 million, the smallest less than \$200,000. BUILD grantees are based in 27 countries (and counting).

degree of quality. We didn’t know how we would evaluate success with no common baseline. And we didn’t know how grantee organizations, or indeed Ford Foundation program staff, would react to BUILD.

Eighteen months later, we have at least some answers to those questions, and more. Six key lessons are already emerging from our early implementation of the BUILD program.

The heterogeneity of the BUILD cohort poses significant challenges for the initiative. When we began, we were unsure that we could serve so many diverse organizations with any

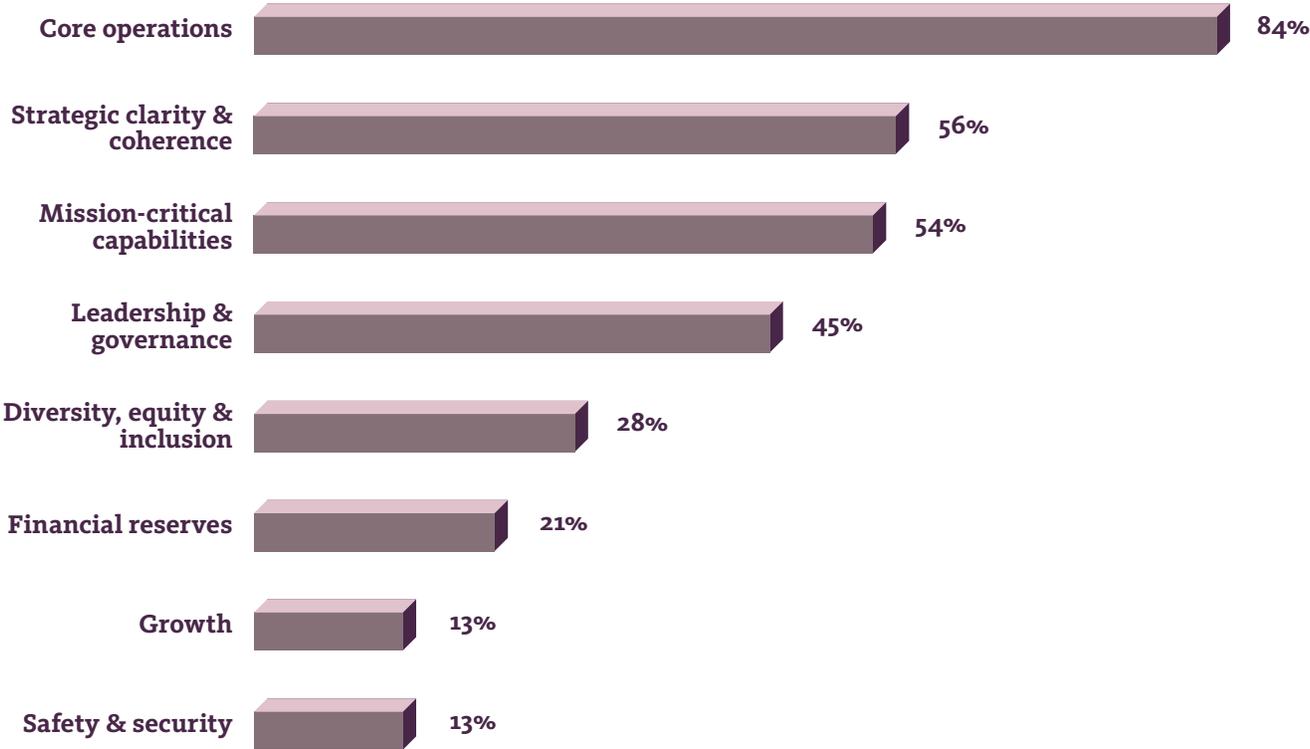


Figure 3: Institutional strengthening investments, according to 172 BUILD grant proposals. “Core operations” include investments to strengthen financial management, evaluation and learning, human resources management, information technology, and strategic communications. “Mission-critical capabilities” include investments to strengthen research and data analysis, litigation, advocacy, and network-building functions.

• Lesson 1 •

Nonprofits thrive with larger, longer, more flexible grants.

BUILD emerged from hundreds of conversations with Ford Foundation grantees in the US and around the world. These nonprofit leaders told us that they needed long-term flexible support to strengthen their institutions. And they are not alone. In the last two decades, mounting research has pointed to the advantages of providing general operating support to nonprofits. Not only does general support provide vital working capital to sustain and improve infrastructure, it also allows organizations to spend more time and resources on programming, planning for the longer term, and responding more quickly to new challenges or opportunities.

Sector-wide research supports this. A survey of thousands of nonprofits by the Center for Effective Philanthropy showed that recipients of larger, longer-term, operating support grants reported the highest ratings of funders' impact on their organizations.⁴ Another evaluation of a core support program by the Blue Shield of California Foundation found that grantee clinics and consortia reported improved financial security and planning, infrastructure development, and increased staff retention and training.⁵

These advantages are by no means limited to US-based nonprofits. For Global South nonprofits, unrestricted support allows for flexibility in challenging and changing contexts, as well as crucial investments in infrastructure like

security and crisis communications. Given the increasing threats to civic space around the world, the ability of organizations to adapt strategically while remaining financially resilient is all the more important.

Civicus, the global civil society alliance and a BUILD grantee, has long advocated for funders to make long-term investments in the capacity of civil society actors in the Global South.⁶ In a guest essay in Civicus's 2015 *State of Civil Society Report*, Zohra Moosa, director of Programmes at Mama Cash, and Caitlin Stanton, director of Learning and Partnerships at the Urgent Action Fund for Women's Human Rights, put it succinctly: "Longer term or multi-year resources are often the key for many organisations to be able to pursue dramatic social change."⁷ For organizations on the frontlines around the world, facing growing political challenges and shrinking sources of funding, having multiyear, core support provides a foundation for the sustained efforts needed to pursue their mission.

However, despite a growing consensus on the value of unrestricted support, a recent study by Grantmakers for Effective Organizations shows a worrying trend: the median percentage of grant dollars awarded as general operating support has actually decreased in the last several years, remaining at roughly the same rate since the 2008 recession.⁸

It is little wonder then that BUILD grantees have greeted the idea of multiyear general operating support with gratitude and even a little disbelief. Marcia Smith, president of grantee Firelight Media, says:

It's very rare to have a funder that is willing to partner with an organization rather than either dictate to an organization what they ought to be doing, or to narrowly prescribe their funding to support a single program or effort. So to have BUILD come in and say, essentially, "We believe in Firelight, we believe in your vision, we want to support you as an organization," is a huge gift. And for that to be multi-year is crazy. It allows us to actually think about who we want to be as an organization in the future. It allows us to build different types of partnerships with different organizations. It allows us to think about how we want to grow, how we need to strengthen the organization.

BUILD takes this even further, going beyond multiyear general operating support to provide core institutional strengthening support as well. This makes the initiative somewhat unique, and when we began, we weren't sure that nonprofits would value the capacity-building support.

So far, though, they seem to value the capacity-building funds every bit as much as the general support funds. BUILD grantee Nancy Northup, president and CEO of the Center for Reproductive Rights, says:

In working on social change, there's an impulse to put 100 percent in program and put everything out into the field all at once. The reality is that we are an institution of people who have to communicate with each other,

who have to plan together, who have to think about what we want to achieve down the line. Then we have to have the systems and processes in place that enable us to do it. Even though there's an impulse to just do program, program, program, having that institutional support is what's going to allow our staff and the partners that we work with to really flourish.

Northup knows firsthand what can happen when institutions don't invest enough in their own structures, systems, and people. "One of the first human rights experiences I had was working for an organization in Kingston, Jamaica," she recalls. "They were doing incredibly important work on police brutality there and on extrajudicial killings. Within a few years of my having worked there, the organization no longer existed. The need still existed, but the organization didn't. I think that was my early lesson in how important sustainability is for individual organizations, but also for movements. I applaud Ford's approach to strengthening all of us who are in this for a very long time."

As the Ford Foundation begins to recognize the unique value to nonprofits of the BUILD approach, we are also learning the best way to deploy the program going forward. Our biggest lesson thus far: BUILD grants need to be large enough to make a difference. One error we made with some early grants was not making them significantly larger than past grants, to enable organizations to really think big and strengthen their own leadership, strategies, and systems. Our aspiration going forward to is to make each BUILD grant at least 30 percent larger than past levels of support from Ford.

• Lesson 2 •

Long-term, flexible grants work best when they closely align with strategy.

BUILD is not a funding strategy in and of itself. Rather, it is an approach to grant making that can be employed in service of just about any philanthropic strategy. It's agnostic as to the goal that donors are trying to achieve. It merely posits that whatever the goal is, large, long-term flexible grants that include funds for institutional strengthening are a viable way to achieve it.

At Ford, the overarching goal of all of our grant making is to reduce inequality. But the BUILD approach can also work if the goal is curing cancer or reducing carbon emissions: Choose a promising cohort of leaders, organizations, and networks; fund them generously; and support them to develop strong and sustainable platforms from which to pursue their work over the long term.

For BUILD to work well, though, we have learned that it's critical to start with the ultimate goal—the system you are trying to change, the policy win you are trying to achieve, the community you are trying to empower—and then give BUILD support to grantees who are your key partners in achieving those goals.

Importantly, once funders and grantees are aligned around the goal, grantee partners should not simply be implementers of a donor's strategic vision. They should be actively involved in co-creating the vision themselves. As Heather McGhee, distinguished senior fellow of Demos and former president of BUILD grantee observed, "The relationship between the funder and the grantee can really be transformed when you set goals together, recognize a theory of change and a strategy, and then within that framework allow for flexibility and multi-year support." With this type of relationship,

funders and grantee partners can work together to influence broader networks and fields, amplifying the grant well beyond the organization or network that's receiving it.

At Ford, we learned this lesson the hard way. In the early days of BUILD, the Ford Foundation rushed to name BUILD grantees, in some cases choosing them before the foundation had clarity on its own goals and strategies. As a result, a few BUILD grantees, while important and effective organizations, are no longer core strategic partners of Ford. It's not exactly that money was wasted, since BUILD grants will still enable these organizations to do great work and strengthen themselves for the long term. But, every time Ford makes a five-year, multimillion-dollar BUILD grant to a grantee that's not aligned with our strategic goals, it means we can't provide support to other organizations that may be more closely aligned.

One example of where we got BUILD's focus on strategy right was in Mexico and Central America. Ford regional director Helena Hofbauer, working closely with her team, identified two closely linked strategic goals for Ford's work in the region: ending impunity for grave human rights violations and high-level corruption in Mexico, and protecting and enhancing community control over natural resources and development in Mexico, Guatemala, Honduras, and El Salvador. With those overarching goals in mind, the team identified 10 grantee partners whom they felt would be critical in meeting those goals.

These groups varied widely in terms of the issues they focused on, the approaches they took, and their size and maturity. The Leadership Institute Simone de Beauvoir, for

• Lesson 2 •

example, has a nearly 20-year track record of research and policy analysis on gender equity and women's human rights in Mexico. The organization has won international awards and has a highly regarded staff of 40. The BUILD cohort also includes OFRANEH, the Honduran Black Fraternal Association, which advocates for territorial rights for Afro-descendant and indigenous people. OFRANEH has strong relationships with indigenous groups throughout the region and plays a critical role on territorial issues, but its paid staff and budget are both quite small.

Although in some ways they could not have been more different, all of the Mexico BUILD grantee partners were pursuing goals that were tightly connected to the strategic priorities that the office had defined. Each one of them played a key role within its own section of the ecosystem, and was thus in an excellent position to learn with and from others working on similar or related problems. They were asked to examine Ford's strategy for Mexico and Central America, and to identify its intersections with their own strategy. They were then invited to act as a cohort of strategic partners, who reflect together on a regular basis about opportunities and challenges regarding strategic goals, and adapt tactics and approaches over time.

The BUILD grants helped these 10 organizations strengthen connections with each other and with the Ford Foundation. By focusing grants on medium-term goals, rather than a rigid set of activities or outputs, the Mexico BUILD partners have been able to adapt flexibly to the political environment, seizing and even creating opportunities that would not have been foreseeable. By offering all 10 organizations five-year grants at roughly the same time, Ford staff eased the sense of competition that nonprofits often feel with each other. And by granting funds to nonprofits to invest in their long-term sustainability rather than just their programs of work, Ford staff opened a space where the nonprofits could freely exchange ideas and expertise around institutional strengthening. The BUILD grantees in Mexico and Central America now regularly offer each other advice around common institutional challenges, such as board development and governance, leadership development, and compensation structures.

• Lesson 3 •

Grants like these can foster deeper relationships between grant makers and the organizations they support—but money can't buy trust. It takes work.

The Ford Foundation launched BUILD because we believe that this grant-making approach leads to better results and more positive impact. In addition to the immediate practical benefits of flexible funding, we also believe that providing general operating support can ameliorate the funder-grantee power dynamic. By acknowledging and supporting the true costs of doing business, funders can give their grantees the space and trust to choose their own priorities and to be frank about their needs.⁹

When BUILD first started, though, this approach to grant making sparked some anxiety on both sides of the funder-nonprofit relationship. Ford Foundation staff felt pressure not to make “the wrong bet” on any organization, given the foundation’s high-profile \$1 billion commitment. Some also chafed at the sense that they were giving up discretion and control in their own work. A few worried that in extreme cases nonprofits could squander or even misuse funds.

Although most nonprofits greeted BUILD with excitement and enthusiasm, there were concerns on their side as well. Could they disclose every challenge and weakness facing their organization without risking future funding? Could they trust that Ford staff would let them “take the wheel” on strategy and operations, or was BUILD just an invitation to funder meddling?

We can definitively say that the fears on both sides have been unfounded. BUILD has positively affected the relationships between program staff and grantees, helping to make those relationships more trusting and productive. We began to

see this change within a year of the first BUILD grants. Every two years, the Center for Effective Philanthropy conducts in-depth, anonymous surveys of all Ford Foundation grantees to assess their perspective on Ford’s effectiveness and their level of satisfaction with Ford as a funder. Survey responses from May and June 2017 indicate that BUILD grantees rate the Ford Foundation more highly than non-BUILD grantees in the following areas, among others:

- Funder-grantee relationship
- Impact on their organization
- Impact on their ability to sustain their work into the future
- Understanding of their organization’s strategy and goals

BUILD is changing how grantee partners view the Ford Foundation. It is also providing new grant-making tools to Ford, as program officers and directors move away from shorter-term project grants focused on deliverables and timelines, and toward multiyear relationships focused on long-term impact on the field. “Feedback from my colleagues at Ford has been amazing,” says BUILD program officer Victoria Dunning. “Many are surprised and pleased at how the nature of the grant model changes the conversation. One program officer told me that he is not as focused on the minutiae of deliverables, but can talk with grantee partners strategically about long-term goals. He also has better insight into how other parts of the organization, such as operations, leadership, human resources policies, and funding mix, help them achieve these goals or not.”

· Lesson 3 ·

None of these changes is happening overnight. Moving toward more transparent, collaborative grant-making relationships has required a significant investment in program staff training and support. In the first few months of BUILD's implementation, it became clear that the original staffing structure for the program—just three people—would not be enough to work deeply with 17 program teams and more than 70 program officers across the foundation.

With the support of Ford's leadership, the BUILD team expanded to 10 people in its first 18 months. The team now includes four program officers, each highly experienced in nonprofit capacity building among social justice organizations, with a mixture of US and global experience. BUILD program officers spend much of their time consulting with grantee partners as they develop and implement their BUILD grant proposals.

Equally important is the time that the BUILD team spends with program staff at Ford. Team members have visited Ford's 10 regional offices to conduct in-depth, weeklong trainings with staff. We have developed a suite of tools and resources to assist teams in their BUILD grant making. We have hosted regular workshops for staff on everything from

how to use organizational assessment to how to monitor BUILD grants. And we host "office hours," where staff from throughout the organization can drop in with questions.

These efforts have gone a long way toward overcoming initial resistance to BUILD. Indeed, the continued success of the BUILD initiative is due, in part, to the strong partnerships between the BUILD team and program officers across the foundation. As BUILD program officer Marissa Tirona points out, "It was important to me that I demonstrate value to the various teams I liaised with from the start and cultivate relationships based on reciprocity and mutuality. What I appreciated was my colleagues' openness to building those relationships with me, honesty about what was challenging or difficult about BUILD, and flexibility as we supported grantees, oftentimes, in new and different ways. Importantly, many colleagues prioritized facilitating and nurturing the relationship between me and grantees with whom they had long-standing relationships; that generosity has been essential to many of the early successes we've had in BUILD."

• Lesson 4 •

Grants like these can work anywhere in the world.

When we first began BUILD, some people both within and outside the Ford Foundation believed that this grant-making approach wouldn't work in the Global South. Some Ford program staff felt that their grantees' financial situations or the political contexts in their countries were not stable enough for large, long-term investments. Others feared that general operating support grants opened the door for misuse of funds.

Today, with 90 BUILD grantees in 26 countries outside the US, we have seen no evidence that grantees are using BUILD funds inappropriately or wastefully. To the contrary, we have seen plenty of evidence that they are spending them well. For example, at least 14 grantees in the Global South are using BUILD grants to support leadership transition—in many cases, transition of a founder or longtime CEO to new leadership. The new leaders tend to be younger, and



Figure 4: Most BUILD grantees are US-based, but over 40% are based outside the US. BUILD grantees in the Global South tend to invest in the same kinds of institutional strengthening needs as grantees in the US. We are not seeing major differences in institutional strengthening needs by region, although Global South organizations do rank fundraising and safety and security as higher priorities than US grantees.

• Lesson 4 •

are more likely to be women or members of marginalized groups, than previous leaders. Changing the demographics of who leads nonprofit organizations can itself disrupt drivers of inequality, like persistent discrimination and entrenched cultural narratives.

We are learning, however, that we need to be careful to ensure that BUILD grants do not overwhelm organizations with smaller staffs and budgets. In BUILD, more of these organizations tend to be clustered in the Global South, where civil society institutions may be newer, with a less diversified resource base. In the Global South, it's not uncommon for the Ford Foundation to account for over 40 percent of a BUILD grantee's budget. We remain concerned that when BUILD funding ends in 2021, organizations could face a "fiscal cliff"; even though most will continue to receive Ford support, that support may not be as significant as during the BUILD program. If they have used BUILD to grow their organization in unsustainable ways, and if they have not found additional sources of revenue, they could find themselves in worse financial shape than before they joined BUILD.

Accordingly, BUILD grants tend to be smaller in the Global South (average of \$1.8 million over 5 years, as opposed to an average of \$3.9 million for Global North grantees). We also emphasize that BUILD grants are intended not primarily to help an organization grow and expand, but rather to support an organization's effectiveness and long-term sustainability. For some, this means coming up with creative ways to scale their work beyond expanding budget and staff size. Purity Kagwiria, executive director of Kenyan grantee Akili Dada, says, "BUILD is allowing us the space to actually think strategically on what scale looks like. Most donors will think of scale in terms of numbers. BUILD has allowed us to think of our scale in terms of ideas, and now we are seeing how, for example, our leadership curriculum can reach more girls and young women across East Africa."

• Lesson 5 •

Supporting institutions is critical—but so is catalyzing and supporting networks.

BUILD was conceived as an initiative “to help strengthen institutions *and networks* critical to social movements”¹⁰ because we believe that networks offer unique advantages in advancing long-term social change. Networks can help funders and nonprofits in five key ways: “weaving social ties, accessing new and diverse perspectives, openly building and sharing knowledge, creating infrastructure for widespread engagement and coordinating resources and action.”¹¹ As the Center for Reproductive Rights’ Northup observes, “No one organization makes change alone. Not even a whole cluster of organizations can make change alone. The more that we can be networked, the more that we can leverage resources, the more that we can bring people into the struggle, the more that we are likely to succeed.”

As we were making the initial BUILD grants, we knew that we needed to invest in networks of organizations, as well as in institutions that can function effectively across multiple networks. We quickly discovered, though, that we hadn’t thought nearly enough about the “and networks” piece of our goal. We need to become more intentional about BUILD’s support for networks if we are to strengthen entire movements.

At BUILD, we think about networks in two ways. The first is organizational structure: How can we strengthen the more than 60 BUILD institutions that consider themselves networks of other organizations and individuals? The second is the work of the organizations we fund: How can we strengthen all BUILD grantees’ ability to work effectively in networks, partnerships, and coalitions to advance entire movements and fields?

On the first, we are experiencing some challenges. Supporting networks through BUILD is more difficult than supporting traditional institutions. Frequently, networks are deliberately not set up as stand-alone nonprofits. Instead they are often managed through fiscal sponsorships or informal arrangements, which can make it more difficult for them to receive funds. Some networks have formal rules for membership and governance, while others are looser. Some have regular and ongoing programs of work, while others assemble, disassemble, or become more or less active depending on their agendas.

With so much diversity in network purpose, structure, governance, and functioning, we’ve had to wrestle with when and how BUILD is the right tool for supporting networks. For example, some of the BUILD-funded networks have told us that parts of the OMT are not relevant for them. Others have objected to having one organization within the network receive the BUILD funds and control the purse strings. For others, BUILD has surfaced fundamental challenges regarding their governance and decision making.

But BUILD also has brought clear benefits to some networks. For example, BUILD has been helpful to some US-based national networks in expanding their ability to provide more effective capacity building to their affiliates, and some grantees have begun to use their funds to think about how to cultivate leadership skills specific to leading within and across networks. Overall, the jury is still out on whether BUILD will be effective for networks within the cohort.

In the second area—more effectively linking BUILD grantees with each other to build stronger movements and fields—we are more optimistic. The initial BUILD grants did not include funding for grantees to connect with each other, or expectations that they would do so. In the first six months of the program, though, we recognized that we had missed something essential. If we wanted to achieve our second outcome—“BUILD grantees become more powerful, more impactful, and more networked in their fields”—we would have to design a strategy to help them become more networked.

Working in close collaboration with grantees as well as other Ford Foundation staff, we are creating virtual and in-person spaces for grantees to connect with each other for learning and action alignment. We are experimenting with many different forms of assistance under CCTA, including convenings, trainings, webinars, peer-to-peer learning exchanges, organizational site visits, technical assistance, and coaching.

Two key values of CCTA are that all offerings are optional for grantees and that grantee demand drives whether, when, and how we organize activities. With a cohort of organizations as diverse as the ones in BUILD, we don't think it makes sense to hold one giant BUILD convention with all 300 grantees represented. Instead, we are working with grantees and foundation staff to develop offerings tailored to specific issue areas, geographic locations, shared capacity-building interests, or types of work that grantee organizations do. Three early examples of this work:

- **The BUILD grantees based in Mexico and Central America** convene twice each year for two-day meetings that focus on strategy as well as institutional strengthening. The February 2018 meeting focused on discussing implications of Mexican and Honduran elections, understanding the wider regulatory context under which NGOs are operating, and learning about how one BUILD grantee is working to strengthen its board of directors. Meeting agendas are co-developed by staff and grantees, and grantees facilitate large portions of the agenda.
- **Seven BUILD grantees working on Internet freedom issues** asked for an introductory training to help them think about how to incorporate principles of racial equity in their work. The training, led by BUILD grantee Race Forward, was so successful that six of the organizations decided to join together and convene their entire staffs for a two-day session on how to advance racial equity in their field.
- **JustFilms**, Ford's documentary film and emerging media initiative, **convened its nine BUILD grantees** not only to introduce each member of the cohort to one another, but also to develop a network learning agenda, based on network members' shared capacities and knowledge. In addition to sharing their organizational strengthening priorities, grantees also identified ways in which they might work together as a network and began to explore how they could nurture the network in the early stages. Similar meetings have taken place among cohorts of grantees in West Africa, South Africa, and the Middle East.

• Lesson 6 •

Patience is a virtue. So is rigorous evaluation.

BUILD was conceived as a five-year initiative, and from the beginning we knew that assessing its success would take time. Organizational change and social change do not lend themselves to short-term outcomes. As Northup says, “At the end of the day, social change is a long arc. It doesn’t happen overnight. Sometimes we get big wins, but the overall work goes on for years. You need a strong organization to do that. People need room to reflect, to learn, and to strengthen for the next step.”

In addition, organizational health outcomes are notoriously difficult to measure.¹² And although a significant body of research shows that capacity building can strengthen organizations over time, there is little research that attempts to document a link between stronger organizations and programmatic impact. We believe that building stronger, more effective organizations will ultimately result in better outcomes along the path to Ford’s ultimate goal of reducing inequality. But we don’t actually *know* that will be the case.

That is why we have consistently said that BUILD is an experiment, and that we will learn as we go. We expect that the full effects of BUILD support won’t show up in organizations for quite some time, so we are taking a long-term time horizon, at least five years, in assessing our impact. We also know that organizational change is not linear, so that progress is not likely to be linear either.

But we do want to see progress. We want to demonstrate the impact of this significant investment and grant-making model, for the BUILD organizations and for Ford’s work overall. Ultimately, we think that learning and evaluation will

enable us to share our experience internally at Ford, with BUILD grantee partners, and with the wider audience of grant making, evaluation, and capacity-building practitioners.

During BUILD’s first year, we agonized over how best to evaluate the program to help us learn along the way, adjust course when needed, and generate evidence about whether the BUILD approach works. Ultimately, we chose to embrace developmental evaluation (DE) as the best approach for assessing BUILD.

We found DE an evaluation approach particularly well suited “for social change initiatives in complex or uncertain environments. DE originators liken their approach to the role of research and development in the private sector product development process because it facilitates real-time, or close to real-time, feedback to program staff thus facilitating a continuous development loop. Developmental evaluation is particularly suited to innovation, radical program re-design, replication, complex issues, crises. In these situations, DE can help by: framing concepts, test quick iterations, tracking developments, surfacing issues.”¹³

We’ve chosen to use a developmental approach to this evaluation because we want to learn from and improve BUILD as we go, and because BUILD was not designed or implemented as a controlled experiment. It is not a clinical trial or randomized control experiment or operations research with a “control group,” nor should it be. Developmental evaluation has appropriate rigor for external validity, while accommodating the complex nature and implementation of BUILD.

• Lesson 6 •

We kicked off our BUILD developmental evaluation in February 2018, so we and our evaluation partner, NIRAS InDevelop, are still in the beginning stages of refining our learning questions and approach. Given the size, complexity, and heterogeneity of BUILD, the evaluation will have to be multifaceted. We envision a strong emphasis on qualitative methodology, narrative, and strategic communication, in addition to quantitative methods, to build understanding, evidence, and influence.

At this time, we foresee several key learning questions for the evaluation:

- Does the individual organization (or subset of organizations) demonstrate improvements in strategic clarity and cohesion? Leadership and governance? Financial resilience?
- Does multiyear general support, together with dedicated funding for institutional strengthening, contribute to amplifying and accelerating programmatic impact?
- Does new or increased participation in networks and partnerships through BUILD contribute to acceleration or amplification of social justice outcomes?

We are being patient, realizing that results will take time. But we are eager to learn, and we've established a rigorous framework to help us to gain insights along the way.

Conclusion

Eighteen months into BUILD, we think the program is already showing signs of success. We see this in the overwhelmingly positive reaction we've received from grantee organizations. We see it in a stronger emphasis throughout the Ford Foundation on partnership and shared strategy with grantees. We see it in the Ford Foundation's shift to larger, longer-term grants throughout the entire grants portfolio, not just BUILD. And we see it in the dozens of foundations who have contacted us wanting to learn more about our work.

The years ahead will bring many more lessons. Hopefully, we will experience more success. We are sure we will also experience failures, mistakes, and missed opportunities. Regardless of whether the news is good, bad, or inconclusive, we have committed to sharing what we learn as openly as possible. This report is only the beginning. For more updates, please visit the BUILD website at fordfoundation.org/work/our-grants/building-institutions-and-networks/.

Notes

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