

Linkages

THE NEWSLETTER OF ROCKEFELLER PHILANTHROPY ADVISORS

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Strengthening Nonprofit Capacity and Effectiveness

With increased demands that nonprofits show results, many funders are helping nonprofits achieve their mission by focusing on their operations, not just their programs. Studies have shown that nonprofits could achieve greater impact by addressing gaps in their organizational capacity. With better information and improved measures, a stronger correlation between capacity building initiatives and social impact may well emerge.

The organizations and programs included in this issue represent a wide range of successful domestic and international capacity building efforts around the world. In particular, they exemplify four important grantmaking goals:

- *Strengthening local infrastructure*
- *Ensuring effective planning, management and growth*
- *Building a nonprofit “capital market”*
- *Supporting social enterprise*

For more information about any of the grantmaking strategies or specific organizations featured in this issue of Linkages, please contact Rockefeller Philanthropy Advisors at info@rockpa.org, or fax inquiries to 212/812-4335.

STRENGTHENING LOCAL INFRASTRUCTURE

The Bridge Fund: Tibetan China

The Bridge Fund was established in 1996 in response to needs expressed by Tibetan communities in China to promote sustainable economic development, cultural heritage preservation and environmental conservation on the Tibetan plateau. The Fund’s work is guided, designed and implemented by a team of 12 professional, local staff,

placing emphasis on supporting locally run organizations and institutions. Rockefeller Philanthropy Advisors provides fiscal and management oversight. Here is one example of their work:

Snowland Service Group (SSG) is a Tibetan-run charity that works with local communities to plan and implement education, healthcare, community development and cultural preservation initiatives. In 2001 The Bridge Fund made a grant of \$10,000 to SSG to establish an office, hire staff and cover costs for project development, implementation and monitoring. An additional grant of \$5,000 was made to train SSG staff and volunteers in rural development practices. SSG conducted planning sessions and established the organization in June 2001, and was formally registered in February 2002.

To date The Bridge Fund has provided \$248,000 in grant funding to SSG to support the following projects:

- Construction of four village schools utilizing local materials and labor
- Construction of a rural hospital which provides Chinese, Tibetan and allopathic care
- Two yak micro lending programs to alleviate poverty
- A computer lab for the senior middle school in Yushul Prefecture
- Two greenhouses for schools
- Renovation of boarding schools
- Publication of the first Tibetan language cultural journal in Yushul
- A village water system
- Scholarships from the primary to university level

- Support for a nine-grade orphanage school
- A cultural preservation cum vocational training project for unemployed youth
- Restoration of an important pilgrimage site and temple

To ensure sustainability, SSG makes contracts with local government partners to support recurring costs such as teacher and medical doctor salaries.

Urban Violence

A collaborative project known as the DC Youth Violence Prevention Initiative is addressing a donor's concern about random violence in Washington, D.C. The initiative has begun at the grassroots with an emphasis on prevention through youth development and family support. The strategy grew out of consultations with many nonprofits, the Washington Regional Association of Grantmakers and local funders with strong interests in youth programs.

The initial grant is supporting the short-term operation and the longer-term development of a small, innovative and effective neighborhood organization with ambitions and great promise. Life Pieces to Masterpieces is an arts-infused after-school program with strong emphasis on

academic achievement, character and leadership serving African-American boys living in public housing. The grant provides a confident base of support in uncertain times. It also complements funding from others which supports the planning process, outcomes research and social enterprise development. Through this substantial involvement with a specific organization and neighborhood, the initiative hopes also to gain perspective on needs and opportunities that will help target additional effective support relating to violence prevention.

EFFECTIVE PLANNING, MANAGEMENT AND GROWTH

Westchester SPCA

The Marilyn M. Simpson Charitable Trusts, managed by Rockefeller Philanthropy Advisors, support a wide range of nonprofits in animal welfare, the environment, education and health, primarily in Westchester.

Among its grantees is the Society for the Prevention of Cruelty to Animals (SPCA) of Westchester in Briarcliff, New York. Citing the SPCA's need to strengthen its management and governance, the Trusts engaged the New York-based Support Center for Nonprofit Management to work with the SPCA over one year, providing much needed technical assistance in

enhancement of financial policies and procedures, board development, and fundraising systems. The Trusts also continued to provide operating support to the SPCA during this period.

In the financial management area, the SPCA purchased new software to enhance its financial tracking and reporting capacity. In the governance area, the SPCA voted to separate the roles of President and Chairman and created a clear statement of board roles and responsibilities. In fundraising development, the SPCA initiated work that focuses on examining and creating the "case" for funding of activities and programs, and facilitated a gathering of volunteers to clarify their commitment to supporting the organization.

Trinidad and Tobago

The JB Fernandes Memorial Trust began grantmaking operation in 1998, with the mission of alleviating poverty, improving health and education in Trinidad and Tobago, Portugal, Madeira and Portuguese communities in North America. Since 1998 the Trust's professional team (all from Rockefeller Philanthropy Advisors) have recommended and serviced 541 Trust grants valued at nearly \$17.5 million.

For several years, the Trust advisory panel and our staff have been concerned with the often-limited organizational capacity of key grantees in Trinidad and

Tobago. Most of these organizations face a difficult struggle to acquire the skills and resources needed to improve the quality and impact of their programs.

In August 2001, our [staff](#) met with management teams from seven key grantee organizations and began jointly to design a set of capacity building measures to help carry out effective programs and ensure long-term sustainability. The seven grantees selected represented some of the Trust's strongest partners in Trinidad and Tobago. Each organization had committed a team of three leaders to participate for the duration of the 18-month program. The teams identified seven areas of organizational challenge:

- Program planning, development and documentation
- Improving service delivery
- Strategic planning for the organization
- Fund development and fiscal management techniques
- Staff development and volunteer management systems
- Board development and recruitment
- Communication and marketing of successes

Each organizational team, with professional assistance, completed a full strategic plan, setting goals and objectives for improving program delivery. Five learning conferences provided intensive instruction on models of effective program-

ming, facilitated peer learning and organizational collaboration projects, guided each team through their strategic planning process, and monitored the first targeted improvements. Stronger staffing and broader funding support are early indicators of success.

BUILDING A NONPROFIT "CAPITAL MARKET"

Grameen Foundation

Grameen Foundation USA works in partnership with the Grameen Bank, pioneer of small loans to the poor, to fight poverty all over the world. The Grameen Bank was started in Bangladesh in 1976 as an action-research project that attempted to provide tiny loans to very poor people to allow them to start "micro-businesses." Twenty-five years later, Grameen Bank has 2.4 million borrowers, 94% of whom are women, and has loaned more than \$3.7 billion in amounts averaging less than \$200. Grameen Foundation USA was established in 1997 to provide financing, technical assistance and technology support to the growing numbers of grassroots institutions that are successfully replicating Grameen Bank's success in countries as diverse as Malaysia, India, Uganda, Mexico and the United States.

Friends of Women's World Banking (FWWB)

Friends of Women's World Banking aims to empower poor and asset-less rural and urban women by improving their participation in sustainable livelihood activities through access to financial services.

Based in Ahmedabad, India, FWWB initiated microfinance activities in 1989 and now works through a network of approximately 250 NGOs involved in microfinance. Its capacity building process includes close monitoring of small institutions on a one-to-one basis; comprehensive technical assistance trainings; and providing timely and substantial financial support.

Unitus

To the working poor in developing countries, microfinance is a miracle. A \$100 loan can be all it takes for a hard-working, self-employed woman to permanently lift her family out of poverty. But sadly, because most microfinance institutions (MFIs) that offer these loans remain small, only 10% of poor entrepreneurs worldwide have access.

Unitus identified underdeveloped organizational capacity and insufficient lending capital as the two universal growth

constraints for MFIs. Acting as a microfinance venture capitalist, Unitus identifies the highest-potential MFIs worldwide and engages in MFI partnerships. Through these partnerships, Unitus exponentially increases the number of loans an MFI can make by providing high-impact capital funding and strategic organizational capacity building services over the 5-7 year partnership.

FUNDING FOR SOCIAL ENTERPRISE

Roberts Enterprise Development Foundation (REDF)

The Roberts Enterprise Development Fund evolved out of a six-year effort to expand economic opportunity for homeless and very low-income individuals through the creation of social purpose business ventures. These businesses, free of "training" time limits imposed by traditional government funded efforts, could employ individuals for longer periods of time and were operated by nonprofits in order to provide transitional and permanent employment to individuals outside the economic mainstream.

In order to support the creation of these social purpose businesses, a new funding relationship had to be developed since REDF wanted to support both the business and organizational development of its investee organizations. REDF

provides access to core capital (in the form of operating support "investments") as well as access to business technical assistance, an array of program supports such as information management, computer and internet support services and access to the marketplace. These elements are brought together under the infrastructure of REDF, which provides multi-year philanthropic investments, access to MBA talent through its Farber Interns Program and Farber Fellows Program, and access to the marketplace through its Partners-for-Profit.

REDF's current portfolio consists of nonprofit organizations and operating business ventures employing very low-income individuals throughout the greater San Francisco Bay Area. Each organization's core financial support comes in the form of an annual capacity-building grant ranging between \$75,000 and \$150,000. This grant can finance management salaries, organizational overhead, and working capital for the enterprise.

Working Today

Working Today is a national nonprofit that represents the needs and concerns of the growing independent workforce through advocacy, information and service. Key to its philosophy is the development of national efforts to bring about policy changes for the 40 million people who now work as freelancers, consultants, part-timers, temps, contingent workers and independ-

ent contractors, or in other flexible arrangements.

In an effort to link freelancers to the benefits and services that they most need, Working Today has recently developed the Freelancers Union—an innovative project that provides vital health benefits, advocacy and services for independent workers. It will also act as a crucial interactive information and product resource for part-time, contract and temporary workers, who represent approximately 30% of New York City's total workforce. Initially, it will offer membership and services, while serving as a pilot program that may be expanded to address the needs of independent workers outside the New York area and across the country.

Linkages in Philanthropy is a bi-monthly newsletter published by Rockefeller Philanthropy Advisors. "Letters to the Editor" with opinions, suggestions and information are most welcome. Letters should be addressed to:

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