COLLECTIVE IMPACT: VENTURING ON AN UNFAMILIAR ROAD

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Summary

In 2010 Hilary Pearson wrote in *The Philanthropist* about the emerging trend of creating Funder Collaboratives to address the challenges of the 2008/2009 economic downturn. In this update, Pearson looks at the emergence of Collective Impact from a funder's perspective, exploring whether this new approach can help address perennial questions of effectiveness and impact and how funders are responding to these collaborative initiatives.

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Over the past five years, since the financial crisis and recession of 2009, which had such a negative impact on charitable endowments and funding strategies, Canadian private funders have talked much more about the importance of collaboration. Working together is attractive because it is potentially a way to extend scarce resources and increase impact. More importantly, collaboration is an important strategy for funders focused on addressing complex social issues in their communities, such as homelessness, substance abuse, youth disengagement, and child poverty. None of these issues are easy to resolve, and many of them have persisted over time or even worsened. It is clear that no one funder, no matter how large, can make a significant difference on these issues without collaboration. In times of on-going austerity, even government funders are motivated to find funding and implementing partners. But the challenges of working together are as great, if not greater than the benefits, as those who have tried it can attest. Knowing when and how to work together is essential; it calls for resources that not all possess, and a willingness to work outside of one's "comfort zone."

This is even more true when we look at the intensively collaborative approach known as "Collective Impact," the term first brought to wide attention in the influential article by Mark Kramer and John Kania published in the Winter 2011 issue of the *Stanford Social Innovation Review*. This approach is gaining some currency, at least in conversation, among Canadian funders. It has the appeal of promising sustainable impact in addressing what are generally intractable and complex social problems. Yet it must be pursued rigorously and persistently to achieve results. In this commentary, I would like to offer some observations on the reasons why this approach is an unfamiliar and therefore challenging road for private funders. When I use the term "private funders" in what follows, I refer in most cases to private charitable foundations.

There are still relatively few examples of Collective Impact initiatives as defined by Kramer and Kania either in Canada, or even in the United States. This is not because

funders are not interested in exploring such initiatives. On the contrary, there has been willingness to discuss and learn about it from funders across the spectrum of private foundations, community foundations, United Ways, and funding charities. But Collective Impact is not simply a more elaborate form of funder collaboration. It is painstaking, complex, and evolving work, demanding a high degree of commitment and flexibility, as well as new forms of shared accountability and measurement. None of this is easy for funders used to making their own decisions and being accountable primarily to their own boards and stakeholders, not to a collective.

In an article for *The Philanthropist* in 2010, I noted that many Canadian funders were beginning to look at collaboration as a possible tool to achieve greater leverage. Forms of funder collaboration range from relatively simple regular exchanges of information on a shared field of grantmaking, to more formally structured co-funding models. While formal co-funding has not grown very significantly, Canada has seen some definite growth since 2010 in the formation of groups known as a funder affinity groups or "learning networks." This type of collaboration involves coming together regularly to hear what is happening in a field or issue area, share information, and explore potential strategies for making more effective investments. Established funder networks such as the Canadian Environmental Grantmakers Network (CEGN) have been joined by newly structured groups such as the Circle on Philanthropy and Aboriginal Peoples in Canada, the Early Child Development funders working group, and the Mental Health and Wellness Affinity Group. Other funder groups are being formed in different fields of grantmaking activity. Many of these groups reach out horizontally to include both private and public foundations, corporate givers, and United Ways. Participation in an affinity group at the least helps to inform funding decisions and offers further potential to align funding and policy advocacy work. But funder affinity groups do not represent (and would not claim to be) Collective Impact initiatives.

It has been emphasized that true Collective Impact initiatives are built on five key elements or conditions: a common agenda, mutually reinforcing activities, shared measurement, continuous communication, and a backbone organization. Perhaps the most important one of these elements, in my view, is the backbone organization, which can ensure that the other elements are in place or being developed. Using these conditions as criteria, we can identify some initiatives in Canada that are much more plausibly in the Collective Impact model than the pure funder collaboration model.

One such example is Upstart: Champions for Children and Youth, a Collective Impact initiative in Calgary championed by the United Way of Calgary and Area, which acts as the backbone organization. Upstart describes Collective Impact as the engagement of the community in developing solutions to complex social problems that cannot be solved in isolation: in this case, giving children and youth a chance to get through school. The initiative convenes community leaders around a common cradle to career readiness agenda, which includes early years, school completion, and Aboriginal youth education. The United Way of Calgary acts as convener, conduit for funding, fiscal agent and funder, and partners with service providers, citizens, researchers, and corporate and private funders for the common goal of helping children become healthy, caring, responsible adults.

In Québec, we see a similar initiative taking place in a different form as a high-level partnership between a private foundation and the provincial government, to accomplish many of the same goals as in Calgary. The Lucie and André Chagnon Foundation has established a ten-year partnership with the Québec government in order to support local and regional mobilization in areas that are critical to educational success: early childhood development, healthy lifestyle habits, and student retention. The Foundation also provides support for awareness activities and tools for parents and Québec society as a whole. Between 2002 and 2009, the foundation and the government created and continue to fund three backbone organizations to coordinate different aspects of this multi-faceted initiative: the overall development of children five and under living in poverty, healthy eating and active living, and initiatives that promote student retention.

Several Collective Impact initiatives at the level of cities have been created to confront the immensely complex challenge of reducing or eliminating poverty within communities. An example is the Cities Reducing Poverty initiatives coordinated through the backbone of Vibrant Communities, the multisectoral action learning initiative that has been operating in Canada since 2002. After more than ten years of learning, Vibrant Communities has ambitiously expanded its goal to create a learning community of 100 Canadian cities with multi-sector roundtables, aligning poverty reduction strategies in cities, provinces, and the federal government. The results of this activity are impressive. In many cities across Canada, municipal governments are coming together with non-profit agencies, funders, business leaders, and intermediary organizations to pursue comprehensive initiatives that tackle poverty, homelessness, child development, stay in school, and youth engagement. These collective efforts are based on the clear realization that "no one sector has the solutions; no one group can tackle poverty alone."

There are other examples where a backbone organization is playing a critical role in pushing forward a collective agenda on a complex social issue. In Winnipeg, the United Way of Winnipeg, in partnership with the Winnipeg Poverty Reduction Council, the business community, the provincial government, and a private foundation, the J.W. McConnell Family Foundation, is working on a comprehensive effort to support the school-readiness of children in low income communities (the Early Childhood Development Innovation Fund, initially supporting the Point Douglas Boldness Project). Other backbone organizations are trying to bring about major progress in such complex problems as homelessness. The Calgary Homeless Foundation is an example of a local implementing organization that is coordinating the efforts of agencies, governments, business partners, academics, and citizens to pursue a Ten Year Plan to End Homelessness in the City of Calgary.

At a national level, coordinating organizations such as the Canadian Alliance to End Homelessness and the Canadian Council on Substance Abuse are attempting to use principles of collective action to align the work of many partners and to provide resources across the country for action at local levels. In the field of immigrant integration and support, a coordinating organization, ALLIES (Assisting Local Leaders with Immigrant Employment Strategies), has existed since 2007 and is jointly funded by the Maytree Foundation, the J.W. McConnell Family Foundation, the federal government, and TD Bank. ALLIES is a backbone organization that supports local efforts in Canadian cities

to successfully adapt and implement programs that further the suitable employment of skilled immigrants.

These examples demonstrate the diversity of collective initiatives. They also suggest that where there is a well-led and resourced backbone or implementing organization, it is likely that the alignment effort and the collective work is being supported and sustained effectively so that over the long-term we will see some important results. But two observations can be made as we look around at the current landscape in Canada:

- Collective Impact is most often undertaken and led at the community or city level by public funders such as the United Way or a community foundation and by multi-partner backbone organizations. Private funders are playing a minor role, with some exceptions.
- Collective Impact is still an unfamiliar concept to most private funders, since these efforts are of relatively recent vintage, and results have not been widely communicated (unsurprisingly since the sharing of results is an inherently long-term and complicated process).

How to explain the very limited (so far) investment by private funders in Collective Impact efforts? I think it relates to the very different and demanding nature of the work. Every one of these efforts requires years to bear results and a very patient commitment by funders who are prepared to wait for those results and not to be the driver of the outcomes. Collective Impact is typically well outside the familiar paradigm of one-to-one grantmaking (grants to a single organization for a single or perhaps two or three years). And most funders – here I am speaking about charitable foundations – do not have the capacity to play an active role in defining the Collective Impact approach or to take on the job of directing or being the backbone organization.

This being said, the examples of private funder engagement in collective action are instructive. The J.W. McConnell Family Foundation, the Chagnon Foundation, and Maytree, to take a few, have all chosen to support the development of collective processes through the funding of backbone organizations. If the venture is untried, this is something that private funders can do arguably more easily than government funders or even corporate funders. There is certainly risk in working on untested collective processes, with little in the way yet of agreed shared measurement frameworks to tell funders if milestones are being met. But where Collective Impact is working, it is very much attributed to the effectiveness of the process supported by the backbone. One caveat to this form of support is the danger of mixing the roles of funder and manager or implementer. Due to the inherent power imbalances between funders and recipients, it is probably better for funders to negotiate their participation carefully and to avoid taking on a major role in acting as the actual backbone or intermediary organization. This being said, the United Ways have taken on this role in some cities as noted earlier.

There is no doubt that asking funders to invest in process rather than in projects that lead to immediate or at least short-term results for communities is a difficult ask. And it is not part of what motivates many donors to engage in philanthropy in the first place. Their desire for a more explicit cause and effect link between their funds and a specific short-term outcome, even if they are willing to fund together with other funders, makes

it difficult for them to contemplate stepping beyond collaboration to the demanding world of Collective Impact. Nevertheless, more funders are being attracted by the idea of collectively mapping out complex issues. From there, a private funder may find that it is not a difficult step further down the road to explore a process for tackling those issues collectively. One strategy that may help to bridge between the more familiar work of grantmaking and the unfamiliar challenge of supporting Collective Impact is to look for and fund those backbone organizations that have the potential or can demonstrate that they have the right qualities for success in this work – leadership, strategy, diverse partners, and common goals.

Websites

ALLIES: www.alliescanada.ca

Calgary Homeless Foundation: www.calgaryhomeless.com

Canadian Alliance to End Homelessness: www.caeh.ca

Canadian Environmental Grantmakers Network: www.cegn.org

Circle on Philanthropy and Aboriginal Peoples in Canada: www.philanthropyandaboriginalpeoples.ca

The Early Childhood Development Innovation Fund and the Point Douglas Boldness Project: http://unitedwaywinnipeg.ca/tag/school-readiness/

Fondation Lucie et Andre Chagnon: www.fondationchagnon.org

The J.W. McConnell Family Foundation: www.mcconnellfoundation.ca

Maytree: www.maytree.com

Upstart: Champions for Children and Youth: www.calgaryunitedway.org/main/upstart
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Vibrant Communities: http://tamarackcommunity.ca/g2_aboutVC.html