



EVALUATION CAPACITY BUILDING

*Funder Initiatives to Strengthen Grantee
Evaluation Capacity and Practice*

Myia Welsh
Johanna Morariu

June 2011



2011 Innovation Network, Inc.
You may remix, tweak, and build upon this work for
non-commercial purposes, as long as you give credit
and license new creations under identical terms.
Any other use requires written permission.


TRANSFORMING EVALUATION FOR SOCIAL CHANGE
www.innonet.org

Evaluation Capacity Building:

Funder Initiatives to Strengthen Grantee Evaluation Capacity and Practice

Myia Welsh and Johanna Morariu

Social sector funders are increasingly providing support for building the capacity of nonprofit organizations. Interest in improving the capacity of the nonprofit sector is a top trend: In February 2010, the Corporation for National and Community Service launched the Social Innovation Fund, a multi-million dollar effort designed to increase the scale of nonprofit efforts.¹ One month later Grantmakers for Effective Organizations (GEO) announced the launch of Scaling What Works, a multi-year learning initiative designed to strengthen grantmaking approaches that lead to broadened impact by high-performing nonprofits.² Interest in nonprofit capacity—and how to grow it—is a top priority for in-the-know philanthropists.

Evaluation Capacity Building (ECB) is the process of improving an organization's ability to use evaluation to learn from its work and improve results. Organizational learning is incredibly important. Organizations that are adept at learning from mistakes and adapting to new challenges are more likely to be successful, and in the nonprofit sector, more likely to make significant progress toward mission-related outcomes. In general, ECB can be used to:

- *Improve the knowledge and skills of individuals.* Staff members need to have an understanding of evaluation, and the confidence to apply basic evaluation approaches and methods to their work. Everyone does not need to be an expert, but everyone does need to have a basic support for and understanding of evaluation.
- *Strengthen organizational evaluation approaches.* Within an organization, there have to be effective mechanisms to support evaluation. Established systems and processes support staff to identify, collect, and use evaluative information.

Capacity Building

Capacity building is a catch-all term for an array of efforts a nonprofit organization may undertake to strengthen its operations or activities. In addition to evaluation, a few common areas in which nonprofits seek to improve capacity include technology, back office management (e.g., accounting and human resources), fundraising, advocacy, communications, governance, leadership development, and volunteer recruitment and development.

Capacity building often takes the form of an organization or individual with particular expertise transferring knowledge and skills to the staff of a nonprofit organization. This can take many forms, such as technical assistance, coaching, training, and workshops.

Innovation Network's focus is on evaluation capacity building (ECB), providing knowledge and expertise to build the capacity of nonprofit organizations to learn from their work to improve their results.

¹ Corporation for National and Community Service (2011). About the Corporation > Our Programs > Social Innovation Fund. <http://www.nationalservice.gov/about/programs/innovation.asp>

² Grantmakers for Effective Organizations. Scaling What Works: A Learning Initiative of GEO. <http://www.geofunders.org/scalingwhatworks.aspx>

Evaluation and learning are essential capacities—they should not be considered “nice-to-have” extras. To make meaningful strides toward meeting missions, nonprofit organizations must be effective. They require support for programmatic work, as well as non-programmatic areas like evaluation. Nonprofits and funders “must recognize that excellence in programmatic innovation and implementation are insufficient for nonprofits to achieve lasting results. Great programs need great organizations behind them.”³

Innovation Network has a wealth of experience as an evaluation capacity builder. One way we often provide ECB services is to a group of grantees. Over the years we have provided funder-sponsored ECB services to a number of grantee cohorts. The following three case studies share our experiences with funder initiatives to strengthen grantee evaluation capacity and practice. Each case study includes a description of the overall grantmaking initiative, followed by a discussion of the ECB services requested by grantees and/or provided by Innovation Network. The paper concludes with a reflection on lessons learned and recommendations for funders considering ECB for their grantees.

The case studies embody different intensity levels of ECB work, and are arranged from least intensive to most intensive. The first two case studies represent projects in which an ECB component was added to a program evaluation engagement, while the third case study is of a project that was purely ECB.

Case Study:

The Washington Area Women’s Foundation—Stepping Stones Initiative

The Washington Area Women’s Foundation is a regional foundation that provides small grants to organizations seeking to improve the lives of women and girls. The organization’s Stepping Stones Initiative aims to improve the financial security and independence of women-headed, low income families in the D.C. area. For five years, Innovation Network was the Foundation’s evaluation partner for the Stepping Stones Initiative. Our partnership involved two components:

- An evaluation consulting component, in which data was collected at the grantee level and aggregated for analysis at the initiative level; and
- An ECB component for grantees.

Initially, the Washington Area Women’s Foundation restricted ECB to practices that supported the grant reporting the Foundation wanted from grantees. Grantees could opt to participate in ECB at their own discretion, though there were a few instances in which ECB participation was strongly recommended by Foundation staff. Over time, the capacity support was broadened to include any evaluation needs grantees identified within the program being funded, especially if that need impacted data collection for grant reporting. Of the thirteen grantee organizations that were eligible to receive services in the fifth year of our consulting project, six organizations chose to do so.

³ McKinsey & Company (2001). *Effective Capacity Building in Nonprofit Organizations*. Prepared for Venture Philanthropy Partners. http://www.vpppartners.org/sites/default/files/reports/full_rpt.pdf

*Evaluation Capacity Building:
Funder Initiatives to Strengthen Grantee Evaluation Capacity and Practice*

Common grantee requests for evaluation assistance included requests related to Foundation reporting, and requests for projects not directly related to the Initiative. For example, grantees requested reviews of data collection tools, advice on fostering staff buy-in for evaluation and data collection activities, the use of data with Boards of Directors or with management, and identifying reliable proxy measures for outcomes. In addition to varied topics, engagements also varied in length. Most engagements averaged between two weeks to one month.

Initial attempts at engaging grantees in ECB services fell short. In years three and four of the project, Innovation Network communicated directly with grantees, using email to make grantees aware of available services. This approach—us as ECB provider directly communicating with grantees on behalf of the foundation—was not effective: Very few grantees chose to access services.

In the fifth year, the desire to engage more grantees in building evaluation capacity resulted in the development of a revised (and more successful) approach that capitalized on the convening and connecting role that can often be played by foundation staff. At the outset of the grant period, Foundation staff hosted a Technical Assistance Day for all initiative grantees. This convening included a one-hour session for grantees to meet with Innovation Network staff. Innovation Network staff met with six grantees during Technical Assistance Day, and conducted additional follow-up based on needs discussed and assessed during the in-person meeting. This change in approach—with Foundation staff playing a convening and brokering role—signaled to grantees the Foundation’s support for evaluation, and resulted in more grantee uptake of services than prior years.

Case Study:

A Funder Collaborative

From 2007 to 2010, Innovation Network provided evaluation consulting and evaluation capacity building services to a national funder collaborative providing strategic support to social justice organizations doing human rights work in the United States. This three year ECB arrangement focused on building the evaluation capacity of 20 to 25 grantee organizations per year (the vast majority remaining in the cohort for all three years).

At the beginning of the engagement, a short survey was used to get a sense of each grantee’s evaluation practices. The results were used to inform the design and roll-out of the services. ECB offerings included one-on-one individualized services, trainings provided in group settings (such as national convenings), and a guide on indicators crafted for the specific needs of social justice organizations working in the human rights field. Over the course of three years, eight grantees accessed individualized services; the duration of the ECB efforts was generally two to six months.

The project was designed to allow grantee organizations the option to participate, and to set their own pace. The first outreach attempt to inform grantees regarding the ECB opportunity was conducted by Innovation Network staff; this outreach approach generated little response. In subsequent outreach attempts throughout the last two years of the engagement, staff of the funding collaborative took an

active role in advertising the ECB opportunity to grantees at various times. Encouragement from the collaborative staff increased the use of ECB services. Another aspect of the design was that Innovation Network allotted a “bank” of 100 ECB hours annually for the collaborative’s grantees, with the directive to equitably use the time to ensure all requests could be met.

The purpose of this effort was to build capacity within social justice organizations to improve their long-term organizational health. The eight capacity building projects varied in length, due to the differing needs of the organizations. In general, grantees came to the relationship with requests related to evaluation planning and data collection. Once work began, other needs were identified and met according to the organization’s ability to commit time to additional projects. The service most frequently provided to this group was theory of change/logic model creation, followed by evaluation planning.⁴ For grantees that weren’t sure what they needed but wanted to make sure they used the ECB offer, the default starting point was logic modeling for the grant-funded program. Through the process of developing a logic model, other evaluation needs were usually uncovered—for example, moving from creating a program logic model, to planning a program evaluation, to designing data collection tools.

The open-endedness of the capacity building offer—each organization moving at a different speed and working on a different aspect of evaluation—resulted in a series of singular, self-contained endeavors. These strengthened the grantees individually, but it would be difficult to show that the effort had an effect on the human rights field overall, which was the long-term desired outcome for the collective.

Case Study:

Corporate Philanthropy

In 2006, a financial services corporate philanthropy began a three-year grantmaking initiative designed to provide substantial funding and capacity building supports to twelve nonprofit organizations in the Greater Washington, D.C. area. The grantees received annual grant funds of approximately \$75,000 to \$125,000 for programmatic and core support, and were eligible to access a variety of capacity building services, such as marketing, branding, human resources, information technology, and evaluation. Customized services beyond the standard offerings were also considered by request, and when possible; these were provided pro bono by a skilled employee of the financial services corporation.

The ECB element of the initiative was designed to strengthen grantee performance by providing access to experienced evaluation experts—a critical asset lacked by many of the twelve organizations. In the first year, Innovation Network conducted a needs assessment with each grantee to identify areas for evaluation strengthening.⁵ From the results of the needs assessment, the evaluators made recommendations for ECB projects.

⁴ For more information on basic evaluation topics, as well as Logic Model and Evaluation Plan Builders, visit: http://www.innonet.org/index.php?section_id=64&content_id=185

⁵ The Evaluation Needs Assessment tool was developed by Innovation Network. Download the tool at http://www.innonet.org/resources/files/evaluation_needs_assessment.pdf

*Evaluation Capacity Building:
Funder Initiatives to Strengthen Grantee Evaluation Capacity and Practice*

ECB offerings ranged from simple and succinct (e.g., supporting the development, implementation, and analysis of surveys) to complex and ongoing (e.g., developing and implementing an organization-wide evaluation plan). On average, organizations were provided access to four hours of ECB assistance per month—amounting to a significant commitment over three years. Grantees were initially informed about the ECB services by the funder, and the evaluators were asked to conduct outreach to each grantee throughout the life of the project.

While a few grantee organizations readily engaged and began to access services and seek support regularly, about two-thirds of organizations did not. Over the three years of the project, a pattern emerged: One-third of organizations consistently accessed the full four hours of services per month; one-third of organizations accessed a minimal amount of service sporadically; and the final third rarely or never requested ECB support. For the organizations that did engage, a variety of ECB projects were suggested by the evaluators, requested by the organizations, and carried out.

The most common type of service requested and provided was for the evaluators to review, provide feedback on, and update or strengthen existing organizational evaluation approaches. In conjunction with reviewing evaluation plans, logic models, theories of change, data collection instruments, and performance management tools, Innovation Network attempted to provide customized training to improve the sustainability of evaluation use. Other services provided included:

- Customized consulting engagements to create and embed evaluation and promote evaluation use in grantee organizations.
- Group training on *Overcoming Outcomes Reporting Challenges*, a topic relevant to all grantees and of importance to the funder.
- Input and advice into the qualifications, experience, and responsibilities for a job posting for the position of a full-time evaluator.
- Review of and feedback on the design of research studies into the achievement of education outcomes over time.
- Creation of evaluation language and approaches to fulfill the requirements of grant proposals to other funders.

At the end of year two of the three-year initiative, 65 percent of organizations reported increased evaluation knowledge, 59 percent reported applying new evaluation knowledge, and 53 percent reported positive organizational change(s) as a result of receiving evaluation capacity building services and products.

Lessons Learned

Much has been written about how to successfully design and implement many types of capacity building efforts in the nonprofit sector.⁶ The following are lessons we learned *specifically about evaluation capacity building*, and not covered in other existing research on general capacity building initiatives:

Clarify what evaluation is (and is not). In general, there was a lack of knowledge among grantees about what constituted evaluation, resulting in some organizations not realizing the improvements that could be made. A needs assessment is one approach that can be helpful in spurring conversation around areas for improvement. Another approach is to offer training on evaluation to all grantees early on in the engagement, to increase their familiarity with evaluation. Finally, it can be helpful to share project examples completed with peers from the same cohort to jump start the process.

Design the ECB offering to be opt-out rather than opt-in. Human behavior studies show that people are less likely to opt in to a behavior than to opt out.⁷ Applying this concept to ECB, grantees are more likely to access services if the default option is to engage with the capacity builders. If the default is not to engage, most people will not engage. To encourage greater uptake of ECB services, funders could (for example) schedule grantees to meet with evaluators during a project's kick-off meeting to conduct an initial conversation or needs assessment.

Include evaluation activities and outcomes in grant reporting. If improving evaluation practice should be a priority for grantees, then demonstrate the importance by underscoring evaluation in the grant: require grantees to report on evaluation capacity building activities, and to include high quality evaluative information in reporting. Funders can highlight the importance of building evaluation capacity by hosting group trainings, facilitating peer learning, and holding grantees responsible for meaningful evaluation reporting throughout the grant relationship.

Balance providing responsive versus strategic services. Success depends on the ability of the ECB providers to strike a balance between responding to every request, versus digging deeper on specific requests. Sometimes it is more important to better understand the impetus behind a request to provide a service that will truly meet a grantee's needs and bolster its long-term organizational evaluation capacity. This was especially true for organizations without evaluation staff: Without an internal evaluation expert, some requests for evaluation projects were at cross purpose or disjointed.

⁶ For a comprehensive overview of key conditions, good practices, barriers, and financial strategies for effective capacity building see *Evaluating Foundation-Supported Capacity Building: Lessons Learned* (2010) by Thomas E. Backer, Jane Ellen Bleeg, and Kathryn Groves of the Human Interaction Research Institute, <http://www.humaninteract.org/images/finalrep129c.pdf>.

⁷ For an interesting discussion of this phenomenon—and other behavioral economics topics—see Dan Ariely's *Predictably Irrational* (2010).

Build capacity with staff throughout the organization—beyond leadership. It is critical for leadership to value evaluation. But for evaluation and learning to permeate an organization and be a constructive force, staff at all levels must play a part. Mid-level staff can play a crucial role in driving forward evaluation capacity building projects. Infusing capacity throughout the organization also helps to mitigate some of the debilitating effects of staff turnover. In our experience, the grantees that experienced the largest capacity gains engaged staff who held various levels of responsibility in the evaluation capacity building process.

Provide timely services when they are of most use to grantees. Throughout the year there are periods when organizations have more or less time to engage in evaluation, or when evaluation activities become more or less important. ECB that is provided when *grantees* have the time and interest is more likely to be successful than if it is provided according to the evaluator's or funder's schedule. Otherwise, it becomes just another grant requirement—a hoop to jump through, not an opportunity for genuine learning.

Evaluation Capacity Building: Getting Started

Building an organization's evaluation capacity take time and resources—two things that are often in short supply. In determining whether evaluation capacity building may be a good fit for your grantees, consider the following questions:

1. Does my organization value evaluation capacity enough to provide meaningful, consistent, and sustained support?
2. What is the current level of familiarity with and use of evaluation among grantees? Would strengthening grantees' evaluation capacity result in a stronger organization or better provision of services?
3. What type of evaluation services might grantees benefit from? Is there an evaluation capacity builder who matches my needs?

Myia Welsh (mwelsh@innonet.org) is an Associate with Innovation Network, contributing her expertise and skills to evaluation projects with a variety of funders and nonprofits such as the Washington Area Women's Foundation, United Way, and National Council of La Raza.

Johanna Morariu (jmorariu@innonet.org) is a Senior Associate with Innovation Network and heads the organization's environmental evaluation practice area and research agenda (innonet.org/research). Johanna tweets about evaluation and data/information visualization (twitter.com/j_morariu).

Copyediting, design, and production for this publication were provided by Simone Parrish, Johanna Morariu, and Veena Pankaj.

Innovation Network is a nonprofit evaluation, research, and consulting firm. We provide knowledge and expertise to help nonprofits and funders learn from their work to improve their results.



© 2011 Innovation Network, Inc.

You may remix, tweak, and build upon this work for non-commercial purposes, as long as you give credit and license new creations under identical terms. **Any other use requires written permission.**