

February 27, 2002

**Moving Ideas and Money:
Issues and Opportunities in Funder Funding Collaboration**

Prepared for
The Funders' Network on Smart Growth and Livable Communities
&
The Program on Philanthropy and Community Change
of the Chapin Hall Center for Children

Ralph Hamilton
Chapin Hall Center for Children
at the University of Chicago
1313 East 60th Street
Chicago, Illinois 60637
773-256-5207

This paper is one of several commissioned by
The Funders' Network for Smart Growth and Livable Communities
to inform the Network's discussions
about future directions and issues in its field.

The report also serves as one in a series of discussion papers
entitled *Issues in Philanthropy and Community Change*
produced by the Program on Philanthropy and Community Change
of the Chapin Hall Center for Children

Table of Contents

Abstract	4
Approach	4
Typology of Funder Funding Collaboration	4
Information Exchange	5
Co-Learning	5
Strategic Alignment – Informal	6
Strategic Alignment – Formal	7
Pooled Funding	7
Joint Ventures	9
Hybrid Networks	10
Findings	11
Origin of Collaboration	11
Structure	12
Element in Success	13
Outcomes	16
Promoting Funder Learning	16
Building Knowledge	17
Positioning Issues	18
Fostering New Linkages and Capacities	18
Changing Resource Flows	19
Innovations in Grantmaking Practice	19
The Challenge for Future Funding Collaboration	20
Cautions in Collaboration	21
Leading the Field	23
Conclusion	24
Appendix A – Selective List of Funder Collaborations	26
Appendix B – List of Interviews	27

ABSTRACT

This paper is intended to inform The Funders' Network for Smart Growth and Livable Communities (TFN) about issues in and approaches to funder funding collaboration. Rather than a comprehensive survey, the paper presents a first level of analysis of funding collaboration drawn from across the field of philanthropy. It develops a typology of funder collaboration, reports general findings from a diverse sample of experienced collaborators, and frames tensions funders face when choosing a collaborative approach. The final section suggests both cautions about collaboration, as well as opportunities that funder collaboration offers philanthropy.

APPROACH

A key concept guides this report. In funder funding collaboration, moving ideas and moving money are often interrelated activities. Many collaborative groups that primarily move ideas also move money; and many groups that move money are also trading in ideas. For purposes of this paper, therefore, "funder funding collaboration" is used broadly to refer to the various ways in which two or more funders cooperate together (beyond joint funding) to move ideas and money.

The information for the report was gathered from 31 telephone interviews with a range of knowledgeable foundation-based participants, collaborative staff and consultants, and researchers and observers. All have either participated directly in, worked with, or closely observed funder collaborations. Although not a comprehensive survey, the funder collaborations explored through the interviews come from many different fields of interest. No attempt was made to limit the sample to collaborations within the smart growth arena. Although perspectives varied around some issues, the interviews more often revealed large areas of agreement across the sample. It should be acknowledged that this report is limited by its reliance on single source reports and descriptive written material to build its picture of philanthropic collaborations. Since its intent was to capture the general themes and structures across philanthropy rather than to evaluate specific models, multiple perspectives on individual collaboratives were not sought. That said, in aggregate the interviewees appeared responsive, consistent and candid.

TYPOLGY OF FUNDER FUNDING COLLABORATION

The number and range of funder collaborations is much larger than initially anticipated. (A selective list is included as Appendix A). They also appear to be more idiosyncratic and eclectic than assumed. Many have grown organically out of a particular context, among a particular set of relationships, and in response to a particular set of opportunities. They appear to exist across a wide range of fields, supported by a spectrum of institutional funders, and displaying a variety of purposes and approaches. Some are focused around a specific geography, others are aimed at a particular level of change agent, while still others are targeted toward specific issues or solutions. Even the actual degree and nature of "collaboration" (traditionally understood as intensive and shared work together) varies enormously, both across and within collaborations. Some collaborations require funders to be deeply involved in ongoing discussions, problem

solving, decision-making, and even hands-on operation; others primarily emphasize the financial contribution and expect less personal time and involvement from funders; while still others have multiple levels of participation within the same collaboration.

The typology below is presented as one way to organize thinking about funding collaborations across philanthropy. Because the collaborative vehicles described are so varied in origin and form, any typology will be of only limited value or accuracy. Few of these mechanisms are purely *one* thing. Still, the intent is to suggest some of the different characteristics among funder collaborations based on a range of factors including purpose, structure, roles, activity, governance, and mechanisms for funding. Although the forms of collaboration presented clearly represent different levels of organizational complexity, an effort was made to avoid equating “complexity” or “formality” with “effectiveness” since the interviews suggest a more complicated set of dynamics is in play. In fact, more often than not, respondents suggest that “effectiveness” results from a particular salutary alignment of focus, people, structure, operating style and opportunity. Rather than a linear continuum, the types below might best be described as occupying distinctive niches within a larger ecology of philanthropic approaches and tools. Numerous examples of each type are reported to have added considerable value to funders’ work.

The range of funding collaboration includes:

Information Exchange

A primary purpose of this first set of mechanisms is to provide ongoing venues for funders to exchange information, discuss common interests, and learn about a broad set of issues of common relevance. It is also a place where funders connect with each other, and establish webs of relationship that are important in their work. Although not direct, the relationships and ideas that emerge from these venues can indirectly influence funding decisions. Membership tends to be large, inclusive and fluid, and is not tied to specific levels of participation. This information exchange function is typically nested within large formal organizations, such as donors’ forums, regional associations of grantmakers, the Council on Foundations, and affinity groups such as the Environmental Grantmakers Association (EGA), the Neighborhood Funders Group (NFG), and Hispanics in Philanthropy. These vehicles have many purposes other than information exchange, of course, and they also provide a staging area for, and in some cases support, the additional activities described below.

Co-Learning

The primary objective of co-learning venues is to facilitate funders’ ongoing engagement and exploration around a defined issue or problem, usually with a goal of developing a common frame of understanding and intellectual resources, a shared approach and agenda, and/or positioning an issue differently in the foundation world. They also often assist participants in identifying emerging issues and strategic opportunities. The learning produced by these groups is not always exclusively for funders, with some collaborations producing a rich array of useful resources for other practitioners and policy makers. Discussions in these groups may lead to individual side-deals regarding co-funding, but that is not a primary expectation. Similarly they sometimes evolve into

other kinds of collaborative vehicles over their lifetimes. Membership requirements vary from almost complete openness with no dues, to substantial membership dues and/or restricted numbers of members. The co-learning function is often nested within a larger network or institutional vehicle that provides administrative support and governance. Examples include: the Employment Placement and Training Group; the Coalition of Community Foundations for Youth; the Consultative Group on Biodiversity (CGBD); Funders' Network on Smart Growth and Livable Communities (TFN); and NFG's Working Groups (on Labor, Workforce Development, etc.).

Strategic Alignment – Informal

Collaborative vehicles that promote the strategic alignment of funding typically combine the ambitions of co-learning around a tightly defined issue, framing, geography or solution, with an expressed interest in informally aligning different foundations' resources around a shared strategy (rather than through a more formal structure, such as "pooling"). Although membership is usually open, participation is tied to the expectation that discussions may lead to collaborative grantmaking. Many of these groups are small, often having between 5 – 20 participants, but some have more than 40 active members. This approach is also used to bring diverse groups of public and private funders together to develop common solutions. Governance and administrative issues tend to be kept to a minimum within these venues. Typically they are supported administratively and/or facilitated by a staff person nested in another organization (often an affinity group), by a consultant, or by a fellow funder. Where there is dedicated staff, the role tends to be facilitative, with fund-raising and strategic leadership seen as a collective member responsibility. Examples include: CGBD's Working Groups (Forests, Marine Conservation, Biodiversity & Environmental Health, Climate and Energy, etc.); East Bay Public Safety Corridor Project; and TFN's Transportation Funders Group.

The Sustainable Forestry Funders is one example of this model. The Forestry Funders aim both to expand foundation understanding of issues surrounding sustainable forestry and certification, and to provide a venue for strategic discussion and collaboration. Originally an independent affiliation of funders staffed primarily through the offices of the Rockefeller Brothers Fund, the Sustainable Forestry Funders are now a formally recognized sub-group of the CGBD's Forests Working Group. The CGBD provides organizational support, a secretariat and coordination for the group. Although the group is subject to the bylaws of the CGBD, internally it has not established a formal governance structure as it has grown. It continues to operate as an informal and relationship-based network. Approximately 50 funders, representing large and small foundations, participate in the group's bi-annual meetings, task forces and e-mails, calling upon the expertise of a wide number of experts in forest policy and economics from non-profit organizations, government agencies, and industry. Using its members as its strategic thinking and funding resource, meetings are used both to set the agenda and to match donors and tasks.

The Transportation Funders Group began in the mid-90s as an informal co-learning network to increase the flow of information about transportation issues among funders and to expand the number of funders working on the issue. It was maintained through a series of monthly conference calls initiated by various foundations' staff. As

opportunities grew for philanthropy to work on transportation issues, the network evolved to a point where it needed consistent staff support in order to move into a more active posture. In 2000 TFN assumed responsibility for coordinating its activities. Since then, the Transportation Funders Group has expanded its effort to connect with and inform funders about transportation research on key issues, methodologies and models, while also facilitating the strategic alignment of funders on selected strategic challenges. In addition, it has also sponsored national meetings and briefings of transportation funders and reform advocates, issued and disseminated a briefing paper (with TFN), and entered into a partnership with the Surface Transportation Policy Project. The Funders Group is also working with practitioners to develop an overall plan and needs assessment for the nation's transportation reform movement. Four foundations currently support the Transportation Funders Group financially. Still operating informally under the guidance of its participants, six funders constitute its core membership, with another half dozen actively involved, and another dozen funders participating occasionally.

Strategic Alignment – Formal

A variation on the informal alignment approach described above is one that is more selective in membership and more formal in governance and giving expectations, but nonetheless maintains the lean administrative structure and the emphasis on aligning funds rather than pooling or administering them. Similar to the informal model, fundraising and strategic leadership is a member responsibility. The prototypical example of this model is the National Community Development Initiative (NCDI).

NCDI is a private partnership that provides financial support to nonprofit community development corporations (CDCs) working to improve physically and economically distressed inner city neighborhoods. Its membership is made up of the senior leadership of institutions that have made substantial financial commitments in alignment with NCDI's collaborative strategy. Members include foundation presidents, senior corporate leadership, and senior federal officials. From its inception, NCDI has worked closely with its primary intermediaries, LISC and the Enterprise Foundation. For its first ten years, NCDI focused on generating large funding commitments for its intermediaries and to raising the profile of affordable housing issues. To that end, NCDI members also successfully supported federal legislation to enable HUD to participate in the collaboration. NCDI also has sought to highlight the role of community development corporations as effective vehicles for investment and for sustaining improvements in inner-city neighborhoods. Until recently, NCDI did not have a 501 (c) 3. It has always been staffed by a consultant who provides organizational support. The members are responsible for fundraising and strategic direction. Although NCDI meetings serve as the venue for setting financial goals and targets, members' institutional financial commitments are made directly to the intermediaries.

Pooled Funding

Creating a funding pool from multiple funding sources in order to re-grant for a geographic area, to a particular sector, or around a specific suite of issues is another kind of collaborative vehicle. In this model, the money is typically granted to, held by, and re-granted by a collaborative entity. Participation in these collaborations most often requires a specific level of financial commitment to the pool. The process of decision-

making for pooled funds is specified, though the particular mechanisms for grantmaking differ widely. In some versions, either the whole collaborative membership or a subgroup of the collaborative makes funding decisions; while in others, the grantmaking function is largely delegated to an intermediary. Administrative and governance structures also differ widely, from “virtual” organizations with pass-through fiscal agents, to fully elaborated grantmaking institutions. Collaborative funding pools include: the Environmental Law & Policy Center’s Transportation and Land Use Reform Grassroots Fund; the National Rural Funders Collaborative; the Neighborhood 2000 Fund; the Donors’ Education Collaborative; the Energy Foundation; the New England Grassroots Environment Fund (NEGEF); the Chicago-based Fund for Immigrants and Refugees; and Social Venture Partners.

The Neighborhood 2000 Fund based in New York City is a pooled fund committed to growing the capacity of neighborhood-based community organizations (all of which have housing among their core issues). With 31 member foundations, the collaboration is a mix of local and national funders, half of which are corporate. The collaboration has a minimum financial requirement for participation. Also, the financial commitment to the Fund is supposed to be above and beyond foundations’ regular docket of grants devoted to community development. Each member has one vote regardless of the level of the grant (above the threshold) and each is expected to be actively involved, though a few members limit their role to funding the pool. The New York Community Trust serves as the fiscal agent for the pool (as a donor advised fund). Group decision-making happens through a sub-committee structure that feeds into the larger collaborative. Initially the Fund was designed to have a four-year lifespan but members extended its operation for a fifth and final year. As its strategy, the Fund provides substantial long-term unrestricted core organizational support to 34 neighborhood groups. The collaborative is also actively supporting the passage of state legislation that will establish a tax credit for corporations that make contributions to neighborhood-based organizations. The collaborative uses an experienced consultant part-time to provide organizational and administrative support, but it is otherwise funder-directed and operated.

A second kind of pooled fund is the Energy Foundation. Launched in 1991 by three foundations, the Energy Foundation is devoted to sustainable energy. Within the typology described above, it is essentially a funding pool delegated to an intermediary. It operates very much like a traditional foundation, awarding grants and taking direct initiative in seven program areas including utilities, buildings, transportation, renewable energy, integrated issues, US clean energy program, and the China sustainable energy program. Its board includes its major foundation partners along with others. Staff develops and processes grant requests, which are in turn placed before the board for approval. The board sets overall Foundation policy but implementation is a staff responsibility.

The New England Grassroots Environment Fund is a pooled fund that targets a particular sector. NEGEF was started by four foundations in response to calls from the regional environmental community. The Fund’s purpose is to empower local citizens, associations and others to become engaged in local environmental stewardship. Approximately 40% of all grants go to ad hoc groups without 501 C 3s, and 60% to

groups with no staff. Seventeen local and regional funders currently support the Fund. A mixed funder-community activist committee makes grantmaking decisions; and a mixed funder-community activist board provides institutional guidance. In both cases, community activists hold the majority. Not all funders sit on the grantmaking committee or the board, with some funders being involved only through their grantmaking to the Fund. Fundraising is a shared staff and foundation responsibility.

A fourth example is Social Venture Partners (SVP), a funding pool that seeks to develop individual philanthropy and volunteerism to achieve positive social change in the Puget Sound region, with a focus on children and youth (in and out of school) and the environment. SVP imagines pooled funding and funder collaboration in a significantly different way from most private foundation funders. In the first place, its collaborators are individual donors to the SVP funding pool, rather than institutional representatives. These “investors” contribute a minimum of \$5,500 annually for at least two years. Secondly, these individuals may collaborate with each other through structured volunteer teams of 3-8 to directly assist SVP “investees”. This bundling and matchmaking of individual donors, volunteer technical assistance through collaborative teams, and individual social and environmental organizations is directed toward activating grant makers, spurring additional giving, and improving NGO performance. Though individual donors provide input about grantmaking, the SVP Board determines how the pool will be allocated and staff are responsible for operations and fundraising.

Joint Ventures

Another vehicle that funders create operates particular projects rather than serving as a regranting entity. Usually these joint ventures arise to fill a perceived void in policy and/or practice, to raise the profile of an issue, or to develop new ideas. Very often they are inter-disciplinary in orientation or cross other kinds of sectoral boundaries. The complexity, membership requirements, and governance of these ventures varies, but funders often make up most of their boards or membership, particularly at their beginning. In some cases these efforts evolve into more traditional organizations over time. Examples include: the Foundation Consortium; the Finance Project; and the Aspen Institute’s Roundtable on Comprehensive Community Initiatives.

The California-based Foundation Consortium began with 8 foundations concerned about state policies regarding the well being of children and communities. Styled as a behind-the-scenes player, it is oriented toward improving state policies and systems in order to make a community-based approach the standard for child and family support programs throughout the state. The Consortium has a special interest in performance based accountability and flexible funding. It does not fund individual service delivery programs. Instead it develops new ideas, tools and practices, educates policy makers and opinion leaders, convenes and builds practitioner capacity, and facilitates knowledge management about practice innovations and approaches. There is a minimum payment for membership but otherwise all members have equal votes. The Consortium now has 16 foundation collaborators covering the spectrum of corporate, private, community and family foundations. It was begun with a three-year initial life span but is now in its tenth year. The board and executive committee have a policy and strategic role, but implementation and fundraising is a staff responsibility.

Another example of this type is The Finance Project. Based in D.C., The Finance Project was created to fill a void in knowledge about financing issues and strategies related to education, family and children's services; and to put finance issues on the national agenda. It has developed its capacity to understand public financing issues across multiple systems and now serves as an intellectual and technical resource to policy makers, program developers and community leaders. The Project was initially started by 11 funders for a three-year period. These included both large and small foundations. All put an equal amount of money into the effort, and had equal seats at the table. This provided the core financial support for the organization and its work initially, with the funders serving as the board for the first three years. After this start-up phase, the Project began to take on other related issues and projects, and subsequently broadened the number and kind of funders on its board to include public funders at the local, state, and federal levels, as well as large non-profits. In addition to its original focus, the Project's work now includes a concentration on results-based planning, budgeting, management and accountability; planning and implementation of comprehensive welfare and workforce development reform; and work in several other related areas. The Board has a policy and oversight role, with staff responsible for operations and fundraising.

A third example of a joint venture is the Roundtable on Comprehensive Community Initiatives of the Aspen Institute. The Roundtable was established in 1992 to keep track of the then emerging field of Comprehensive Community Initiatives (CCIs) -- as well as related innovations in inner-city revitalization -- in order to capture and distill the lessons being learned about policy and practice. It was also created to identify underlying problems that receive inadequate attention within the antipoverty field as a whole and to incubate ideas and approaches to address the voids. In this regard, the Roundtable conducts in-depth work in a few selected areas. In addition to convenings and analytic summaries of practitioners' experience and conclusions from community-based change efforts, the Roundtable has published extensively on research and evaluation issues. Its current research focuses on issues of race in community revitalization. Its 36 members include foundation officers, public officials, community-based practitioners, researchers and other technical experts in the field. Its core financial support is currently provided by a consortium of eight private foundations. At times its funding partners have also included two federal agencies. Two of its non-funder members serve as co-chairs of the Roundtable and, in broad but informal consultation with members, provide operational guidance and oversight. The larger membership determines the Roundtable's substantive focus, but staff is responsible for implementation and fundraising.

Hybrid Networks

The final category is the most eclectic. These collaborations either combine elements of the above and/or introduce new elements in the mix. They can be focused at the local level or the national level, devoted to a place or an issue, and may have varied constellations of foundations, NGOs, and/or individuals as their members. Some hybrids are administratively lean and funder driven, but in others staff plays a greater role. Membership requirements vary. Examples include: the National Funders Collaborative for Violence Prevention; Los Angeles Urban Funders; the Partnership for Regional Livability; and the Funders' Forum on Antibiotic Resistance.

Los Angeles Urban Funders (LAUF) combines elements of informal strategic alignment, pooled funding, and a joint venture. With 31 local and regional funders, LAUF is a project of the Southern California Association for Philanthropy (the regional RAG) with a goal of generating increased community capacity in low-income neighborhoods. A minimum financial commitment to the funding pool is required for membership. Focusing on three Los Angeles neighborhoods, LAUF supports the development and implementation of a neighborhood-determined and outcome-focused agenda. LAUF has a bi-modal funding structure: its pooled fund supports the core costs of the collaborative strategy in each neighborhood; while its alignment approach encourages funders to make independent grants to the neighborhoods within the context of the agreed upon outcomes, based on each foundation's individual interests and expertise. LAUF also serves as a grounded vehicle for funder learning and exploration. In addition, the collaborative plays an intermediating role by providing technical assistance, brokering funding and other resources, and overseeing an innovative measurement and accountability system. Both LAUF's funders and staff are actively involved in all levels of the initiative.

Another hybrid model is the Funders' Forum on Antibiotic Resistance. The Forum operates much like an informal strategic alignment of funders, except that it also introduces a partnership with a coalition of NGOs into the mix. The Forum's goal is to reduce or eliminate the use of antibiotics in agriculture. These funders first came together as a working group within the Health and Environmental Funders' Network. As the funders' discussion and the work of individual foundations progressed, a more focused conversation emerged between non-profits and funders working on antibiotic resistance. With funder encouragement, the non-profits expanded and formed themselves into a coalition, with 10 -12 non-profits at the core, but with others dropping in. The Coalition now develops strategy, sets priorities, and determines which organization is best equipped to carry out each piece of the agenda. In concert with the Coalition's progress, the group of funders joined together more purposefully in the Funders' Forum in order to work with and better support the NGO group. Each of the collaborations is separately staffed, though they work closely together. One of the NGOs serves as the fiscal agent for the Coalition. The Funders' Forum supports the work of the Coalition as a whole, as well as makes individual grants to specific grantees guided by the strategy developed by the Coalition. Each of the core NGO groups in the Coalition has also committed its own resources to the Coalition's work.

FINDINGS

The findings below are organized into four categories having to do with: the origin of collaboration; the structure of collaborations; elements in success; and outcomes.

Origin of collaboration

- *Leadership* - Most funder collaborations begin with an individual program officer or group of program officers who want to pursue a specific opportunity, believe that a funder collaboration offers a useful vehicle for moving forward on the opportunity, and are willing to devote the time and energy to the effort. The initiating groups' web of existing individual relationships is usually the basis for the initial stages of collaboration. Many do not begin with a systematic analysis

- that compares the goals and outcomes of an effort, against the relative merits and costs of a range of potential vehicles for accomplishing them. As one funder noted, “They [collaborations] don’t happen in the world in an abstract way. They happen because someone is on fire.”
- *Freelancing* – In some cases, the program officer has official institutional sanction from the start, but in most others he or she begins collaborative work as a “freelancer”. For the latter, institutional approval often comes later in the form of a grant made either to, or in alignment with the collaborative.
 - *The founding issue* – Most respondents agree that collaborative approaches can be applied to almost any issue, but there is much less agreement about how broadly or narrowly the issue should be drawn. Some suggest that it is vitally important to hone the issue or problem down to something that is simple and compelling. As one funder recommended, “It tends to work better when there is an issue that is ready to go....Get down to the issue that works.” For others, however, taking a broad framing provides a way to mobilize and expand support initially, to broaden networks, and to raise money. In the latter case, this usually requires the larger group to sharpen its focus and strategy later. One caution raised in this regard is the importance of picking an issue that “has legs to it” because of the difficulty of maintaining funder interest over time.
 - *Small commitment/big leverage* - Another factor in bringing funders together is the opportunity to make a small commitment with high leverage, and with some confidence about a large payoff in terms of credibility, visibility and effect. For some funding collaborations, another issue is the commitment of the first money. Once that keystone is in place, other money is more easily secured. Although occasionally problematic, the commitment of a prominent national funder, in particular, can motivate smaller local foundations to participate. There are also stories of local funders leveraging national foundations, of course.
 - *Crisis* – Some collaborations begin from a shared sense of crisis that galvanizes interest and commitment, and leads funders to a greater willingness to do business in a different way. According to some respondents, an idea and structure that worked once under one set of circumstances may not be attractive to other funders in a different time or context if they lack the immediate pressure provided by a crisis.
 - *Filling a void* - Another compelling factor in starting funder collaborations is the perception that there is an important intellectual, institutional or functional void. These voids are often discerned around emerging issues, between existing fields of inquiry or practice, at the intersection of policy and practice, or among multiple public entities with different jurisdictions that overlap on a common problem and that are important to crafting a comprehensive solution.

Structure

- *Formal and informal* - Most respondents explain that their particular collaborative structures arise from the needs, circumstances, personalities, and opportunities that surround their issue at its inception. That said, there are still passionate partisans of the more formal and of the more informal models. Those who argue for the informal models often emphasize “organic growth”, “flexibility”, “responsiveness”, “agility”, “timing”, “opportunity”, “connections”, and

“relationships”. One collaborator reasons, “It was successful because it was allowed to start informally and grow organically. It was not burdensome. People came because they wanted to and they didn’t spend too much time on anything but the strategy.” Another suggests, “Not having an institution was important to our success.” Collaborators experienced with more formal structures, on the other hand, typically emphasize the importance of “aggregation”, “reach”, “visibility”, “filling a void”, “greater resources”, “field building”, “presence” and “sustainability”. One consultant comments, “If you want to make a real change in a field, you have to be able to take a long term view and that requires some predictability, which requires some scale, and that requires some kind of structure you can depend on.” A few respondents assert that emerging or crosscutting issues are better suited to informal arrangements, with more formal structures working better with more mature issues or with collaborations built around a fixed geography. Yet even the small sample profiled for this paper shows some variation from that formula.

- *Size of collaboration* – Closely tracking the differing views about structural formality and informality is a related disagreement about the optimal size of collaborations. Those favoring informal models of strategic alignment prefer smaller groups with close working relationships. Some larger collaborations, however, prove successful precisely because of their size and the resources they are able to aggregate. There are significant exceptions to the parallels, however. The Forestry Funders has 50 members, for instance, but manages to stay informal, as does the Health and Environmental Funders’ Network with 150 members.
- *Membership* – Although there are important exceptions, the majority of collaboratives reviewed for this report are predominantly comprised of funders. For some, this results from a personal preference among some groups of funders to have venues where they can problem-solve and work with others facing similar professional challenges, and be free from the perceived dynamic that arises when potential grantees are included. For others, the decision to have a group of funders working exclusively together is a key aspect in their strategy. For instance, NCDI’s policy of having only foundation presidents and senior level executives as members enabled a high-level peer-to-peer style of fundraising, and this was critical to its success. Asking questions about their requirements for success has led other collaborators to decide that mixing funders with others will better facilitate the achievement of their outcomes. The Finance Project and the New England Grassroots Environment Fund have fundamentally different strategic reasons for creating mixed boards, yet the approach serves both groups well. According to some funders, the discussion about “inclusion” can occasionally be difficult and unproductive, either because it is ideologically tinged or because it seems to present competing value choices. These respondents emphasize the importance of basing membership and structural decision on requirements of the outcome sought. As one funder put it, “The real issue is about creating effective working relationships with implementers, and figuring out the best way to do that, whether it is inside or outside the collaboration.” The parallel collaborations of the Funders’ Forum on Antibiotic Resistance and its NGO partners in the Coalition on Antibiotic Resistance, provides an innovative example of blending the impulses toward both exclusion and inclusion in the

- service of a particular goal. Many respondents comment that upfront consideration about the quality of relationship and transaction desired between funders and grantees (and the structure needed to achieve it) offers important advantages to funder collaboration.
- *Coordination, staffing and ownership*– Respondents agree that collaboration does not happen (or last) without a high degree of intentionality and some sort of effective coordination and support. “You can’t underestimate this need,” said one veteran collaborator. “There needs to be a driver keeping things in focus. There are so many details and moving pieces in a collaboration, and somebody has to be on top of that all the time.” But where should the support come from, and in what degree and kind? Some argue that staff is often barrier: buffering internal and external transactions; introducing its own agendas; preventing the hands-on involvement that leads to funders’ internalizing the work; and lessening the burden of accountability on funders. On practical grounds, however, others believe that it is very rare for a funder to be able to carry the organizational burden of a collaboration for very long. Moreover with limited time and multiple demands, many funders comment that they need to put their energies where they can add value. Collaborators say that, among many other practical limitations, follow-up can be difficult without staff, and that expansion of collaboration can be constrained by its absence. In response to these tensions, several points were made during the interviews. According to some respondents, it is not particularly important whether administrative support is provided by a consultant, by staff of a network, or by a collaboration’s own hired staff: more significant is how well the administrative function is executed. Suggesting a variation on this theme, other respondents think the real issue is the degree of funder “ownership” for a collaboration and its work. They suggest that the manner in which the staff carries out its role can either promote that ownership or discourage it. It is a difficult role for staff, they acknowledge, adding, “There is a delicate balance between nudging and serving.” It requires “transparent leadership”, a kind of “leadership through facilitation, enabling and strategic stage managing, rather than being out front.” The issue of ownership seems most problematic when expectations and roles are misaligned, either within a group of funders collaborating, or between a group of funders and their staff, or when there is a mismatch between a staff person’s skills and the needs of a collaboration. Still other respondents assert that the critical issue is really the timing of the hire. These collaborators suggest that there is “a right time” to hire staff and shift responsibilities in collaborations. They hold that a collaboration’s members first need to develop confidence in working with each other and clarity about their strategic direction. Once that is established, a staff person can play a much wider range of roles without compromising the funders’ core commitment.
 - *Fiscal agents* – In some collaboratives the fiscal agent is a concern because the style of operation that the collaboration wants to achieve is incompatible with the administrative culture of the fiscal agent. Several respondents recommend that collaborators think through the details of their operating style and needs before selecting an agent. They also caution that there are external politics surrounding the choice of a fiscal agent and that these too need to be considered.

Elements in success

- *Clear values, goals and methods* – Many respondents suggest that the operating style of a collaboration may be more important to its success than the actual structure. In particular, they recommend that collaborations take the time to clarify their core values and goals early in the life of a collaboration. As one funder observed, “When you are talking about serious collaboration, you’re talking about serious up-front work.” Each foundation brings to collaboration both the personality of the individual foundation representative and the institutional culture of the member foundation. Some collaborators are more interested in the intellectual side of issues, while others are more interested in operational aspects. Whatever structure is chosen, however, respondents emphasize the importance of establishing common agreement among the partners about the basis for decisions, how decisions are to be made, and how the operating side is to function. The processes for doing this vary. Some smaller and more informal groups have worked with each other so long in a variety of different venues on the same issues that agreement about such matters is characterized as “implicit”. A few respondents even described a kind of self-reinforcing and value-adding “culture of collaboration” that developed after numerous experiences working closely together. According to one funder, “operating something as a collaborative is a hell of a lot harder when you have to do everything by consensus; and if you don’t fundamentally agree on the how the thing is to be run, it’s a nightmare.” Another collaborator emphasized a different angle, suggesting that regardless of the inevitable differences, the key factor in successful collaboration is having common agreement about a collaborative’s “product”.
- *Relationships, trust and accountability* – The strength of personal bonds among funders working in collaboration is emphasized by most participants as a crucial factor in success. It allows collaborations a much greater degree of flexibility, supports deeper levels of listening and commitment to a shared agenda, and “it ups the group’s potential.” Trust is also closely linked with accountability in collaborations. When the personal relationships are strong, respondents observe greater potential for those involved in collaboration to hold each other accountable. “Relationships: that’s where the *real* accountability comes from. When they start doing stuff together and laughing more together, they can hold each other much more accountable.” Interviewees also suggest that staff is better positioned to help funders promote group responsibility and self-monitoring when higher levels of trust and reciprocity exist within the group.
- *Equal voice* – Membership requirements for collaboratives cover the spectrum. Admission policies include: an expectation for making grants but no specified dollar level; a fixed price of admission; a threshold price; no price except active participation; a two tiered price; and so on. Regardless of financial thresholds, most respondents emphasize that once at the table, all collaborative participants must have an equal voice and standing in order to create a genuine level of exchange and mutuality.
- *Candor about self-interest and authority* – Many respondents suggest that the best collaborations meet individual participants’ self-interests, as well as the needs of the group as a whole. They say that it helps for individual funders to be honest

with themselves and others about their baseline interests, and that masking significant motivations or needs often leads to frustration and conflict later. Some suggest that this is a particular danger in funder collaboration because of “the premium philanthropy places on conflict-avoidance and idealism. No one wants to appear self-interested.” Yet participants observe that the best collaborations help program officers do their jobs better, and that if it does not do that, it is not worth their time. In order to “win the battle of competing demands,” an experienced network staffer comments, a collaboration also needs to be “the place where the best work is done.” Another important aspect of clarity has to do with groups’ awareness of individual participants’ actual authority. Problems arise in some collaboratives when participants cannot deliver what they promised or when other members make incorrect assumptions about a particular member can produce. Understanding each participant’s decision-making authority and span of control includes not only his or her influence over grantmaking decisions, but also the other institutional resources that a participant may call upon.

- *Communication* – Collaborative structures establish new needs for inter-group (and often intra-group) communication, and this places unusual demands on partners and staff to maintain clear, concise and constant flows of information. Although the approaches used are diverse, all agreed that it requires a degree of deliberateness in planning and execution that is challenging.

Outcomes

The most frequently stated objective for funding collaborations is having a greater effect upon on a particular problem or issue because of the money aggregated or the visibility brought to an issue. Yet on reflection, respondents suggest that the benefits of collaboration also include funder learning, knowledge building, and changing grantmakng practice, as well as fostering new linkages and capacities. Many respondents comment that these non-financial benefits of collaboration are initially underestimated and often happen more as an unintended spin-offs rather than as an intentional products. As one funder put it, the experience of collaboration over time “creates a ribbon of success and failure elements” that may defy a simple analysis of achievement in terms of one narrow time-bound outcome because the effects can be multiple and long-lasting.

Promoting Funder Learning

- *Common information and data* - Collaborations often increase the speed and quality of information, data and ideas exchanged among funders from different institutions. They can introduce new perspectives and expose collaborators to key intellectual resources. As both a benefit and a tool, some collaboratives also purposefully establish of a common base of information and data for decision-making. This can help bring greater coherence to the baseline information from which funders draw and ultimately promote greater alignment among different foundations’ decisions. Respondents also note that collaboration sometimes breaks down the reluctance of funders to share information, and this is seen as adding considerable value. As one observer notes, “Funders underestimate the value of what they have learned. They sit on such a world of useful information but it’s so hard to get them to share it.”

- *Analysis and strategic discussion* – Collaboration can also expand the analytic capacity brought to bear on a problem and the range of potential approaches generated to address it. Some suggest that the latter is a particular benefit for staff from foundations that are small or thinly staffed. Although philanthropy often provides multiple venues for learning about issues at a general level, collaboration can provide unique opportunities for more focused and probing discussions about strategy and implementation issues.
- *Training and orientation* – Although program officers are usually experienced professionals, many have little previous training in their philanthropic role, according to many respondents, and they yearn for practical learning opportunities. Moreover, some funders are isolated because they serve small foundations with few staff, or because their foundations' issue-based silos preclude substantive exchanges across program areas, or because their relationships to their grantees are formalized and distant. The turnover of program officers can also be high in larger or longer-term collaboratives. Thus for some program officers, the process of group consideration in collaboration can provide a rare and useful venue for learning about practical and technical subtleties in grantmaking, for being oriented to the perspectives and strategy of a particular field, and for expanding funders' individual professional capacities for doing their jobs.
- *New grantees* – The relationship base of collaboratives as a whole is usually broader and more diverse than the networks from which most individual program officers typically draw. This provides an effective way for funders to learn about potential grantees and it often leads to new relationships and grantmaking beyond the collaborative.
- *Getting a bigger picture* – Finally, collaborations are seen by some funders as mechanisms through which dysfunctional foundation norms that reflect “the single-minded individualism of philanthropy” and that create “operating realities in foundations that suggest we are the only one out there supporting good stuff” can be challenged and changed. For these respondents, funders do not typically see their work systematically, as part of large ecology of funders and implementers. Collaborations therefore offer a kind of corrective mechanism through which the broader view can be operationalized and the broader potential of philanthropy can be harnessed.

Building Knowledge

- *New concepts and tools* – Funder collaboratives can provide a venue for the development of new ideas and tools. For instance, seeing the difficulty traditional evaluation had with both interpreting dynamic and multi-level variables in communities, and in capturing changes in certain “soft” qualities such as “community capacity”, the Aspen Roundtable on Comprehensive Community Initiatives supported the initial development of a new approach to evaluation based on a “theory of change”. The Roundtable drew together evaluators to vet ideas, commissioned papers to develop concepts, used its members to critique ideas and papers, and published the results.
- *Synthesis and translation* – Another approach some collaboratives take is to distill and reshape existing information into accessible forms for broader audiences, or

- to explore and translate the connections between ideas in different fields. An example of the latter is TFN's growing series of *Translation Papers* which include "Social Equity and the Smart Growth Movement" and "Transportation and Smart Growth: A Nation at the Tipping Point".
- *Knowledge management* – The increasing complexity and volume of information in some fields has led some collaboratives to serve as compilers, digesters and packagers of diverse strands of knowledge. The Foundation Consortium in California plays this role with regard to information about community-based practices and approaches for several of its constituencies.

Positioning Issues

- *External validation & internal change* – The mere fact of a collaboration among other respected funders can add credibility to a program officer's efforts within his or her own foundation. It provides an opportunity for a program officer to use the external attention or pressure (perceived or actual) to increase the level of his or her foundation's involvement in an issue. A collaboration can also provide greater security for an individual program officer within his or her home institution by virtue of the larger group's endorsement, particularly if it is a controversial issue or a new approach.
- *Neutral space* – When dealing with issues around which there is a spectrum of partisan and/or ideological opinion, collaboration can create a space that is perceived as non-partisan or neutral. Respondents suggest this can be an effective way to change the nature of public discourse on an issue. Although sometimes underestimated, a range of respondents asserts that funder collaborations have reserves of credibility that are only rarely exploited fully.
- *Visibility and propagation* – Funder collaborations with prominent funding partners can often take an issue that may be of only vague, general or technical importance, and transform it into one that has greater relevance, with specific constituencies and concrete proposals. The work of The Finance Project is an example of how this approach can work.

Fostering New Linkages and Capacities

- *Linking policy and practice within a field* – In some fields, the policy side and the practice side do not work easily or well with each other, or they appear to be driven by different priorities. Funder collaborations have been established to bridge these domains so that each is better informing, connecting to, and shaping the opportunities the other presents. The National Funders' Collaborative on Violence Prevention, for instance, established a network of sites through which it could both support innovative programming at the local level and identify and test key policy issues that need to be addressed at the national level.
- *Connecting multi-sector players across fields* – Some issues do not fall exclusively within one jurisdiction or even one field of concern. Multi-sector collaborations sponsored by a community funder or group of funders can often provide a mechanism to draw disparate public and private interests together. The East Bay Public Safety Corridor Partnership, convened by the East Bay Community Foundation, is a prominent example. Stakeholders from 22 cities worked together to address the increase in violence toward and among young

- people. One of the Partnership's immediate effects was the passage of legislation in all 22 cities banning the sale of handguns within their boundaries.
- *Capacity building* – Collaborations can build capacity at a variety of different levels and around a host of different topics. In some cases a collaboration may assist a particular foundation by convening experts and assembling information to facilitate that foundation's considerations. In others, collaborations offer sustained and systematic training programs to particular sectors. Still in others instances, collaborations help fill voids that emerge as issues or society changes, and serve as staging areas for longer-term institutional and intellectual development.

Changing Resource Flows

- *Expanding the amount of dollars* – Collaborations clearly can expand the financial resources directed to a problem both within the philanthropic sector and beyond it, with NCDI and the Energy Foundation standing as prominent examples. Since its creation, for instance, NCDI has disbursed more than \$250 million in grants and concessionary loans to CDCs in 23 cities through its partners, LISC and the Enterprise Foundation. It is not inevitable that all funder collaborations will expand resources, however, and it appears to be an assumption that is occasionally made too easily. Respondents mentioned numerous instances in which an overall increase in resources to a field or problem never materialized, although other important goals were achieved.
- *Coordinating grantmaking* – Whether additional dollars are generated or not, collaboratives can provide a mechanism through which existing grantmaking across different foundations is better coordinated or focused. The assumption is that such coordination leads to either increased efficiency or to greater impact.
- *Leveraging a funding sector* - One of the more frequent uses of funder collaboration is for funders in one sector to use their collaboration and/or funding to leverage dollars from another sector. Examples of leveraging both private and public sector money run throughout philanthropy, and include numerous examples of national and local foundations leveraging each other. For example, several years ago a Soros Foundation challenge grant led to the creation of a local funder collaborative in Chicago, the Fund for Immigrants and Refugees. Somewhat differently, the Health and Environmental Funders' Network uses its discussions, information dissemination, and programming to highlight its perspective in order to influence foundation priorities and ultimately expand the funding directed toward its issues.

Innovations in Grantmaking Practice

- *Lowering transaction costs* - In some fields in which there are multiple funders, grantees commit large amounts of time and resources both to the pursuit of resources and to reporting on their deployment. The burden is often hardest on smaller organizations with modest administrative infrastructures. If there are 30 potential funders, that can translate into 30 different sets of meetings, numerous proposals written in response to different sets of guidelines, and all around different deadlines. If a grantee is successful, there are then multiple different reporting formats, measurement requirements, and reporting periods. Some

- collaborations address this issue explicitly by providing one point of access, one proposal, one decision-making process, and one set of reporting requirements. For the 34 grantees working with the Neighborhood 2000 Fund, this kind of unified administrative process was enormously efficient for grantees and significantly lowered their transaction costs with the Fund.
- *Reaching an underserved sector* – The administrative procedures of many foundations, including some small ones, are structured in such a way that they narrow the potential range of effective agents that might be able to implement a foundation’s strategy. Also, many potential grantees are simply unfamiliar to funders. A funder collaborative can expand this terrain and develop new ways to tread it, providing innovative ways to get below the traditional philanthropic “radar screen.” The New England Grassroots Environment Fund targets “moms and pops, the high school students and senior leaders in towns, villages and neighborhoods across New England.” As a result, 40% of its grants go to informal groups without a non-profit status. A spin-off benefit of this extended reach is that it can facilitate new opportunities for group training and capacity building.
 - *Tailoring the approach to the grantee* – In the traditional foundation-grantee transaction, the grantee tailors its approach to match the foundations’ needs, regardless of the real fit. Turning the equation around, LAUF tried three different approaches with one neighborhood over three years in response to that neighborhood’s struggle. For the first year LAUF made grants to a neighborhood-based non-profit. When experience demonstrated that there were fundamental issues of capacity and representation with the initial grantee, and that these could not be addressed through traditional grantmaking, LAUF hired a range of technical assistance consultants through contracts to work with the larger neighborhood throughout the second year. By the third year, a range of unincorporated citizens groups was providing the leadership needed and so LAUF supported their efforts by directly reimbursing them for expenses and directly purchasing equipment and supplies for them. In each case, the collaborative was able to adjust its core administrative processes in order to serve the community better and thereby better achieve its own outcome.
 - *Providing core support* - For many years non-profit organizations, particularly small CBOs, have spoken about the difficulty they have in securing core-operating support for their organizations. Since most grants are narrow and program oriented, CBOs often find there are few resources available to support or build their organizations’ administrative infrastructure or to invest in developing their staff. As a collaborative, the Neighborhood 2000 Fund took a step that few of the 31 funders have taken individually: they provided the kind of core operating support that grantees had long requested.

THE CHALLENGE FOR FUTURE FUNDER COLLABORATION

At the very least, the range of collaborative mechanisms available to funders for moving money and ideas is clearly an important resource from which philanthropy can draw and on which it can continue to build. Others emphasize that collaboration necessarily moves funders out from their own institutional perspectives and encourages them to take a

broader view of the larger funding ecology. Some of those interviewed go farther, arguing that the field of philanthropy is in fundamental transition and that collaboration represents the front line of innovation and adjustment in response to those changes. But just as collaboration offers a rich array of possibilities for funders, so it also raises a host of cautions. Sometimes collaboration is the best means to achieve a particular outcome, and sometimes it is not. Thus at one level, the challenge for philanthropy is to become better at deciding when and how to collaborate.

Cautions in Collaboration

Despite their enormous potential to produce a range of useful outcomes for philanthropy, collaborations also can have considerable limitations and these need to be considered more fully.

- *Time value and opportunity cost* – Many respondents acknowledge that the process of collaboration itself is extremely time consuming and often inefficient. As one funder cautioned, “Real collaboration is expensive. Make sure it’s worth it before you do it.” It appears that many funders enter collaboration without a clear sense of the time it will cost them, or with a defined set of outcomes by which they can assess progress in terms of the value it is supposed to produce for them. Thus one observer advises, “First figure out what you want to achieve and then be exquisitely intentional about how you go about achieving it.” A few respondents suggest that this is a particularly difficult issue for foundations because of the way programs are structured and budgeted. One funder explains that, “It is easy to unintentionally obscure the high cost of collaborative activity in foundations because of the way the costs get buried in consulting fees and endless meetings.”
- *Skewing the field* - There is “an exquisite line” between creating more coordination in a field, on the one hand, and so dominating a field with one particular approach that support for other approaches on the margin dries up. A collaboration can “freeze out” a field as easily as energize one. This is particularly dangerous in weak or emerging fields. “It is a balancing act”, collaborators suggest, and requires an ability to provide leadership without overdoing it so that valid alternative innovations can still find financial support.
- *Funder ego* – “Everyone wants his own collaboration!” one respondent noted wryly, and then continued, “But is a new collaboration always needed?” At a general level, the number of collaborations among funders appears to be growing; and within the sample interviewed, respondents certainly justify the need for their particular venture. Yet a few observers warn that “turf” and “ego” can also play a role in creating new collaborations and that the philanthropy as a field needs to be more demanding about the standards for collaboration to discourage this impulse.
- *Nationals and locals* – Local communities almost always have a variety of different agendas playing out at a variety of different levels. Sometimes these agendas are modest or ineffective; but other times they reflect a subtle reading of the countervailing forces at work in a locality and represent a realistic and strategic approach to promoting longer-term change. Yet local foundations report that occasionally national funders act as if there is nothing going on in a locality, intervene (without consultation) according to their own foundations’ “pre-cooked” strategy, and do great damage by altering communities’ well-laid plans.

- Just as often, of course, local foundations also describe beneficial effects of working with national funders. In the latter case, local funders suggest that national funders have access to information and intellectual resources that add considerably to the local mix. Further, some local funders suggest that the presence of “nationals” can sometimes positively affect certain competitive dynamics among local funders. “There is a subtlety in all this,” says one collaborator. “Each can add value to the other, but only if the one doesn’t act like a know-it-all and the other doesn’t act paranoid. Both have to show a real willingness to listen and learn.”
- *Consensus and innovation* – There were mixed opinions about the degree of innovation that collaboration can generate. Some clearly see funder collaboratives as opening up possibilities beyond their own individual institutional constraints. Others see collaborations as characteristically defaulting to the lowest common denominator and avoiding risk at all cost. As one respondent notes, “Collaborations are not the place where you do your risk taking.” The size and degree of structural flexibility in a collaboration appear to be related to the differing perspectives, but this is not conclusive. What is certainly clear is that data and systematic analysis about what funder collaborations can and cannot do well is lacking.
 - *Change over time* – Some collaboratives are formed around a narrow goal and later find that goal too constricting or find that the context of their issue has substantially changed over the course of their existence. Still others have accomplished their initial objective and want to build on the investment in their collaborative by reshaping it to take a different challenge. But respondents suggest that changing the mission or fundamental activities of a collaboration can be extremely difficult. As one funder observes, “Sometimes its just better to call it a day.” On the other hand, evolving a new structure around an old common purpose does not appear to be nearly so problematic, and collaborations offer many examples of this, such as the emergence of the freestanding Funders’ Forum on Antibiotic Resistance from a working group of the Health and Environmental Funders’ Network, or the development of the National Rural Funders’ Collaborative from a working group of the Neighborhood Funders’ Group .
 - *Sustainability, life expectancy and exit strategy* - When trying to build a new field of endeavor, having a long-term, stable and continuous funding collaboration can be an important success factor by providing stability and predictability. Yet because the tenure of funders is unpredictable and the institutional attention span is short, some collaborators suggest they face a conundrum. To address this issue, a few collaborators emphasize the rotation of leadership and the systematic inculcation of new program officers as high priorities in their collaboratives. Other funders approach it from the other side by suggesting that a firm time limit is both a useful discipline and an organizing strategy to recruit funders. Rather than fight a losing battle for continuity, they anticipate donor interest waning and structure their collaborations accordingly. Another issue of sustainability is the difficulty that some funder collaborations have as they begin the slow transition from being supported by their member/funders to operating more like a regular non-profit with a diversified funding base. As one collaborator noted, “The funder collaboration label can be more of a hindrance. People assume you are

more solvent than you are if funders sit on your board.” Finally, a number of respondents also comment on both the difficulty of knowing when to get out of a long-term collaboration and of knowing how to do it gracefully. The relationships established through a collaborative can make withdrawing uncomfortable even when the collaboration is no longer delivering value to a particular participant. One collaborator suggests the importance of having an exit strategy even as you enter as a way of holding oneself and the collaboration accountable.

Leading the Field

As opportunities for funders to collaborate emerge in the future, a number of possibilities might be considered as part of the design process in order to maximize the potential of collaboration to add value. These ideas are certainly not limited to funder collaborations alone. Individual funders can embrace them, and some have done so. But collaborations appear to offer an openness to experimentation and creativity that not all individual foundations will find either feasible or attractive.

- *Explore new relationships with implementers* - Depending on the target, the strategy, and the outcomes, funders should ask how collaboration can be used to improve relationships with and the effectiveness of the key sectors and players needed to achieve the outcome. There may be circumstances in which the inclusion of political or civic leadership, business leadership, community leadership or non-profits, will make sense. The Funders Forum on Antibiotic Resistance has shown one interesting structure for linking funders and doers, but there are many others.
- *Identify the most effective change agents* - As part of this, collaborators may also want to think outside traditional categories about who the best implementers might be. Instead of limiting the range of potential agents on the front end, funders may want to ask what organizations--for-profit or not-for-profit, church or secular, registered 501 (c) 3 or informal association--are best positioned to achieve the goal? Funder collaboration can provide a means to reach new players as seen in the work of the New England Grassroots Environment Fund.
- *Consider new framings and targets* – Collaboration is particularly well suited for breaking out of traditional categories in order to introduce a new framing or to initiate a new line of funding. In the Smart Growth field, for example, this might include expanding the Network’s efforts on private real estate markets, or developing a new emphasis on reaching suburban voters and promoting more effective suburbs, among many other possibilities.
- *Promote expanded use of foundations’ resources* - As part of any collaboration, one question should be about the range of resources foundations bring. Typically these are imagined as being limited to grants, and those are by no means insignificant. But there are also other assets that foundations have. The most obvious is their endowment. A recent conversation between TFN and the Knight Foundation suggests an interesting possibility for how a foundation might influence large-scale real estate syndicates to include smart growth products in the real estate portfolios they make available to their institutional customers. But money is not the only asset. Foundations have intellectual capital that can be better tapped, networks and relationships that can be more purposefully used, and

- access and credibility that can be applied in new ways. Even within the existing parameters that segregate foundations' administrative, grantmaking and financial functions and goals, institutional energies can be better harnessed for greater common purpose and impact.
- *Innovate around core processes of grantmaking* – Because the cultures and practices in foundations are often static--even as the guidelines of some change yearly--innovation in the way foundations do their core business can be difficult to achieve. Collaboration provides an external mechanism through which new practices can be introduced and tested. In this sense, collaborations have the ability to address the imperfections built into traditional single issue philanthropic funding by operating in a more integrated way. For instance, the Environmental Law & Policy Center's Transportation and Land Use Reform Grassroots Fund (supported by three foundations) is institutionally structured to achieve more flexibility than is possible for some individual foundations. It developed an application and grantmaking approach for small grants that emphasizes "faster, shorter, better". Applications are brief and procedures are minimal. Requests are turned around within three weeks or less. Decisions are made on the basis of character, capacity and commitment.
 - *Cut across boundaries to build new relationships, knowledge and functions* – The ability of the philanthropic sector both as individual foundations and in collaboration to identify and work at the intersections of ideas, issues, functions and sectors is unique. Because of their flexibility and span, foundations can identify lacunae in thinking, policy and practice, and organize boundary-crossing responses. Not all of these play out successfully, of course, but collaboration can serve as an important seedbed where the viability of different approaches can be tried and tested. This is particularly important for issues that have saliency as both the local and national levels. Collaborations can provide mechanisms to establish both the critical vertical and horizontal relationships needed to bring about change. Through foundation initiation, for instance, the Partnership for Regional Livability brokered relationships between informal locally based collaboratives and diverse federal officials in order to see if innovative solutions could be developed and implemented to address difficult local issues effected by federal policy.
 - *Set internal objectives and markers* – Most collaborations closely identify themselves with the issue on which they are working, and therefore judge their success primarily through external achievement. As a mechanism to increase internal performance, accountability and learning, future collaborators might want to consider setting internal objectives and markers for their own internal performance as well. Not only will it make collaborations clearer and more intentional about their benefits, it will also provide a way to measure and test their effectiveness.

CONCLUSION

As was noted at its beginning, this paper presents a first level analysis of funder funding collaboration. The findings and typology are drawn from a limited sample. Yet it suggests nonetheless the enormous variety of mechanisms used to move money and ideas, and the wide range of outcomes they can produce. The interviews also suggest that

the potential of collaborative mechanisms, with all their limitations, has not yet been exhausted, and may in fact have only begun to be exploited. Once TFN has begun to articulate its substantive agenda for its next phase, one challenge may be to consider which of the structures, insights, cautions and opportunities described in this paper has relevance to the outcomes its members want to achieve and should shape thinking about implementation.

One important factor to keep in mind is the individual program officer. As noted throughout, most collaborations originate and are dependent upon the interest, relationships and commitment of a particular program officer or a small group of program officers. Since this key role is unlikely to change in the near term, the Network may well want to consider how it can better develop and support foundation program officers to serve as leaders and resources within their institutions, for the Smart Growth field and for TFN. Progress in the field will not be an abstract exercise. Regardless of the compelling logics for pursuing different opportunities in different ways, progress is likely to depend on individual program officers willing to commit the time and take the lead. Wherever there is passion, capacity and leadership--be it at the program officer level or with a foundation president or with board members; or at the local or national levels; or from inside or outside of philanthropy--that is where the Network may find its best opportunities for moving its agenda forward. The steps it takes to support that leadership has promise to pay off handsomely. And funder funding collaboration is surely one tool that leadership should consider using when the right opportunity presents itself.

Appendix A - Selective List of Funder Collaborations

Annenberg Challenge
Aspen Roundtable on Comprehensive Community Initiatives
Change Purpose, Strategic Alliance Fund, NYC
Chicago Arts Partnerships in Education
Chicago School Reform Collaborative
Childcare and Early Education Fund
Coalition of Community Foundations for Youth
Collaboration of Environmental Funders in Maine
Consultative Group on Biological Diversity
Donors Education Collaborative, NYC
Early Childhood Funder Collaborative, NYC
East Bay Funders (defunct)
East Bay Funders for Base Conversion
East Bay Public Safety Corridor Project
Energy Foundation
Environmental funders group in Chicago (informal)
Environmental Law & Policy Center's Transportation and Land Use Reform Grassroots Fund
EZ/EC Foundation
Finance Project
Forum of Regional Association of Grant makers, New Ventures in Philanthropy
Foundation Consortium, CA
Funders Concerned About AIDS
Funders' Forum on Antibiotic Resistance
Fund for Immigrants and Refugees, Chicago
Health and Environmental Funders' Network
Hispanics in Philanthropy
Initiative on Culture, Arts and Education (ICARE), Cleveland
Los Angeles Urban Funders
National AIDS Funders
National Community Development Initiative
National Funders Collaborative on Violence Prevention
National Rural Funders' Collaborative
Neighborhood 2000 Fund, NYC
Neighborhood Funders Group
New England Grassroots Environment Fund
Northern California Grantmakers
Ohio Grantmakers Forum
Partnership for Neighborhood Initiatives, FL
Partnership for Regional Livability
Resourceful Women
Social Venture Partners
Sustainable Everglades Initiative
Sustainable Forestry Funders
Transportation Funders' Group

Appendix B – List of Interviews

Ellen Arrick, Consultant (Ford Foundation)
Nick Bollman, California Center for Regional Leadership
Linda Bowen, National Funders Collaboration on Violence Prevention
Prue Brown, Chapin Hall
Hooper Brooks, Surdna Foundation
Scott Bernstein, Center for Neighborhood Technology
Judy Chynoweth, The Foundation Consortium
Rick Cohen, National Center for Responsive Philanthropy
Tim Crowe, Knight Foundation
Reese Fayde, Consultant (NCDI)
Cheryl King Fischer, New England's Environment Fund
Katherine Fulton, Global Business Network
Elwood Hopkins, Los Angeles Urban Funders
Cheryl Hayes, The Finance Project
Jon Jensen, Gund Foundation
Jan Jaffe, Ford Foundation
Mike Jenkins, Forest Trends
Anne Kubisch, Aspen Institute Roundtable on Comprehensive Community Initiatives
Howard Learner, Environmental Law and Policy Center
Spence Limbocker, Neighborhood Funders Group
Paul Lingenfelter, State Higher Education Executive Officers
Susan Lloyd, MacArthur Foundation
Lynn Lohr, Consultative Group on Bio-Diversity
Julia Parzen, Consultant
Jolie Bain Pillsbury, Consultant
Catherine Porter, Commonweal (Funders Forum on Antibiotic Resistance)
Rebecca Riley, Consultant
Norma Rollins, Consultant (Donors Education Collaborative, Neighborhood 2000 Fund, & the Childcare and Early Education Fund)
Kathy Sessions, Health and Environmental Funders Network
Mark Valentine, Packard Foundation
Joan Wynn, Chapin Hall