



Designing Grant Programs

**From Program Priorities and Operations in
Foundation Building Sourcebook: A
practitioners guide based upon experience
from Africa, Asia, and Latin America**
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Section 3 Designing Grant Programs

This section focuses on the design of grantmaking programs. We explore two approaches; one involves the preparation of a strategic plan incorporating specific goals, objectives, strategies and activities. The second describes an approach in which program departments staffed by professionals had scope to develop initiatives within their own program areas and select the most appropriate mix of partners.

Example 1 A Strategic Plan
Foundation for the Philippine Environment

Example 2 A Framework for Program Design
Foundation for Higher Education (Colombia)

How Do Foundations Design Grantmaking Programs?

While the Board takes the lead in defining program priority areas, in some cases through a strategic planning process, the responsibility for designing and implementing the program falls to the professional staff of the foundation. The shape of the program will therefore depend to a considerable extent on the specific skills, interests and background of the senior professional staff. Foundations with clearly established thematic priorities (such as the environment, health or education) will usually seek to recruit program staff with a background and experience in the respective field. They will have the prime responsibility of identifying the types of grantees and programs to be supported. The success of the programs will depend to a large extent on their skill in building a critical mass of partners and constantly seeking ways of developing synergy between them.

In this chapter we look at two examples. The first is the Foundation for the Philippine Environment (FPE). This experience shows how a relatively young foundation decided early in its life to prepare a strategic plan that translated the vision and mission of the organization into specific goals, objectives, strategies and activities. The case indicates some of the benefits and challenges of this tool and examines the respective roles played by the Board, staff and partners in its implementation and review.

In the second example we return to the case of Colombia's Foundation for Higher Education (FES). We look at how a large foundation is able to develop separate departments for each program area. With specialized professional staff in each department the foundation is well placed to identify unmet needs and build strong programs to respond to those needs. It is also equipped to play a role in building the partnerships between researchers, action agencies (both government and nongovernment), policy makers and donors that are required to develop lasting solutions to critical problems.

Both cases illustrate the need to engage with government agencies in trying to improve the way they do business. Having independent sources of funding puts the foundation in a strong position in terms of influencing government programs. Particularly in the case of Colombia, there was a clear realization that pilot programs had to be designed with a view to impacting on government practices given the overwhelming role the state plays in the health and education sectors. FES because of its extensive contacts in both the government and the nonprofit sectors played an effective role as the interface between the two.

Summary Points

A strategic plan can provide a good framework for the design of grantmaking programs. Strategic plans are prepared with the participation of the Board and staff and involve discussions with other donors, government, partners and potential partners. They allow the translation of broad vision and mission statements into specific goals objectives, strategies and activities. In many fields the lack of reliable baseline data and indicators pose challenges in measuring progress towards achieving targets. Strategic Plans need to be periodically reviewed and adjusted. FPE prepares annual work plans and reviews progress every six months.

Program effectiveness depends on the careful integration of different types and levels of grants. A foundation program will often incorporate support for grassroots projects, research and work at the policy level. All these elements need to be carefully coordinated if maximum impact is to be achieved. For example the program can include pilot projects that test innovations at the community level, research that evaluates their results and the adoption of the proven approaches on a regional or national level.

The most appropriate partners need to be identified for each type of grant. Whether it is at the level of pilot projects, research or national networking, the foundation has to identify the most appropriate partners. It then has to ensure they have the required technical, administrative and financial support to accomplish their tasks.

Programs that seek to affect changes in public service provision benefit from the participation of all stakeholders. Foundations are well placed to involve all stakeholders in the design and implementation of program interventions. Their staff can establish strong working relationships with key actors in the government and nonprofit sectors as well as community leaders and academics. This bridging role can assure all stakeholders are “on board” in proposing needed changes. For example, FES, in seeking to enhance the quality of primary and secondary education, was able to work with civil society organizations (including parent-teachers associations), chambers of commerce and local education authorities to build more effective cooperation across sectors.

Example 1

A Strategic Plan

*Foundation for the Philippine Environment**Initial Stages*

The Foundation for the Philippine Environment (FPE) initiated an interim grants program prior to the adoption of its first strategic plan. This was considered necessary in view of the requirement of the US Agency for International Development (USAID), the contributor to the Foundation's endowment, that FPE move quickly to build a track record in grantmaking before full stewardship of the endowment could be ceded to it. Grantmaking priorities were derived from the USAID–World Wildlife Fund (WWF) Cooperative Agreement of April 1991 that created FPE. From that, FPE interim staff identified three major program areas:

- Conservation of Philippine Biological Diversity
- Technical Skill and Capability Building
- Community-based Resource Management

After further discussion with USAID and consultants it was decided to focus on biodiversity conservation and natural resource management. This decision formed the basis for the subsequent strategic planning process.

A Strategic Plan

The first Strategic Plan (covering the five years 1994-1998) was the outcome of a strategic planning workshop for Board and staff held in June 1993. This document, approved by the Board in October 1993, includes a statement of vision and mission, and sets out three major goals. Based on these goals a number of objectives, strategies and activities were identified.

Goals identify targets and state what must be done to accomplish the vision. Objectives restate goals into operational terms and quantify what and when results will be achieved. Strategies and activities express how results will be achieved and describe what actions will be taken to achieve results.

The plan also determines who is going to carry out each activity (FPE, an external organization or both jointly).

To show what the strategic plan looks like we give the example of goal one and the objectives, strategies, activities and organizations responsible for implementation derived from that goal.¹⁸

GOAL 1

To initiate, assist, and finance projects that support biodiversity conservation and sustainable development efforts. FPE aims, furthermore to strengthen the capabilities of NGOs, POs (Peoples' Organizations) and the local communities to be significant agents of biodiversity conservation through stewardship and responsible management of the natural resources and ecosystems in their environment.

Objectives:

1. Rehabilitation and stabilization of 50% of 30 environmentally critical sites by 1998 through the combined efforts of the Philippine government, NGOs, POs, and donors.
2. Conservation of biodiversity resources existing as of 1995 in the identified sites.
3. At least one community team per *barangay* [the smallest local authority area] in the critical sites capable of advocating and implementing projects that result in biodiversity conservation and sustainable development.

Strategies:

1. Use grants programs to strengthen the capabilities of NGOs, POs, and communities and for actual site conservation, rehabilitation, and stabilization

Activities

1. Identify critical sites
2. Define the skill requirements of NGOs and POs in the identified sites
3. Inventory skills of these NGOs and
 - basic management
 - project management
 - financial management
4. Draw up a list of existing government interventions and on-going projects in identified Sites.
5. Develop program scoping and the project development process.
6. Determine needed projects, and develop concept for each program.
7. Prepare priority list of types of responsive programs to qualify for funding over a specific time period.

To Be Done By

External Organization
External Organization

External Organization

External Organization

FPE

FPE

FPE

This definition of goals and objectives assisted the Foundation in achieving focus, both geographic and thematic. It also seeks to ensure that the Foundation acts as an innovative catalyst, building on existing initiatives and capacity building resources.

Review Process

Within the framework of the Five-Year Strategic Plan, annual plans are prepared. These annual plans include detailed targets, and clarify the relationship between the various program components such as resource management, inventory preparation and livelihood enhancement. Performance against these objectives and activities is reviewed every six months (usually in a two-day staff retreat). Targets are then adjusted and a new action plan prepared for the next six months. These performance reviews and action plans are then presented to the Board.

FPE has introduced an interesting element of partner/grantee participation that is rarely found in grantmaking foundations. FPE partners are organized in three regional committees (Mindanao, the Visayas and Luzon). These committees can make policy recommendations to the Board. In addition, FPE convenes an annual “Partners’ Meeting” when all FPE grantees come together to share experiences, review FPE policies, and strengthen networking activities. Board Members and staff also attend. According to Julio Tan, Executive Director,

It is a good feedback mechanism. Many positive recommendations emerge from these “Partners’ Meetings” such as recommendations to clarify project guidelines on the type of technical support given to sustainable agriculture projects.¹⁹

Evaluation of the First Strategic Plan

The evaluation of the first strategic plan identified a number of challenges faced in implementing the plan and presented recommendations for ways of clarifying the goals and objectives and operational strategy for 1999-2000. The following main points were raised:

- Many of the goals relate to success in preserving and conserving biodiversity on community lands. In practice it proved impossible to measure the achievement of objectives under these goals given the lack of baseline data such as a comprehensive inventory of natural species. This inventory was later prepared by the local communities drawing on data from the endangered species list, which only became available in 1996-7 towards the end of the first plan. With this improved base line data and more reliable indicators FPE is now in a better position to clarify specific goals for reforestation and species conservation.
- Since the plan was prepared it has become clear that other indicators, in addition to biodiversity indicators, need to be added in order to monitor progress towards sustainability. These include indicators on land tenure status and resource access.
- More impact could be achieved in the future by training community members in inventory preparation and species protection. This role could be played by members of FPE’s Expert Advisory Panel. This is now more possible than before. NGOs are more aware of the need to protect bio-diversity and laws have been passed giving community rights of control over all natural resources.

- There is a realization that timeframes be thought of in terms of 10-12 year increments when planning for sustainable development and biodiversity conservation.
- Goals and objectives need to be “owned” by communities and not determined without consultation.
- The Strategic Plan should be a catalyst for cooperation with other organizations. This will be clarified in the next plan. There is a realization that the approach to achieving sustainable development should be a multi-stakeholder one. For example, FPE has signed a Memorandum of Agreement with the Canadian International Development Agency (CIDA) Local Government Support Program to use those resources for capacity building of local government officials and NGO staff in bio-diversity and sustainable development starting with land-use planning. FPE is aware of the benefits of developing other partnerships aimed at bringing new investment to the community level. There is also a realization that staff members need to develop skills in cooperating with other agencies.

Building Partnerships with Other Grantmaking Institutions

Another interesting aspect is the creation of partnerships with other grantmaking institutions in order to take advantage of mutual synergies and increase impact. As noted in the Foundation’s 1996 annual report, FPE signed memoranda of agreement with the Philippine Development Assistance Program (PDAP, a government program) and the Philippine Agrarian Reform Foundation for National Development (PARFUND). In the first case, the two organizations were to pool their resources and jointly develop, fund and monitor projects at six biodiversity sites. In the second, the two organizations collaborated in assisting indigenous communities to develop ancestral domain management plans.

Unfortunately, the PDAP partnership did not work because specific sites were not identified, and PDAP changed its priorities after the agreement was signed. This experience shows the difficulty of making a partnership work when the policies guiding each organization are not sufficiently flexible.

Another agreement with the Foundation for a Sustainable Society, Inc. to create a fund for sustainable production loans is working well, as the two organizations share similar goals and objectives and have complementary skills. One further successful partnership has been with the Small Grants Program of the Global Environment Facility (a UN/World Bank initiative) to fund complementary activities in six provinces.

Influencing Government Policy

Though the main aim of FPE programs is to provide grants that contribute to building the capacity of NGOs and people’s organizations (POs) to develop sustainable natural resource management systems, it also seeks to influence government policies concerning indigenous rights and natural resource protection. FPE convened NGOs to identify issues and concerns of indigenous peoples and

ensure they were addressed in the Indigenous Peoples Rights Act. It also worked with other NGOs to help create the National Commission of Indigenous Peoples set up to monitor the implementation of the law. FPE also worked with other civil society organizations to ensure that the logging ban remained in place. Finally the Foundation played an active role in formulating Executive Order 247 which regulates access to biological resources.

The Role of the Board in Determining Policy and Approving Program Initiatives

FPE has an active Board with principal responsibility for policy decisions including the approval of the strategic plan and partnerships with other institutions (in addition to its fundraising duties discussed in Chapter 4). It also plays a key role in the monitoring of the Foundations' programs. The full Board has the responsibility of approving the Strategic Plan while other responsibilities are carried out by Board Committees.

The Program Development Committee of the Board of Trustees is responsible for approving all grants over US\$3,000 and in addition making policy recommendations on the grants program's goal, scope, and priorities. It works in close consultation with the Executive Director. It is open to receiving policy recommendations from the staff. The Committee meets six times per year: four times the day before Board Meetings to review projects, and twice to review policy.

The Executive Committee has the responsibility of determining the Foundation's policy towards other organizations. This includes the review of proposals for partnerships with private companies, government departments or other donors, local or international.

Example 2

A Framework for Program Design

Foundation for Higher Education (Colombia)

The Foundation for Higher Education (FES) evolved over time—progressively expanding its budget and broadening its program reach, geographically and thematically in response to needs and opportunities. It played a leadership role in the search for solutions facing Colombian society in a number of fields of strategic importance to national development such as education, health, environment and natural resources, youth and economic and social development.

The organizational structure for the design and administration of programs developed in line with the establishment of major new programs. Taking into consideration a careful analysis of the country's social and economic needs, and the internal situation of FES, as program areas were identified, new program divisions were created under the overall coordination of the Vice President for Social Development.

A proposal to start a new program is prepared as a working document by the staff of the Vice President of Social Development. It must first be presented to the Technical Committee of the Board and then goes to the Social Development

Committee of the Board and finally the Board of Directors for approval. In designing these programs FES draws on staff knowledge of the relevant problem areas, published research and discussions with practitioners in the field. In designing the programs, emphasis is placed on building partnerships with key organizations in the field (both donors and organizations implementing programs) and leveraging additional resources so as to maximize impact at the national level. Programs frequently start with support for pilot projects at the local level where new methodologies can be tested. Each division has its own mission, approved by the Board, as well as a full-time professional staff.

FES is proactive in identifying program needs and selecting partners. Each program involves support for work at the grassroots level with intervention at the policy level in the belief that a combination of both produces the best results.

As an illustration, a brief description of the programs in the Education, Health, and Economic and Social Development divisions are presented below (two other divisions not described are Children and Youth and Environment and Natural Resources). The descriptions are drawn from the 1992 report of the Vice President for Programs, the 1997 Annual Report (for program updates) and the 1998 report “FES Foundation: A Private Social Enterprise.”

The Design of the Education Program

The Education Division has adopted the following mission:

Support and promote the development of the education sector in such a way as to ensure the continuing improvement of quality and increasing access of those traditionally denied access to those services. This will be achieved through support and promotion of research, testing of innovations and the sharing of results and achievements that could be applied by all public and private education institutions.²⁰

In translating this broad mission into programs FES staff after reviewing current needs and programs opted to focus on two areas: the Education Quality Program and the Basic Secondary Education Program.

The Education Quality program focuses on improving the quality of primary education. It has three components:

- The first supports research on the quality of basic education. In 1992 the Foundation made grants to a cluster of 15 research projects on citizens’ values. The research resulted in the publication of new school textbooks.
- The second focuses on support for the development of model approaches to forging stronger school communities through building partnerships between parents and teachers. In implementing the program FES has leveraged support from municipal governments, Chambers of Commerce and the Carvajal Foundation.
- The third, carried out in partnership with another private foundation—the Restrepo Barco Foundation—supports teacher training and education materials production. A key component is the publication of a quarterly magazine for teachers, titled the Joy of Teaching and its distribution

throughout the country to schools, universities, public libraries and offices of the Ministry of Education, with the support of donations from private businesses, provincial governments and the Ministry of Education. By 1997, 80,000 copies were being distributed.²¹

The Basic Secondary Education program focused on encouraging and supporting the involvement of teachers' organizations in the preparation of studies and policy proposals aimed at improving the organization of the secondary education system. It also supported research on the needs and expectations of adolescents with a view to modifying educational policies and strategies.

In implementing this program, FES brought together a coordination team for the national study on adolescent culture entitled the Atlantida Project. With the direct involvement of FES Education Division staff, the team developed a research methodology and coordinated research by teams in universities throughout the country. Project results were published in 1996, and proved to be an important tool for understanding more about the expectations and beliefs of teenagers concerning education, the school, family and society.

This area of work has expanded since 1992 in response to the perceived deterioration of the quality of secondary education. FES is leading an educational research project called the *Pléyade* Project, with the support of the Ministry of Education. Its focus is to improve the quality of educational administration in 7,000 schools and 300 civil society organizations concerned with education by identifying ways to enhance local community participation in school management. The *Pléyade* Project is searching for a group of schools "to shine as a constellation, opening the path to the knowledge and peace in the country."²²

The above program strategy seeks to influence policy and practice in the education sector through a combination of education research and support for experimental programs involving community participation in school management. The program seeks to involve all major stakeholders in the identification of needs and solutions. It also seeks to leverage support from other partners in both the public and the private sector in order to increase "buy-in" and impact.

The Design of the Health Program

The mission of the health division is:

To contribute to improving the state of health and nutrition of the underprivileged sectors of the population by identifying alternative strategies for increasing coverage, improving the quality of service and encouraging research.²³

Towards achieving this mission, the Health Division has developed two major program initiatives: primary health care and research on social security policies.

The main objective of the first program is to increase the quality and coverage of primary health care services in Colombia, particularly those serving low-income communities. The Division supports primary health care and breast feeding programs, promotes projects to improve the quality of hospital management and sponsors essential health research, especially on the most prevalent tropical diseases,

in partnership with universities and research centers. Additionally, the Division has helped to establish a primary health network, serving professionals in the country's largest cities.²⁴

The Health Division supports research as a means of informing new policies and primary health care practices. The 1997 annual report describes how the foundation decided to give attention to research on the prevention, diagnosis and control of malaria. In this program it decided to partner with the Pacific Health Institute, a research center on the Pacific Coast. The center has used the results of its research on the relationship between knowledge, attitudes and practices concerning malaria to develop a primary health care education program to control the disease. In this program FES has leveraged support from NGOs in the US and Spain as well as from the Ministry of Health.

Under the second program initiative—research on social security policies—FES supported a major study that compared the costs and benefits of three major proposals to reform the social security system of the country. This study was of critical help in the drafting of a new national policy, called *Ley 100* enacted in 1993. This law reformed the Social Security System of Colombia.

In addition to managing these two grant programs the program staff of the Health Division participated in the creation of a “Macro-policy Group.” This group brings together health specialists an independent forum for the analysis of major health problems facing the country and for the identification of viable solutions.

The Design of the Economic and Social Development Program

The mission of the Economic and Social Division is to:

Promote and support actions which improve the well-being of the population, through innovative strategies aimed at solving specific problems of high-risk groups, the strengthening of community and citizen participation, increased production and the improvement of family income.

In pursuit of this mission a major focus has been on the design and implementation of income generation strategies for the disadvantaged. To achieve this the Division:

[P]romotes Community Development Corporations (CDCs), and other grassroots organizations. It fosters also, the development of small businesses through technical and management training. Taking into account that nearly 24% of Colombian households are led by single women, the Division makes special emphasis to provide them with training and assistantship.²⁵

A key element in developing this program has been the use of grants to encourage the creation of public-private partnerships. In 1989, FES – with support from the Ford Foundation – implemented a Program for the Development of Families with Female Heads of Households in Cali. This pilot program aimed at improving the income of women heads of households through extending a series of services such as credit for micro-entrepreneurs, socio-entrepreneurial training, and personal education, information and orientation.

Building on the experience of the early pilot project, the program has been gradually expanded throughout the country with additional support from the Fundación Restrepo Barco and the Presidential Program for Youth, Women and the Family. Through an agreement between FES and the Multilateral Investment Fund (FOMIN) of the Inter-American Development Bank (IDB), a program aimed at developing an innovative and sustainable model of intervention to increase the productivity of low-income women heads of households was launched. By 1995, FES was working with 26 local NGOs as executing agencies, and had reached roughly 12,000 women in 24 cities throughout the country.

To fund the expansion of the program, FES established a special endowment fund worth US\$4.5 million with US\$2 million being contributed by FOMIN.²⁶

Common Elements of all Programs

Drawing on its experience, by 1997 FES decided to formalize what had become standard practice in program design. It was stated that to most effectively achieve its social mission, programs give priority to incorporating the following elements:

- **Institutional development** - The creation of technical and management capacity and the sustainability of civil society organizations are linked to the institutional strengthening encouraged by the Foundation. At the same time FES seeks to develop the ability of these organizations to dialogue with the government and increase their skills to work alone or in alliance with the State in the public arena.
- **Research** - FES has built a team of highly qualified professionals dedicated primarily to promoting, coordinating and funding research aimed at the analysis and design of policies and intervention methodologies applicable to large sectors of the population in the defined program areas.
- **Design, financing and implementation of projects** - FES identifies the most appropriate organizations to implement the projects, helps them obtain resources and provides them with necessary technical administrative and financial support.
- **Communication and dissemination** - Through this component the foundation provides a permanent space for the discussion of the social problems of the country and their possible solutions and strengthens the efficiency of actions that benefit the poorest sectors of the population. It encourages local, national and international forums and the publication of working materials and special publications.
- **Evaluation** - Seeks to determine the degree of efficiency and effectiveness of the actions of FES and the organizations it supports. At the same time it encourages the creation and application of indicators that enable one to identify changes in the process, results and impact on target groups.

References

¹⁸ Foundation for the Philippine Environment, Annex C, Strategic Plan for 1994-98.

¹⁹ Fundación para la Educación Superior. *Facts About FES Foundation*. 1995.

²⁰ Summarized from the FES 1992 Vice President of Programs Report.

²¹ *Ibid.*

²² Taken from a February 1999 email dialogue with FES Foundation Vice President of Social Development, Oscar Rojas.

²³ FES. *Facts About FES Foundation*. 1995.

²⁴ FES. Annual report. 1998.

²⁵ FES. Foundation brochure. 1998.

²⁶ *Ibid.*