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COLLECTIVE IMPACT INVESTMENT STREAM BACKGROUND

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1 What is Collective Impact and why is it used?

1.1 Defining Collective Impact

“**Collective Impact** is the commitment of a group of important actors from different sectors to a common agenda for solving a specific social problem, using a structured form of collaboration.”

- Kania, J. and Kramer, M.¹

The concept was first broadly captured and acknowledged in the Stanford Social Innovation Review in 2011, and the concept is an attempt to capture a new phenomenon in the nonprofit/government sector about working in a *different* way – to tackle complex, intractable social issues.

It is a method of getting people to work together differently in pursuit of a clearly defined common goal to address complex social issues in communities. Issues suited to a collective impact approach are those that are not easy to resolve, have persisted over time and cannot be solved in isolation.

Collective Impact brings funders, businesses, nonprofits, governments and impacted people together in a structured and deliberate way to achieve change.

It is not an elaborate form of funding or a silo-ed approach, but a process that is complex, evolving and demands a high degree of commitment and flexibility to realize long-term results.

There are five ‘conditions’ which have been broadly accepted as defining Collective Impact. The five conditions are:

1. Common Agenda: the participating organizations are working towards a common set of outcomes
2. Shared Measurement: the organizations share a simple, meaningful measure(s)
3. Mutually Reinforcing Activities: partners work as a team
4. Continuous Communication: there is routine, planned communications among partners, and
5. Backbone Support: a *dedicated* support/coordination team

These five conditions lay the foundation for defining a Collective Impact approach and for a rigorous and structured approach to working with a group of partners toward a common goal with shared accountability.

¹ Kania, J. and Kramer, M. (2011). Collective Impact. *Stanford Social Innovation Review*. [online] Available at: http://www.ssireview.org/articles/entry/collective_impact [Accessed 9 Feb. 2015].

Collective Impact is not the answer for every issue or community. To help determine if it is the right process, three important pre-conditions² have been identified:

1. Strong champions are in place (leadership is critical)
2. There is a sense of urgency to the issue
3. Resources can/or have been identified for support of the planning

1.2 Why Collective Impact?

In contrast to more straightforward situations involving what some might call 'simple' or simply 'complicated' socio-economic problems, other types of problems are known as "complex". They are proven to be intractable, often despite much past effort. Just defining these types of problems can demand many different perspectives and input from many different stakeholders, as the causes are often interdependent and multi-causal.

Moving towards solutions to complex problems, often termed "emergent" solutions, can require simultaneous change in numerous places, a nimbleness in thinking and acting, working across organizational and sector boundaries, and other innovative practices.

The solutions to complex problems come from collaborative efforts that operate in a way that challenges conventional thinking and practice: the Collective Impact approach. Collective Impact requires trusting relationships, a holistic or "big picture" view of the problem, the pooling of resources, and the harnessing of collective synergies and expanded skills. This approach allows Collective Impact member organizations to combine their different views, objectives, philosophies, resources and working practices to address a common challenge (through the five conditions mentioned previously).

Funders taking on a Collective Impact approach to tackle complex problems and effect 'needle-moving' change must fundamentally shift how they operate. Today's social and economic realities suggest that for many complex issues it is no longer enough to be an organization that funds innovative solutions created by single organizations, or even a small collaborative, working on solutions to isolated needs. Some issues instead need long-term collective processes, measurement reporting systems and community leadership that enable cross-sector coalitions to rise and thrive.

² Weaver, L. (2014) The Promise and Peril of Collective Impact. *The Philanthropist* Vol. 26. 1. Available online at: <http://thephilanthropist.ca/2014/07/the-promise-and-peril-of-collective-impact/>

2 Principles Guiding OTF's Collective Impact Strategy and Implementation

The broad goal of the OTF Collective Impact investment stream is to solve complex problems in Ontario's communities.

In addition to the 'five conditions' of Collective Impact, some additional principles guide the design and implementation of OTF's model. These principles are:

1. Collective Impact initiatives are informed by, and based on, credible and proven evidence of need.
2. There are processes for meaningful community contribution and engagement in the design and strategy of the initiatives.
3. There is an understanding that Collective Impact work is emergent and adaptive (and that learning occurs amongst partners as initiatives move through the phases).
4. The grantees' learning and evaluation plans must be aligned to those of OTF.
5. The funding envelope for a Collective Impact project will be a maximum of \$2.5M.
6. OTF investments will preferably be leveraged, not just for financial impact reasons, but also because the scope of the issues should be significant enough to demand multiple funding partners.
7. The approaches and investments will be rooted in/aligned to the [OTF Investment Strategy](#), which leverages [Canadian Index of Wellbeing](#) indicators as the underlying components of the chosen framework for measuring improvements in Ontarians' lives.
8. Grantees will be expected to conduct extensive evaluation within any funded implementation and report broadly on findings.
9. OTF will be an active partner in supporting Collective Impact initiatives.

3 OTF's Collective Impact Development Process

3.1 When/why did OTF start considering Collective Impact?

OTF started considering Collective Impact as a funding stream following a Board discussion in April 2013. The Board considered how OTF might move to a balanced portfolio of investment streams that focused on the short, medium and long-term outcomes for communities. An internal working group was tasked with research and analysis that would lead to the development of options. This group took input from numerous thoughtful analyses, including Centre for Effective Philanthropy research and the Ontario Auditor General's reports, and redesigned OTF's granting approaches.

It was determined that OTF was well-positioned to fill a gap by providing a mechanism for addressing "complex" issues in the nonprofit sector. The Collective Impact investment stream meets the desire of OTF to help solve complex social problems in Ontario over the longer term, and is aligned to the OTF Investment Strategy.

3.2 OTF Working Group on Collective Impact

Inside OTF, work continued via a cross-department group of staff with extensive grant operations experience. Initial development involved broad background research through articles from, for example, Stanford Social Innovation Review, the Aspen Institute, FSG, and Grantmakers for Effective Organizations.

The Collective Impact Working Group developed the OTF Collective Impact framework, which was subsequently vetted by external knowledge experts. This vetting process involved, for example, consultations with experts in the Collective Impact field. Experts included Liz Weaver, Vice President at Tamarack; Aaron Good, Managing Director at McConnell Foundation (Innoweave); Fay Hanleybrown, Managing Director at FSG, and Seri Renkin, CEO of the Ten20 Foundation.

Feedback from these external knowledge experts was fundamental to creating a number of stages within the OTF Collective Impact process. The feedback reinforced the OTF approach by showing how the five key conditions of a Collective Impact initiative (Common Agenda, Shared Measurement, Mutually Reinforcing Activities, Continuous Communication, and Backbone Support) are being implemented in examples around the world.

4 OTF's Collective Impact Model

As a formalized approach, Collective Impact remains a new concept. So while OTF is undertaking this initiative to try to tackle Ontario's complex problems, the approach can *and should* evolve over a number of years/granting cycles.

The OTF Collective Impact Model includes the following three stages:






4.1 Stage 1: DEFINE the Impact

This is the pre-development stage for Collective Impact initiatives.

- It is the time for relationship building and convening of cross-sectoral stakeholders
- It lays the foundation for the generation/identification of ideas or concepts for change using a Collective Impact approach

At this point, collectives should have multiple stakeholders on board with a shared understanding of a complex systemic issue. They should have solid evidence and data of the issue. Although a solution is not yet identified, they should have a clear understanding of technical approaches that were tried to address the issue but were not successful.

-  **Funding:** Up to \$30,000
-  **Term:** Up to 18 months
-  **Working and Final Documentation:** Request Form and Final Report

What happens during this stage?




- Further articulation of the issue, agreement on the Common Agenda
- Convene cross-sectoral stakeholders, identify who else needs to be involved
- Identify influential champions
- Map the system/landscape
- Community outreach – ensure community residents are actively participating
- Build a strong case for change – identify what data (and what gaps in data) exists
- Define the Leadership Committee and its role
- Start to build the Theory of Change
- Pressure test initial Theory of Change
- Begin to discuss shared measurement
- Confirm consensus and urgency to move forward

4.2 Stage 2: ORGANIZE for Impact

This is the development stage for Collective Impact initiatives.

- It is when a clear backbone structure and concept are identified, as are stakeholders, including representatives of the community of interest
- It is when all of the elements of Collective Impact are brought together in a robust plan

At this point, there should be a critical mass of stakeholder support, and the community and population affected are included. A solid, high-quality evidence base should underpin a shared understanding of the urgent, complex issue. A structured Leadership Committee should be in place to move the initiative forward.

-  **Funding:** Up to \$75,000 per year
-  **Term:** Up to 2 years
-  **Working and Final Documentation:** Request Form, Annual Progress Report and Final Report

What happens during this stage?

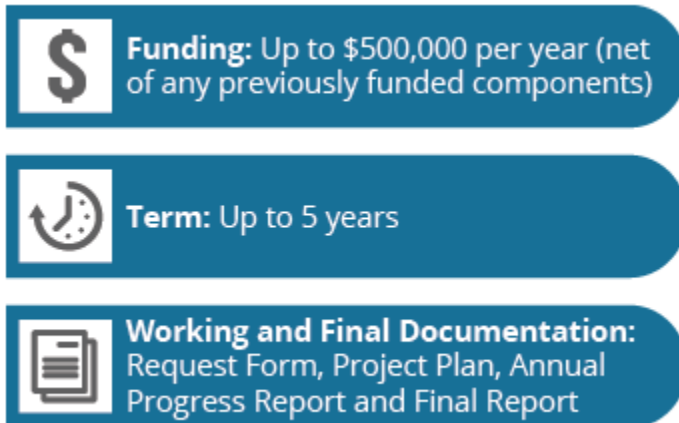
- Confirm common agenda (common goals and strategy) which includes a clear articulation of the issue – for example, what will be changed/impacted by what amount in what time period (i.e. 'Reduce poverty in the Province of Ontario by 25% in the next five years')
- Build out the Theory of Change
- Ensure all the necessary cross-sectoral partners are at the table (including community and population(s) affected)
- Consensus on approach to solve problem, articulate strategies and actions to achieve outcomes in a collective work plan
- Create governance model
- Create backbone support structure (including functions and processes)
- Develop shared measurement system (indicators for change and how data will be collected)
- Determine how internal and external communications will be managed and how the broader community will be engaged
- Identification of resources needed and available
- Leadership Committee is actively monitoring progress

4.3 Stage 3: DELIVER Impact

This is the implementation, evaluation and learning stage of the Collective Impact initiative.

- It is when the collective implements the overarching work plan, including communication, evaluation, risk and resource management plans
- It is when the collective monitors and evaluates progress in line with the shared measurement system. Learning and plan iteration occurs.

At this point, the collective needs to have a comprehensive Theory of Change in place with detailed work plans and budgets that coordinate all of the mutually reinforcing activities. The backbone support structure is operational, the governance model is in place. There are solid communication, evaluation and resource management plans developed and a shared measurement system in place.



What happens during this stage?

- Deliver on the Theory of Change
- Implement the main work plan (coordination of activities, reduction/elimination of duplication)
- Implement supporting work plans (communication, evaluation, risk, resource management, etc.)
- Leadership Committee actively monitors and reports on progress
- Monitor and evaluate progress using the shared measurement system – collect, track and report results and data
- Integrate lessons learned into the Theory of Change
- Iterate on work plans based on results and data
- Update governance model
- Update backbone support structure
- Develop and action learning agenda
- Communicate learning and results
- Build public will and consensus
- Influence policy - develop goals and advocate

Important to Note

Continual engagement of the community / population affected to identify and build sector support is important through all of the stages.

5 OTF's Collective Impact Application Process

If interested in applying to the Collective Impact investment stream, collectives should contact their local Program Manager or the OTF Support Centre. The OTF Collective Impact team will assess fit with the stream as well as identify which of the three stages the collective should apply for.

The Lead organization (**which must be eligible for OTF funding**) completes the online OTF Organization Registration, as well as a Request Form for funding support. Request Forms for all stages are available through OTF Program Managers and are accepted on an on-going basis.

Collectives **cannot enter directly into Stage 3, they must begin in Stage 2: Organize for Impact.**

The process follows four main steps:

Request

OTF Program Managers and staff are available to support collectives and engage with them as they develop their Request Form for OTF support.

Assessment

OTF Strategy Leads, along with the Director of Collective Impact, review requests against assessment criteria and provide summaries for review by the Provincial Programs Committee and Board of Directors.

Note: For Stage 3 requests, the local OTF Grant Review Team conducts a qualitative review. Summaries are shared with the Provincial Programs Committee.

Provincial Programs Committee Review

Provincial Programs Committee reviews summaries and makes recommendations to the OTF Board of Directors.

Board of Directors Review & Decision

Board of Directors review the recommendations of the Provincial Programs Committee and make decision.

6 Evaluation and Learning

6.1 Evaluation and Learning Overview

Given the considerable financial and strategic support that OTF will provide to Collective Impact grant recipients, an investment will be made to evaluate and share key findings.

The evaluation approach and budget will be developed collaboratively by OTF staff and the grant recipient. The budget will reflect the complexity of the evaluation approach.

Evidence and Evaluation	Comprehensive Data Collection	Evidence Gathering
<ul style="list-style-type: none"> • All Collective Impact grants will have evidence and evaluation underpinning all aspects of the effort • OTF will work closely with the Collective Impact collaborative to demonstrate its commitment to the learning process, and ongoing support of the Collective Impact initiative 	<ul style="list-style-type: none"> • Comprehensive data collection is essential. OTF evaluation experts and others may work with grantees to ensure a robust evaluation design and execution 	<ul style="list-style-type: none"> • Tracking each person served by the grant over time (a longitudinal study), may be a model used in many, if not most, Collective Impact initiatives. • All data and data models are to be submitted to OTF • A continuous improvement approach will be used

Important to Note

OTF's Evaluation team will work with the Collective Impact team members to develop a customized evaluation methodology. OTF's Communications team will work with grant recipients as they deliver content as indicated in an approved communications plan. The local OTF Program Manager will have an ongoing relationship with the collective.

In addition to the grant-specific evaluation and learning plans, OTF staff will analyze all Collective Impact grants to consider:

- The Collective Impact granting process, including strategic and operational considerations, and continuous improvement over time.
- The OTF learning agenda for Ontario's nonprofit and governmental sector. Collective impact at this scale has the capacity to revolutionize Ontario's thinking on social development. The documented processes, approaches and *positive and negative* outcomes will be of interest to the province's leaders, operators and policy-makers.
- Grant-making excellence: OTF staff will codify the cross-investment findings and improve their own knowledge and activities to further the overall success of OTF
- Long-term measures and tracking: The investments made will impact communities, hopefully for decades to come. OTF will implement data collection approaches for long-term impact assessment and value analysis.

6.2 Funding, Term, Working and Final Documentation

- **Evaluation Funding:** Evaluation work will be funded as part of the OTF grant, and can be 2-10% of the total grant.
- **Term:** Evaluation will take place for the duration of the grant and likely for one to two years after the grant is finished.
- **Working and Final Documentation:** Data will be collected by OTF and may be shared for the purposes of learning, as appropriate.

Important to Note

A well-developed methodology for continuous improvement and learning should be clear throughout the life of the Collective Impact initiative. This is part of a long-term sustainability strategy that will include impact measurement that continues beyond the term of the grant.

7 Bibliography

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