

# Organizational Strengthening



Guidebook

**This guidebook was produced by Co-Impact.**

Co-Impact is a global philanthropic collaborative that supports locally rooted coalitions in the Global South to transform underlying systems and achieve impact at scale, with a core focus on advancing gender equality and women’s leadership. We bring together funders from around the world to invest in initiatives that are working to improve education, health, and economic opportunity for millions of women, men, and children, addressing underlying conditions that perpetuate social inequities so that systems better serve everyone. Building on our experience to date, as well as that of civil society, government, market actors, and philanthropic partners, we are now developing a second fund focused on advancing gender-equitable systems change at scale and women’s leadership globally.

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# Introduction

Co-Impact is a global philanthropic collaborative supporting locally rooted partners to transform systems and advance gender justice, promote more inclusive and equitable societies, and enable meaningful improvements in the lives of millions of people.

At Co-Impact we believe that deep change in people's lives comes through investing in social justice organizations. Our approach to change begins with the 'who' we partner with and 'how' we support them. This guidebook articulates Co-Impact's perspective of why organizational strengthening is necessary for systems change work and what we mean by organizational strengthening using a systems change lens.

For us, the north star of organizational strengthening is Strategic Coherence, that is achieved when the organization aligns its values, priorities, capabilities, and resources with its purpose of achieving deep systemic change in response to the problem they have identified.

The primary purpose of this guidebook is to help our program partners on their organizational strengthening journeys. We also hope that the guidebook is a useful resource to funder and practitioner communities. Finally, it is intended to help orient and guide our work as we engage with and support each program partner to achieve their core purpose.

The document aims to highlight what we mean by strategic coherence, explains the categories of capabilities that organizations focused on systems change need, and lays out a process to identify the priority capabilities. The guidebook has three sections:

- 1** Explains the purpose of organizational strengthening and its link with strategic coherence.
- 2** Describes the four capabilities that are critical for strategic coherence and long-term success.
- 3** Outlines the process for program partners to develop and implement their organizational strengthening plans.

The guidebook has been informed by the insights and experience of our program partners, lessons from other funders, and the Co-Impact team. It was authored by Rakesh Rajani and Yasmin Madan, with significant inputs and feedback from the Co-Impact Program and Leadership teams. It also benefited from discussions with experts and our Advisory Board.

As we continue to learn, we expect to update this document from time to time and share it on our website. Please share your comments, feedback, and suggestions with [yasmin@co-impact.org](mailto:yasmin@co-impact.org)

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## Essentials of our approach

### **Systems change needs strong organizations.**

We support organizations to achieve people-level and system-level outcomes in health, education, and economic opportunity. Achieving these transformative outcomes requires clear leaders that can make good strategic choices, and strong organizational capabilities that can act on them. Co-Impact therefore seeks to provide program partners with the time and space needed to clarify their strategic choices and make coherent decisions aligned with their systems change goals and to develop the organizational capabilities that are most critical to their mission. We do this throughout our engagement, and by allocating a dedicated amount of USD 500,000 for organizational strengthening within Co-Impact's systems change grants.

### **Lack of strategic coherence is one of the biggest barriers to organizational effectiveness.**

Too often, social change leaders are pulled in multiple directions and unable to align the organization with its purpose. This is caused by both internal distractions (wanting to do too many things) and funding dynamics (chasing donor priorities, fundraising, and reporting). This results in fragmented priorities and misalignment between core purpose of the organization and how the organization spends its time and money, undermining the ability to do deep systems change work. Therefore, achieving strategic coherence i.e., the ability to focus on purpose and make choices that strengthen the purpose (including saying no to money, activities, etc. that detract from purpose) is essential to achieving long-term, enduring impact.

### **To operationalize strategic coherence, we consider four categories of capabilities.**

How does an organization align its critical capabilities with its purpose? Internally, it is seen in the nature and composition of its leadership and governance, and how it arranges/aligns its people, systems, and processes. Externally, it is reflected in how an organization selects and nurtures its partners as well as how it engages with funders. Equally importantly, how the organization makes its values and culture come alive at the heart of its decision-making, serving as guideposts and not just something to post on the wall. These four aspects form the backbone of organizational capabilities to then decide which, when, and how specific capacities (such as finance, communications, learning and evaluation, human resource development etc.) should matter.

### **A deliberate and disciplined process to identify and prioritize organizational strengthening needs helps make good choices of where to invest**

Program partners are best placed to identify and invest in the critical capabilities that are their biggest priorities at any given time. At the same time, established ways of

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looking and acting, habits and norms, can come in the way of what is needed and how it evolves. Engaging with an external facilitator who is able to bring in voices of internal and external stakeholders and ensure the discipline of a diagnosis and prioritization process, combined with supportive discussions with the Co-Impact team, can be really helpful in determining organizational strengthening needs and take the burden off the organization to figure this out on its own. The resulting organizational strengthening plan is a living document which is updated over time.

**This document has three sections:**

1. Explain the purpose of organizational strengthening and its link with strategic coherence.
2. Describe the four categories of capabilities that are critical for strategic coherence and long-term success.
3. Outline the process for program partners to develop and implement their organizational strengthening plans, with support from Co-Impact.

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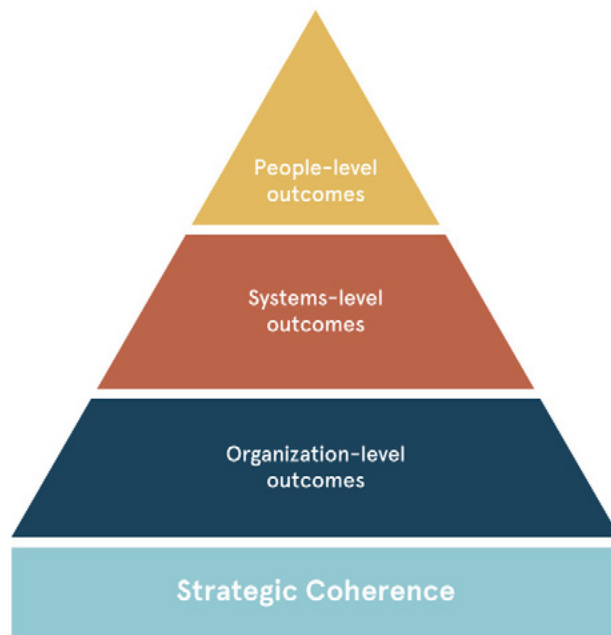
## I. Purpose of organizational strengthening

At Co-Impact, we support partners to contribute to improving the lives of millions of people through systems change. But systems change is hard, complex, and takes time. Developing a good strategy sits at the heart of solving the challenge. Through our grant-making and support, we aim to provide program partners with the time and space needed to clarify their strategic choices and make coherent decisions aligned with their systems change goals. Because discrimination and exclusion are key reasons why systems do not work for all people, we need to understand power to transform systems – who has it and who is excluded. It is not possible to do systems change without centering gender and taking an intersectional lens to all aspects of the work. By understanding how discrimination is exacerbated when it intersects with other forms of bias due to race, caste, class, sexual identity, among other contextual factors, we believe in focusing on intersectional gender equality to make systems just, inclusive, and equitable.

Organizations are often unable to focus on systems change to achieve just and inclusive systems not because they would prefer otherwise, but because the pressures and constraints they face detract them from their core purpose. The different ways in which social change leaders are compromised in their ability to practice strategic behaviors that align with the organization purpose is a key problem. This includes dynamics of the funding environment which result in social change leaders spending too much time fundraising and responding to funder priorities. Short-term earmarked and inflexible small grants contribute to fragmentation resulting in organizations prioritizing donor requirements over their longer-term systems change strategies, which leads to a misalignment between the activity and purpose of the organization.

We believe systems change is best achieved through organizations that develop – and exert – strategic coherence. This is, first and foremost, the ability of organizations to demonstrate a clear understanding of the problem and maintain an unfaltering commitment to the goal of addressing what needs to shift in the system to achieve meaningful and enduring impact for millions of people. It is a clear articulation of the organization’s purpose and its strategic approaches, reflected in the alignment of the organization’s critical capabilities with its purpose. Internally, it is seen in the nature and composition of the leadership and governance, and how an organization arranges its people, systems, and processes. Externally, it is reflected in how an organization selects and nurtures its partners as well as how it approaches and engages with funders. All of this is aided and underscored by the values and culture that are the default guideposts for any organizations.

In short, we support organizations to develop strategic coherence and aligned critical capabilities as reflected in their organizational outcomes, so that they can effectively help shift systems in ways that lead to addressing key levers in the systems that need to shift i.e., systems-level outcomes so that these systems producing enduring people-level outcomes at scale. This relationship is captured in the stylized diagram below.



The objective and design of Co-Impact’s organizational strengthening approach is to enable program partners to identify and invest in critical capabilities that are guided by and enhance its strategic coherence. Our aim is to help program partners embed organizational strengthening as a way of doing business and achieving their mission. We consider organizational strengthening to be primarily the responsibility of the leadership of our program partners and see it as a core part of each partner’s systems change approach. Our role is to provide engagement, referrals, and support, including dedicated resources of minimum of \$500,000, towards organizational strengthening within the systems change grants.



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## 2. Strengthening critical capabilities

Our thinking draws from and seeks to adapt lessons from existing research, inputs from our program partners, and experiences across other funders. We have identified four categories of critical capabilities that we believe are essential to developing strategic coherence and long-term impact for systems change. These are Leadership, Organizational arrangements, Partnerships, and Funder relationships. In addition, Values and Culture serve as critical cross-cutting elements that anchor and animate the critical capabilities and serve as guideposts for decision-making within the organization.

Within this frame, our program partners are best placed to define and prioritize the most important capabilities across the four categories, and we recognize that these will change given the evolving nature of a responsive and dynamic organization.



### 2.1. Leadership

Leadership in an organization includes not only the leader (CEO/Executive Director/Founder) but also the next level of leaders - the bench of complementary and diverse individuals who lead different aspects within the organization. Leadership also requires an enabling internal governance structure. This composite of leadership comes together to develop and implement the strategy to achieve the organization's purpose. Importantly, the organization's approach is unlikely to be fair and effective if it lacks gender balance as well as adequate representation of historically disadvantaged persons across its leadership.

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**Effective leaders:** In our [Handbook](#), we identify systems change leaders as being able to:

- See through noise and inertia to focus on what matters most in achieving outcomes.
- Are purpose-driven and pragmatic; know how to work with what they have.
- Have a solid track record, integrity, and strong ethical values.
- Have the capacity to work at a high level of scale and sophistication.
- Have deep roots in and strong relationships with people in local contexts.
- Know the people the initiative is meant to serve. Exemplify both credibility and legitimacy.
- Are humble and curious; recognize the complexity and uncertainty of their hypotheses, while moving forward, not paralyzed by indecision.
- Promote equity in all that they do. Women and historically excluded groups are reflected in their analyses and represented in leadership and senior positions.

In our experience, systems change leaders bring a beginner's mindset - the curiosity to question, the ability to change assumptions and frameworks, and the desire to continually learn and adapt. Overall, systems change leaders manifest an introspective outlook, recognize privilege in oneself and others, understand the power of inclusion, and use these to promote equity in all that they do. Through their behaviors, attitudes, inclusivity, and learning approach, leaders set the tone for the organization. By living these attributes, leaders can model by example and support staff at all levels to reach their potential.

**Deep bench of leadership:** the number, diversity, and roles of team members who can contribute to and articulate the organization's purpose and strategic approaches. Diversity of backgrounds and complementary skills in the second tier of leadership strengthens an organization and leads to better decision-making. It creates space and opportunity for dialogue across different perspectives and improves strategic choices by seeking commonalities across the differences. A deep and diverse bench also signals the organization's readiness to scale, openness for varied and new thinking, and most importantly, centers the organization around a purpose and not a person.

A deep and diverse bench of leadership and power sharing across top management not only supports the social change leaders but also provides for checks and balances to executive power and authority. In all organizations, issues of leadership transition emerge over time and a deep bench is particularly critical for effective succession, either as an internal pool for consideration or as a support system for external leadership brought into an organization.

**Board and governance:** Effective governance is a fine balance between providing support, direction, and guidance to achieve the organization's purpose and holding leadership accountable. Its most important roles include keeping the organization focused on its core mission, establishing the right values, policies, and operating culture, managing the recruitment and oversight of the leader, and ensuring there is a proper resourcing strategy.

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This category includes having statutes that meet the country's legal requirements, a clear articulation of roles and responsibilities (and limits) of the board and its committees, and transparent procedures for decision-making and information sharing. Independence is critical for the selection and operation of the board. An organization should be able to select and maintain a governing board that is fit for purpose, and not influenced by personal affiliations or funder dynamics.

As with the composition of the leadership bench, in the composition of the board diversity and representation matter. Effective boards are comprised of a diversity of backgrounds, skills, and lived experiences. They are representative of society in relation to gender, race, caste, class, sexual identify and other factors that inform who is excluded in any given context. They bring a deep understanding of the contextual realities of the people who are meant to drive and benefit from the systems change initiative.

**System change strategy:** In addition to great leadership, an organization needs a clear outcomes-focused strategy that addresses the core problem within the system. Critical ingredients for a good strategy include a transformative idea, focus on a key lever or fulcrum in the system, and an effective coalition of key actors for systems change. These, along with an internal posture of learning and adaptation, and bias towards action, inform the strategic choices an organization makes. One of the most important roles played by the leadership and governing body of the organization is to develop, implement, and be accountable to the strategy. At Co-Impact, the strategy is articulated in the "Prospectus" each program partner develops and shares with us. Its components may evolve over time based on practice, data, and learning, and as contexts and opportunities change.

## 2.2. Organizational arrangements

An arrangement is the conscious act of bringing together different things for a particular purpose. Organizational arrangements are ways an organization structures itself and allocates its resources and inputs (i.e., its people, processes, and systems) to maximize outputs and achieve its purpose. A successful organization needs many capabilities – including human resources, financial management, measurement and evaluation, information technology, communications, fundraising, and other program and operational matters. Because these all matter, it is tempting for an organization to want to address all of them at once. But the reality is that an organization only has a certain amount of bandwidth, and a key feature of leadership is to identify the capabilities that need priority attention. Our focus on arrangements is to support program partners to set up its people, processes, and systems to align with its purpose and determine what gets prioritized within each of these. Below we outline four components that partners may want to consider in establishing its optimal set of arrangements.

**People Management:** In any organization, people are the most important resource. The best ways to manage this resource include transparent systems for recruitment and induction, professional development opportunities that combine financial and non-financial incentives for staff growth and motivation, and supportive management structures that prioritize mutual respect, open communication, and safe working spaces.

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For systems change initiatives, some specific areas may require additional attention. For instance, team members will likely need capabilities to develop solid working relationships across key players in the broader ecosystem based on a deep understanding of the political-economy context. It also requires leadership and management to help team members understand their role not only within the organization, but across entire systems. This can help staff develop ‘winning coalitions’ powerful enough to make – and sustain – systems change at scale. Strategic coherence is reflected in the ability of team members, at all levels, to articulate the problem, the goal, and the organization’s pathway from problem to goal. Strategic coherence is also seen as an intrinsic source of motivation and reward structure for team members who see themselves coming together for the purpose, and not just for pay or to do what the bosses tell them needs to be done.

**Financial Management:** This includes developing, implementing, and auditing solid financial systems with clear and demarcated roles and responsibilities, transparent recording, and reporting (both internal and external), and all other functions required for appropriately resourcing the organization. In addition, financial health analysis should aspire for sovereignty of resources, including adequate reserves and cash flow, to ensure optimum levels of organizational functioning through lean and strong times. Because resources are often scarce, organizations learn to develop, practice, and reward cost-effectiveness and cost-efficiency as guiding principles of financial management. And because reputation often matters as much as reality, effective organizations take active measures to promote transparency and disclosure, adopt clear policies for accountability and checks and balances, and promote public information sharing that meets and often exceeds statutory requirements.

**Knowledge Management:** This includes the collection and analysis of all information that an organization needs for informed decision-making and ensuring program performance. To convert information to knowledge, an organization should have ‘fit for purpose’ measurement and evaluation systems as well as processes and capacities to analyze and act upon the data collected. The primary purpose of all information and knowledge management systems should be to ensure evidence-based learning, adaptation, and decision-making at all levels within the organization and responsiveness to the contexts it operates in. Organizations with strategic coherence collect and curate information to determine the path and progress towards their purpose and avoid being scattered and driven by the preferences of external funders. Additional details relevant for this component are elaborated in Co-Impact’s guidance on Learning, Monitoring, and Evaluation.

**Program Management:** This includes technical and political expertise an organization invests in to achieve its programmatic goals. To benefit millions of people through systems change, the organization’s ideas must be “adopted at scale,” i.e., scaling of the program partner’s idea through the larger government and/or market system which is not the same as scaling of the organization or its model outside the system. Understanding factors that influence adoption and sustained uptake of key ideas is one of the most

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important capabilities that our program partners can invest in. This is different from conventional capacity building i.e., transfer of knowledge from one entity to another, which can become condescending and fail to appreciate the motivations and incentives faced by government and market actors responsible for scale and sustainability.

We believe organizations need to consciously invest in mindsets and capabilities within their team members that allow them to understand the key ingredients of successful adoption of an idea at scale. These include appreciating how models that worked when implemented by the organization are unlikely to work when they are to be implemented by key systems actors, such as government or market system actors. It includes building a broad sense of ownership, keen attention to appropriate incentives and motivations among the staff who are responsible for adopting, adapting and implementation, smart and practical use of data to improve performance, and develop supportive structures to manage the overall process and track progress.

### **2.3. Partnerships**

Partnerships based on compelling and deep understanding of the context are often necessary to scaling and sustaining systems change efforts. Partnerships can span across geographies and types across government, private sector, and civil society actors. At one level, several partners may come together to collaborate on and jointly manage a shared initiative. At another level, we believe that systems change is more likely to succeed when a strategic, adaptive organization develops a 'winning coalition' to advance its transformative initiative. A critical step in this process is a solid political economy analysis to map the mandate, position, power (ability to influence results), and motivation/commitment of key actors – so as to determine the sets of actors and relationships that will be needed for an actionable pathway to systems change. In our experience, doing such a mapping systematically can help identify unusual actors that can shift or influence power, and the sorts of relationship building activities – often informal – that are often critical to success. Further detail on partnerships and winning coalitions is provided in our Handbook.

### **2.4. Funder relationships**

Too often organizations undermine their strategic coherence by chasing donor funds and writing proposals to fit donor priorities. We believe that the logic should be inverted; organizations should develop a coherent strategy and invite funders to support it. Developing a clear strategy and strengthening the types of critical capabilities listed above would allow organizations to articulate both their funding priorities and an effective posture and parameters for engagement to adopt with funders. For instance, a clear understanding of organizational arrangements with the lens of systems change would result in budgets which reflect 'true costs' and the role of overheads being carefully explained, rather than resorting to arbitrary limits or wasteful activities. We encourage our program partners to develop – and then advocate for – robust funding policies and practices that advance deep systems change and build capabilities for the long term, and to resist donors using their financial muscle in ways that detract from that purpose.



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The focus of leaders should be to ensure that organizational priorities and corresponding resourcing needs are aligned with the systems change initiative. This requires investment in the organization's articulation of its strategy and the resource mobilization needs, and its fundraising values, policies, and capabilities. Values and principles need to anchor approaches, documents, and negotiations, and effective organizations can clearly articulate why certain lines will not be crossed even if it means turning down money. Policies include vetting of donors, the structure, length, and amounts of funding that are acceptable, grant terms such as those regarding earmarking, flexibility to adapt approaches and pivot based on new knowledge, reporting detail and frequency, and generally reducing transaction costs of donor requirements on program partners. Capabilities include identifying and forecasting the needed resources, channels, and potential sources, and the skills required to unlock and manage these. This is a combination of strong fundraising skills, knowledge, and understanding of a range of funders and funding arrangements, and one of the most important skills is developing relationship with funders.

Organizations that invest in understanding their funders and developing trusting relationships with them see funders as more than access to financial resources, but also an opportunity for non-financial support such as connections with resources, convening of key people, and linking partners to other resource mobilization opportunities. Long-term relationships with funders are based on honest and mutually respectful communication, aligned values, and a joint commitment to the organization's purpose.

Effective organizations invest in these principles and capabilities because they appreciate how aligning funding to an organization's purpose and strategic ambitions is essential to success.

## 2.5. Anchoring values and culture

Along with the four categories of critical capabilities listed above, an organization's values and culture serve as foundational and cross-cutting elements, as a compass for internal anchoring as well as external engagements. Each organization will have its own set of values, as do we at Co-Impact, and these may differ across different groups. That said we believe that the following values are essential to all systems change efforts, and seek to engage with all our partners on these issues:

**Outcomes-orientation:** our shared purpose to achieve meaningful and lasting differences in systems and the lives of millions of people. Effective organizations take time to carefully define clear and measurable outcomes at both the systems and population (people) level, disaggregated by sex/gender and other context-based factors, as well as to define and assess how the organization is developing to better achieve its core mission. While deep change takes time, these organizations develop hypotheses and persuasive evidence-informed pathways to achieve these long-term goals, with intermediate markers of progress (milestones and intermediary outcomes). We spend a great deal of time to discuss the people-level, systems-level, and organization-level outcomes, and the strategic pathways to achieve them, and are flexible about the specific activities and how they may need to be adapted over time to achieve the outcomes. We look to understand

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and strengthen how organizations are supporting systems and themselves to use data and measurement to assess progress, learn lessons, and make changes, as necessary.

**Gender equality and intersectionality:** Gender equality and inclusive development are animating principles across how we work, listen, and learn – including how we engage and work with all our partners. Effective systems change requires a resolute focus on inclusion of women and historically disadvantaged constituencies, and we find it increasingly helpful to bring an explicit intersectional gender equality lens to our work.

Regarding gender, we believe that it is not possible to achieve systems change while excluding half of the population. An organization that pays insufficient attention to gender representation and voice in its own organization and how it pursues systems change is unlikely to achieve fair and inclusive progress. We therefore support our partners to address discrimination against girls and women and barriers they face to exercising voice, setting agendas, and making choices at all levels of the initiative. These include problem analysis, program design, outcomes definition, learning and measurement, and women’s leadership. It also requires support for strengthening organizational capabilities to effectively design and promote gender equitable programs. Accordingly, we expect and support our program partners to grapple with gender inclusion and we reinforce gender equality as a value that should permeate all aspects of the critical capabilities laid out above.

Specifically, we ask our program partners to use an intersectional gender lens in their approaches to: i) undertake a deeper analysis of the context to ensure comprehensive understanding of the problems of how these groups have been excluded and the systemic drivers of underdevelopment that we seek to change, ii) deliberate program design to address root-causes through solutions and interventions, including voice, power, agency, representation and accountability, and iii) commitment to internal structuring of the organization to create opportunities for representatives of these sub-groups to bring in their voice, experiences, and exercise influence.

**Listening and learning:** Our commitment to listening and learning from communities leads us to request all our program partners to help systems and themselves seek feedback from the people they aim to benefit in a systematic and meaningful manner, and to respond to that feedback accordingly. Working with systems means working with a wide range of constituencies, from national-level leaders to mid-level civil servants to front-line providers, to women, girls, men, and boys, and to people across socio-economic levels to make claims on the system. Development and government efforts generally tend to be better at listening to and engaging with powerful constituents, much less so with those at the margins of power. This is especially true for women, people with low income or lower status, and other historically disadvantaged groups.

Our commitment to learning leads us to support all our program partners to map out how they will support systems actors to engage with the key constituents in the system change initiative. There has been significant development in recent years of how feedback systems can be meaningful, including how it needs to be regular and systematic, and the critical value of “closing the loop” by reporting back to constituencies of what was said and learned from it, the changes that will be made, and reporting back on progress.

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## 3. Developing and implementing the organizational strengthening plan

If organizational strengthening is a critical, complex, and nuanced process, how is an organization to determine its needs and priorities? If not done with care, organizational strengthening can become an ad hoc to-do list that adds to an organizational busyness instead of enhancing strategic coherence. That is why we believe that a deliberate and disciplined process focused on diagnosis and prioritization is a necessary first step. The second step is the development of a plan and its implementation. The third is a process for updates and revisions to keep the plan relevant and the most important organizational strengthening needs a priority.

We have designed our organizational strengthening process to support our program partners to identify and invest in the critical capabilities that are their biggest priorities. We recognize that these will change given the evolving nature of a responsive and dynamic organization. Recognizing the need for updates and revisions to the plan as well as the iterative nature of organizational strengthening, we have built in the required flexibility into the process and support roles for the Co-Impact team.

Co-Impact's Account Leads will work closely with the program partner throughout this process, with the support of Co-Impact's Organizational Strengthening Lead.

### 3.1. Diagnosis and prioritization

**External facilitator:** First, we ask our program partners to identify and work with a qualified facilitator. A facilitator helps bring the right skills and independent presence required to gain inputs from all levels within the organization, and for diagnosing the findings to identify root-causes of the challenges and needs within the organization. This will ensure that the organizational strengthening is addressing systemic issues within the organization and not the symptoms. To facilitate the needs assessment process, the facilitator would bring a deep understanding of context and experience with organizational development. Organizations typically select a facilitator who is fit for purpose and draw up the scope of work, in consultation with Co-Impact.

**Tool for needs assessment:** Second, working with the facilitator, the organization identifies and applies an appropriate tool to undertake a needs and opportunity assessment. Importantly, we expect that the tool enables participation from internal (staff at all levels, board members) and external (partners, researchers, funders) stakeholders. Its aim is to capture internal analysis and external feedback (e.g. Co-Impact's observations during due diligence and design grant phase). The tool will allow leadership to review all critical capabilities to find the most pressing needs. It is not intended to replace ongoing internal reflection and analysis done by the program partners to identify their organizational strengthening needs, but to complement it. Thoughtful use of such a tool can lead to deeper and potentially surprising insights, compared to what gets identified as part of routine operations. Importantly the tool is intended to guide the process of self-reflection and dialogue.

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**Prioritization of critical capabilities:** We do not expect program partners to invest in all the capabilities identified for improvement; focusing on doing a few things well is likely to be more effective than covering too much. As such, the facilitator is expected to work closely with the organization's leadership and relevant team members to shortlist prioritized needs for the organization. Program partners are encouraged to share their findings with their respective Account Leads. The objective of the diagnosis and prioritization process is to support the program partner in the development of their organizational strengthening plan, and not as a scorecard to measure performance by funders.

### 3.2. Plan development and implementation

To unlock the dedicated organizational strengthening resources of US\$500,000 (inclusive of the cost of the facilitator and needs analysis) over the full duration of the systems change initiative, we ask our program partners to develop a plan using the process described above. The initial strengthening plan may be developed during the design grant phase or in the first 1-2 years of the system change grant period. We do not expect this initial organizational strengthening plan to be static or comprehensive to meet all the needs. Accordingly, we ask that partners undertake a diagnosis and prioritization at the beginning of the system change effort and once more at mid-point, allocating up to US\$300,000 in the initial plan, while reserving the balance of the dedicated US\$500,000 for allocation at the mid-point diagnostic and prioritization process in Years 3-4 of an initiative. This will allow for program partners to focus on emerging needs over the course of the systems change grant.

Finally, please note that beyond this dedicated allocation of US\$500,000, during the design grant process a program partner can also choose to build into their full systems change budget additional specific expenses that also contribute to organizational strengthening that they deem critical and strategically coherent to the systems change initiative (i.e., staff professional development on gender equity, Board diversification, improved measurement and learning capacity, additional communications and fundraising talent, etc.).

**Design phase:** During the Design (grant) phase, program partners may identify mission-critical and other capabilities that need attention. These could be further supplemented with observations and insights from the Co-Impact team from the due diligence process and ongoing engagement. Program partners could formalize this and conduct the proposed process for diagnosis and prioritization during the design grant period. This presents an opportunity for the potential program partners to plan appropriate resource allocation for the organizational strengthening grant within their prospectus for the systems change grant. In such cases, the approval for the system change grant will include the organizational strengthening plan and budget.

**Systems change phase:** Alternatively, program partners may identify immediate organizational strengthening needs but defer the needs assessment and prioritization process to a later stage of the initiative (ideally in year 1 or 2). In such cases, program

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partners would set aside US\$500,000 for the systems change grant period in their main budget but conduct the process and develop the plan at a later stage.

**Agreeing on the plan:** The expected output from the diagnosis and prioritization process is typically a medium-term (2 to 3-year period) organizational strengthening plan to address the key prioritized needs. For the first phase, the program partner may allocate up to maximum US\$300,000 of the US\$500,000 organizational strengthening grant. The balance of the US\$500,000 funding is set aside for the mid-point round of diagnosis and prioritization process to be planned in years 3-4 of the grant period. This will allow program partners to identify and invest in emerging needs and institutionalize organizational strengthening for their current and future resource determination. These funds may only be used towards specifically identified organizational strengthening purposes, and not towards overall or general organizational costs.

While developing the prospectus, a Program Partner, in consultation with the Account Lead, may also include additional resources in its core budget (beyond the \$500,000 allocation) for strengthening specific organizational capabilities that are critical to the achievement of systems change goals.

Once the plan is developed, the program partner will schedule a discussion with the respective Account Lead and Co-Impact's Organizational Strengthening Lead to discuss the plan and resource allocation, and jointly agree on milestones to track progress against the plan and the organization-level outcomes.

These will be determined by the partner, with inputs from the Co-Impact team, and subject to approval by the Co-Impact Leadership Team. Account Leads will build in discussion of the plan and milestones during the routine check-in calls with the program partner.

### 3.3. Updates and revisions

We also understand that certain modifications may be needed in the plan and these may not go through the formal process. In such cases, the program partner would reach out to the Account Lead to discuss updates/revisions to the plan and the corresponding milestones.

### 3.4. Roles and responsibilities

The development of the organizational strengthening plan (i.e., steps laid out above) should be driven by the program partner. Co-Impact's Account Leads and Organizational Strengthening Lead are intended to support the program partner through the process as needed. The table below highlights roles and responsibilities:



Program Partner	Account Lead	Org Strengthening Lead
<ul style="list-style-type: none"> <li>Initiates the process, contracts the facilitator, and ensures organizational readiness for all the steps in the process</li> </ul>	<ul style="list-style-type: none"> <li>Serves as main thought partner, coordinates with the Org Strengthening Lead</li> </ul>	<ul style="list-style-type: none"> <li>Helps flesh out the core concept and engages with potential facilitators and tools for program partners as and when needed</li> </ul>
<ul style="list-style-type: none"> <li>Completes the draft organizational strengthening plan based on prioritized needs, along with key milestones for the implementation period</li> </ul>	<ul style="list-style-type: none"> <li>Reviews the plan and budget, ensures alignment with the overall systems change initiative, and secures approval.</li> </ul>	<ul style="list-style-type: none"> <li>Develops roster of organizational strengthening resources and experts to support plan implementation</li> </ul>
<ul style="list-style-type: none"> <li>Develops budget to support implementation of the plan</li> </ul>	<ul style="list-style-type: none"> <li>Provides inputs as requested into the process</li> </ul>	<ul style="list-style-type: none"> <li>Reviews plan and budget and provides inputs, based on requests from Account Lead</li> </ul>
<ul style="list-style-type: none"> <li>Implements the plan, reports on progress during regular program partner calls, and documents lessons learned within the organization</li> </ul>	<ul style="list-style-type: none"> <li>Includes progress discussions and milestone tracking into routine calls with program partners, and documents lessons learned</li> </ul>	<ul style="list-style-type: none"> <li>Supports the development of a learning agenda for Co-Impact and documents lessons from the process and implementation across program partners</li> </ul>