The Connect U.S. Fund

Rapid Response Grantmaking: A Tool for Grantmakers

Background [1]

The Connect U.S. Fund was founded in 2003, with the first grant cycle beginning in the late summer of 2004. Throughout its eight years of operations, it worked on the cusp of the philanthropic and the non-profit community, advocating for, convening and supporting collaborations to advance more responsible U.S. leadership in meeting today's complex global challenges. Its role as a grantmaker and as a driver of collaboration and high-impact advocacy strengthened the foreign policy community as a whole. As a result, the organization has many best practices for how to build an effective donor collaborative, conduct rapid response grantmaking, and build advocacy collaborations. While the Connect U.S. Fund decided to wind down its operations and grantmaking by February 2013, we hope that insights from its experience can continue to shape the foreign policy field.

Collaboration is not a science. To be successful, one needs to be in a constant learning mode, sharing best practices with others, reflecting deeply on one's own methodologies and constantly striving to define impact. This paper offers insights from the perspective of the Connect U.S. Fund's administering staff and our collective experience designing and running a Rapid Response grantmaking program.[2]

There are numerous models of rapid response programs operating in the philanthropic world, such as grassroots "kickstarter" campaigns, grants to individuals in emergency situations, individual staff- or trustee-administered rapid response funds, and funds that address unexpected "marginal" costs (i.e., unanticipated travel or marketing). The field of rapid response funding does not have a consistent or thoroughly researched body of knowledge behind it. A broader, deeper, and more rigorous review and analysis of the various structures and methods of the effectiveness of these rapid response programs – and the Connect U.S. Fund's own rapid response model – would greatly benefit both the philanthropic and non-governmental communities. We hope this paper will help spur interested funders to take up that task.

The Connect U.S. Fund Rapid Response Program

From 2006-2012, the Connect U.S. Fund's Rapid Response program provided small grants (up to $25,000) in less than thirty days – and at times as little as a week – to enable organizations to respond and act on unique, time-bound, and unforeseen opportunities to advance more responsible U.S. leadership in meeting today's complex global challenges. The program allowed organizations to initiate high-impact, short-term projects which would likely not occur, or not be as robust, without immediate financial support.

Over this period, the Connect U.S. Fund made 90 rapid response grants totalling $1.7 million (an average of $19,200 per project). The majority of the grants (57%) were to human rights-related projects, followed by climate change (10%), and less than 10% each to nonproliferation, development, financial reform, general U.S. foreign policy, budget, national security, and health.[3] Since 2007, the first year such numbers were available, roughly 430 proposals were submitted for review.

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[1] See Appendix B for a short history of the organization.

[2] For more information Connect U.S. Fund best practices, please see our "Lessons in Collaboration: A Tool for Convenors" and "Best Practices for Effective Donor Collaboratives" papers on our website: www.connectusfund.org.

[3] The large proportion of human rights grants is due to several factors. First, the nature of the human rights field is that it is constantly in flux. Unlike the issue areas of climate and nuclear nonproliferation, which are more tied to the policy environment,

The primary criteria for the Connect U.S. Fund's Rapid Response program were "high potential for policy impact in the short term" and a "clear demonstration that the project arose as a response to an unforeseen and time-bound opportunity." As part of a complex series of criteria, set forth in Appendix A, the Connect U.S. Fund strived to maintain broad definitions so that it could maximize the number of grant opportunities while maintaining quality assurance criteria so that it could be making wise investments.

Policy advocacy by its very nature is unpredictable, where unforeseen events can provide new opportunities or derail established plans. This is not only true regarding large developments like the Arab Spring, but also more "mundane" items such as congressional leadership deciding to push forward one piece of legislation instead of another, or as dramatic as a congressional scandal that envelops a champion on the Hill. Within the world of policy advocacy, wins are more difficult to define and achieve; the nature of policy progress is often slow and circuitous, and credit for progress is often hard to assign.

Benefits of a Rapid Response Program

Through the eight years of operating its Rapid Response program, the Connect U.S. Fund found that the program became a critical vehicle to connect the philanthropic sector and advocacy non-governmental organizations (NGOs). It enabled the community to make progress in key policy areas not addressed by other funders. Based on our experience, we outline below the following benefits and best practices of rapid response initiatives that we hope will help others exploring the development and implementation of a rapid response program.

1. Tactical Interventions

Through intensive strategic planning, funders identify and determine priorities for years in the future. However, the fluidity of the policy environment and the unpredictable nature of external factors can quickly overturn these plans. By providing fast, flexible funding, a rapid response program can fill the gaps in unforeseen opportunities by providing NGOs with the resources necessary to achieve their goals without having to radically restructure their strategic plans.

2. Pressure Valves

An independently-administered rapid response program can direct small projects away from larger foundations so that they can use their comparative advantages and concentrate on long-term planning. Large foundations which have the resources to implement major, game-changing initiatives should focus on that rather than going through thousands of small grant applications. An independent rapid response mechanism – either as a wholly separate entity or within a larger foundation -- will allow large foundations to do just that.

3. Harbingers of Future Needs

Rapid response grants fill an immediate gap to take advantage of an unforeseen policy opportunity. It may be a one-time opportunity, but it also may signal an issue area of growing importance that could require sustained support. Funders should review the field of rapid response on an annual basis to determine any more significant needs in an issue area.

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the human rights field is more likely to be swayed by outside factors, such as the Arab Spring. There are generally, therefore, more opportunities to take advantage of these unforeseen events. Likewise, because human rights policy challenges move quickly, the argument for the need for rapid response is stronger than in issue areas in which change is slower or more deliberate, such as foreign assistance reform.

4. Field Advantage

Rapid response funding requires a finger on the pulse of the policy world. That is very difficult to achieve without a physical presence in the target area. For instance, if the goal is to affect U.S. policy, an office in Washington, D.C. is essential for an effective rapid response program. Doing rapid response right requires policy knowledge and personal contacts with whom program officers keep in regular contact. There is no true substitute for physical proximity.

5. Quick Win

Rapid response enables foundations and their partners to take advantage of an unforeseen policy opportunity and achieve a quick win on one of the communities priorities. Such efforts inherently involve risk, however. Developing a program should weigh the prospects of such wins, recognizing that not every one will succeed.

Key Ingredients in an Effective Rapid Response Program

The Connect U.S. Fund's experience in rapid response funding offers some best practices for others considering such programs. The following key ingredients may assist others and help take the rapid response model to new heights.

1. Criteria: Not Too Broad and Not Too Narrow

The criteria for rapid response grants should be neither too broad nor too narrow. An open and expansive rapid response mechanism can make it difficult to link the siloed program's strategic grantmaking goals. Be sure to see the bigger picture of the funders' goals. A rigidly narrow mechanism will fail to take advantage of the unpredictability and fluidity of the policy environment. The primary criteria for the Connect U.S. Fund's rapid response program was that grants must advance U.S. leadership on today's complex global challenges with a very specific checklist of required elements (see Appendix A). These grants, however, were not required to address the Connect U.S. Fund's specific policy goals. They should be seen as value added beyond the strategic programs.

For example, prior to 2010, the Connect U.S. Fund never explicitly worked on or funded projects related to the rights of indigenous peoples. Yet, when the Obama administration engaged in serious discussions about signing the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), the Connect U.S. Fund recognized an opportunity for a specific policy win which would set a precedent for future U.S. consideration of international treaties. A rapid response grant was given to a tribal organization which eventually succeeded in convincing the Obama administration to sign UNDRIP.

2. Purpose: Small and Rapid Are Not the Same Thing

Organizations sometimes need small grants (preferably without the burden of an extensive application or vetting process) and sometimes need grants rapidly. These needs are not always overlapping. Often, NGOs cannot find funders who offer small grants, even as part of their on-going grant cycles. Others cannot find rapid turnaround times. Each category is based on a different need and, when operating a rapid response program, a funder should be very clear about which products they are offering and who the ideal client would be (and would not be).

3. Purpose: Unforeseen vs. Unplanned Opportunities

It is important to recognize that an unforeseen window of opportunity is not the same as an unplanned one. Too often, organizations approached the Connect U.S. Fund about opportunities they could have anticipated, but did not. They mistakenly saw the Rapid Response program as a "last minute planning" or regular "small grants" fund. It is important to define the program and make sure the community understands its purpose.

4. Staffing: Reactive and Proactive

To ensure rapid response strategy aligns with overall grantmaking strategy, it is ideal to designate a full-time staff person to rapid response. Thus, the staff person is not only functioning in a responsive mode but is also exploring opportunities and eliciting engagement from NGOs. Shifting from the administrative to the programmatically pro-active is a shift in profile that can improve effectiveness as well, though the financial costs of more intensive staff time are higher. Because no staff person dedicated 100% of his or her time to the Connect U.S. Fund's Rapid Response program, it was difficult to take advantage of these "exploratory" opportunities.

Rapid response fund staff should be tasked with both responding to prospective grantees' requests and exploring proactively other opportunities. The question hovered for the Connect U.S. Fund: should we adopt a "wait and see" attitude or should we proactively pursue organizations for opportunities to make rapid response grants? For example, the once-in-a-generation upheaval that occurred in the Middle East and North Africa in 2010 – 2011 presented many organizations with the opportunity to have a meaningful impact on U.S. policy in that region specifically, and how the U.S. deals with incidents of violent revolutions more generally. Aside from a group focused on Tunisia early on in the "Arab Spring," the Connect U.S. Fund was not approached by members of its community to fund projects aimed at responding to these policy opportunities.

5. Nimbleness: Stay Light

The application, review, approval, notification, and reporting processes of a rapid response program must be light and user-friendly for all parties. For the Connect U.S. Fund, both the application and grant report for rapid response grants was only 2-3 pages. Without a nimble, simple, and short process, grantees will not take advantage of this opportunity because it's not worth the staff time to write a complicated grant proposal (and reporting requirements) for only $25,000 or less.

6. Balance: Opportunities and Impacts

Among the Connect U.S. Fund's criteria for our Rapid Response grants is the term "unforeseen." This term was generally understood as both an opportunity in the political landscape and a tactical or strategic opportunity in the "marketplace." It is important, however, to distinguish between new situations and real opportunities for policy wins. Assess carefully the prospects for progress in your policy goal, no matter how exciting the new situation seems.

7. Grantees: Balance Repeat and New Grantees

Over time, the Connect U.S. Fund made repeat rapid response grants to a handful of organizations. This likely was both an indicator of success and an indicator that the Rapid Response program needed more exposure to prospective grantees (and more staff time to do the explorations). Over time, the Connect U.S. Fund built a relationship of trust with a handful of grantee organizations that became familiar with the Rapid Response process and were aware of which types of projects fit our unique criteria. For grantee pools to be diversified, it is necessary to proactively search for new viable grantee partners. The answer lies in balance. Return users are a positive sign; new users are vital to retain relevance and impact. In business terms, it is all about balancing acquisition and retention of customers.

8. Organizational Capacity: Assess Wisely

Because rapid response grants are only effective when turnaround is fast, administering staff should put a premium on assessing the ability of the organization for policy success. The short terms of the grants do not allow for mid-term corrections if key staff capacities are missing. Does the organization have the capacity (e.g., advocacy, media, contacts with the right officials) to pull this win off? Are their tactics both the right ones and ones that the organization can implement towards a winning strategy? What is the organization's track record of success?

9. Pace: The Delicate Dance of Rapid Response

Because a rapid response fund is, in its very nature, unpredictable, it is difficult to predict the disbursement of rapid response allocations over the course of a year. Using up the rapid response grant funds too quickly can create painful gaps later in the year and potentially lessens the funder's impact when funds might be needed but unavailable. Funders must develop a skill at pacing themselves. They may also want to keep a "reserve fund" in case a rapid response opportunity comes up towards the end of their fiscal year. Try to keep any rapid response funds walled off from possible poaching from other programs. This will help ensure a constant capacity to response to unforeseen opportunities.

The calculation becomes even more complex when the size of the fund itself fluctuates over the years. The total pool of funds available to the Connect U.S. Fund for our Rapid Response program varied annually, ranging from $200,000 to $500,000 per year. This kind of variability necessitates that the grantmaker communicate its shifting levels of available funds to the NGO community. Having a plan, while maintaining flexibility, is the key to navigating this unpredictable landscape.

10. Assessment: Keep It Separate

Rapid response grantmakers should not attempt to fold rapid response grant impact assessments into broader assessments undertaken to review traditional grant pools – whether the assessment is done by internal or external bodies. The very nature of the quick turnaround and the tactical nature of the requests make impact difficult to forecast, let alone measure with the same parameters as longer-term strategic grants. Data can be compared, but impact processes and timelines will not necessarily be aligned. Like traditional grants, impact is difficult to assess, including whether success would have happened anyway, or whether failure was beyond the control of the grantee.

Conclusion

Rapid response can complement other grantmaking and advocacy strategies in a nimble and effective fashion when utilized wisely. For an organization whose mandate was, in part, to drive U.S. leadership in meeting today's complex global challenges, the Connect U.S. Fund's Rapid Response program served the organization as a vital tool by seizing opportunities no one else was pursuing. By knowing the right experts and organizations – and constantly growing its list of allies – the Connect U.S. Fund was able to have its finger on the pulse of policy and political developments, taking tactical risks for the funders and supporting change so that innovative efforts gained much needed traction.

Embarking on a rapid response program necessitates high levels of flexibility and nimbleness and the staff capacity to bolster the NGO sector in a fluid manner that is often not done in many philanthropic foundations. We hope foundations will study this model further and continue and expand this valuable type of grantmaking.

Appendix A

The Connect U.S. Fund's Annotated Rapid Response Check List

1. Does the proposal address an issue of relevance to advancing U.S. leadership on today's complex global challenges?

The proposal should address an issue that relates to U.S. foreign policy. Proposals that have a domestic focus, such as voter registration or immigration reform, are not considered. Further, proposals which do not have a clear connection to the U.S. and are focused primarily on shaping the policy of a foreign country are excluded from consideration.

However, proposals which seek to improve the effectiveness of international organizations and agencies, such as UNESCO or the UN Human Rights Council, may be considered if the overarching goal is to improve U.S. involvement with and policy toward these institutions.

We included this question as part of our criteria because advancing U.S. leadership on today's complex global challenges is our organizational mandate. Successful Rapid Response mechanisms don't necessarily need to pose this question, but should ask, "Does this project fit within my organizational mandate/vision/mission?" For rapid response grants to work, they should be able to apply to a broad range of issues, not just a single program or geographic area.

2. Does the project have clear and achievable policy goal(s)?

While all proposals must have the overarching objective of advancing U.S. leadership on today's complex global challenges, proposals must also include a specific policy goal that will achieve this objective. Successful rapid response proposals clearly identify a U.S. policy that needs to be changed. For example:

- Funding to help develop civil society organizations in the Middle East/North Africa
- Reduce the level of the U.S. nuclear stockpile articulated in the Nuclear Posture Review
- Eliminate fossil fuel subsidies in the federal budget

3. Is the goal achievable in this policy environment?

The answer will largely depend on timing of the project as well as political will within the U.S. government. For example, projects involving changes to the federal budget (or any legislation) are not likely to be achievable in a period of austerity and partisan rancour, unless the project seeks to cut funding. In order to answer this question, the program officer may need to conduct interviews with third parties, including other advocates and current or former government officials to develop a better picture.

4. Does the project take advantage of a time-bound opportunity for policy impact?

We generally define a time-bound opportunity as occurring within a three to six month period. In other words, within a relatively short timeframe, the opportunity will no longer present itself and the project no longer has a chance to influence a policy change. The early stages of the Arab Spring, especially the events occurring in Tunisia and Egypt, are a good example of this limited window. Anything more than six months could be met with a traditional annual grant.

5. Does the project take advantage of an unforeseen opportunity for policy impact?

An unforeseen opportunity is generally an unanticipated event that allows for a change in U.S. policy. The Arab Spring, the Fukushima disaster, and the release of Presidential Study Directive 10 on mass atrocities are all excellent examples.

However, unforeseen is not synonymous with unplanned. For instance, the Connect U.S. Fund often received rapid response applications which sought to fill organizational budget gaps or to supplement the activities conducted under another grant. The inability of an organization to plan for staffing or fundraising shortfalls is not a qualification for a rapid response grant.

The strongest applications feature both contextual opportunities (an unforeseen event in the political landscape that triggers action) and tactical opportunities (an unforeseen opportunity to utilize a particularly compelling tactic to shape policy).

6. Is the strategy for achieving the policy goal(s) clear and credible?

The most convincing applications will include a very narrow or specific strategy (e.g., a congressional delegation to the Middle East, a roundtable of environmental advocates and business leaders on climate change, a meeting between policymakers and torture survivors). The nature of rapid response is predicated on the belief that occasionally the political environment is upended to such a degree that one or two discreet actions can result in major shifts in policy. A multi-pronged strategy which seeks to tackle the problem on multiple fronts usually (but not always) demonstrates that the applicant is not familiar enough with the issue to identify the one or two pressure points to enact policy change and, therefore, may not be the most suitable candidate to carry out the proposed project.

7. Does the project address an immediate and discrete gap in the organization's ability to implement the proposed effort, as well as a gap in the NGO community's capacity to act on the issue described?

This is really two questions. First, does the applicant organization truly need outside support to accomplish what they've proposed? For example, do they need additional funds to hire a consultant or convene an unanticipated event that would take advantage of the unforeseen opportunity? Program officers should be careful not to confuse a real gap with a planning gap. As stated above, unforeseen is not synonymous with unplanned.

The second question is whether the NGO community as a whole has the capacity to fill the gap. Are NGOs able to come together and ensure that the unforeseen opportunity can be utilized? If not, will this gap give the NGO community as a whole the opening it needs to take advantage of the unforeseen opportunity?

8. Do(es) the organization(s) seem capable of carrying out the strategy? Are they the right group(s) for this effort, with both the credibility and the capacity to do the job?

Hopefully, after having answered the above questions, the answer to this one is evident. But that is not always the case. Sometimes organizations that look good on paper are not capable of carrying through proposed projects. It is the responsibility of the program officer to do some basic research into the past accomplishments of the applicant organization and interview their partners to better assess whether or not the proposed project has the chance of being successful.

The answers to these questions will largely come from the program officer's knowledge of the community, and its various organizations and their comparative advantages. If the program officer is new to the community, then he or she should at least know who the experts are within the community on the issue in question and turn to them for advice.

Extra Credit

While not entirely a requirement for other rapid response mechanisms, the Connect U.S. Fund also posed the following questions when reviewing proposals, primarily because of our model and institutional interests:

- Is the project collaborative in nature? Is it a joint proposal or is the project's strategy collaborative in nature?
- Does the project engage/mobilize diverse and appropriate messengers/validators?
- Does the project respond to a specific need that key policymakers have expressed?

Budget

- Is administrative overhead less than 10% of the budget? Because we capped rapid response grants at $25,000, we try to keep the overhead as low as possible.
- We would cover staff time with rapid response funds, but were always reluctant to put the majority of rapid response funds towards that time. Exceptions may be made if it is clear that the staff cannot work on the project without significant resources.
- If we are covering staff time, or the time of a consultant, what percentage of that individual's time will be devoted to the project? We were reluctant to support "side projects," where an excessively minimal amount of time is being allocated.

Appendix B: The Connect U.S. Fund – A Brief History

The Connect U.S. Fund was founded in 2003 in response to the unilateralism of the George W. Bush administration. Its first grant cycle began in the late summer of 2004 and – for eight years – it worked on the cusp of the philanthropic and the non-profit community, advocating for, convening and supporting collaborations to advance more responsible U.S. leadership in meeting today's complex global challenges. It was created by collaborating foundations that represented diverse fields – peace and security, human rights, environment, development and global health – and were facing similar challenges to advancing their policy objectives.[4]

The power of the collective voice, grantmaking, and advocacy drove the Connect U.S. Fund's work. Through leveraging resources and skills, exchanging lessons learned, developing complementary strategies, sharing information, conducting and funding capacity trainings, crafting mutually reinforcing messages and taking collective advocacy action, the Connect U.S. Fund helped build and strengthen an advocacy community better positioned for policy wins in promoting U.S. leadership. The organization used grants and staff time to spur policy progress and to encourage collaboration.

Network Weaver: The Connect U.S. Fund developed a robust network of community members poised for policy action. By 2012, its working groups were made up of 140 organizations, represented by 360 working group members. The website had 19,237 unique visitors. The Connect U.S. Fund's bi-weekly newsletter was opened by 7,011 people. To build the capacity of the community, we hosted a variety of training sessions and educational briefings. Many of the organizations involved in some aspect of the Connect U.S. Fund – in turn – connect to millions of people in the U.S. and internationally.

Grantmaking: During its tenure, the Connect U.S. Fund disbursed $12.5 million through its annual initiative grants and rapid response, supporting organizations to promote responsible U.S. leadership on human rights climate change, nuclear nonproliferation, and development.

<u>Annual Grants:</u> From 2004-2012, the Connect U.S. Fund made 178 annual grants, totalling $10.8 million, 71 percent of which were in partnership to organizations that would collaborate. The grant sizes ranged from $20,000 to 80,000 per organization, with an average of $60,500 per organization. Staff found the larger sized grants to be much more effective in promoting true collaborations.

<u>Rapid Response Grants:</u> From 2006 – 2012, the Connect U.S. Fund made 90 rapid response grants totalling $1.7 million (an average of $19,200 per project). The majority of the grants (57%) were to human rights-related projects. Since 2007, roughly 430 proposals were submitted for review.

Staffing and Operations: Over the course of eight years, our total operating costs, including staff, community meetings, trainings, and administrative costs was $6 million. The initial staffing of a part-time individual proved wholly inadequate to the task and additional staff was added as the operational and advocacy programs increased. In 2012, staff totaled six.

In mid-2012, the Connect U.S. Fund decided to wind down its operations and grant-making by February 2013.[5] During its eight years of operation, the Connect U.S. Fund helped build a stronger network of organizations committed to advancing U.S. leadership in today's global challenges. We hope that the connections built will continue to strengthen through continued support of forward looking foundations.

[4] Donors to the Connect U.S. Fund over the years have included the Atlantic Philanthropies, Carnegie Corporation of New York, Charles Stewart Mott Foundation, Ford Foundation, Open Society Foundations, Ploughshares Fund, Rockefeller Brothers Fund, and William and Flora Hewlett Foundation. The Connect U.S. Fund also received project-specific support from the Energy Foundation, MacArthur Foundation, New Ventures Fund, Nuclear Threat Initiative, and Skoll Global Threats Fund. The Connect U.S. Fund is a project of the Tides Center and its grant distribution is managed by the Tides Foundation.
[5] Please see www.connectusfund.org/next-steps-connect-us-fund for more information.