

# The Needle Stops at Partnership

*In the search for a new calibration in grantmaking,  
the evidence endorses a partnership mindset.*

## Literature Review

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# Executive Summary

This literature review stems from the desire to review the evidence for WomenStrong International's theory of change while also exploring recent and consequential shifts in the landscape for philanthropy.

We conducted a comprehensive thematic literature review of six overarching concepts in the theory of change. We classified the body of evidence — a total of 34 studies — as small (1–4 sources), medium (5–9 sources), or high (10–15 sources), relative to search categories based on the number of sources of suitable relevance and quality for inclusion. Findings include:

- **Providing Trust-Based Funding.** There is a large body of evidence (18 sources) for trust-based and/or unrestricted funding. Search results indicate that unrestricted funding can be transformational for organizations — particularly when it is multiyear — and significant enough to cover shortfalls in general operating expenses. It can also increase organizations' resilience to economic shocks, improve programs and service delivery, and help organizations attract additional funding. Trust-based funding also helps funders to create more resilient philanthropic strategies.
- **Fostering Peer Learning Between Grantees.** There is a small body of evidence (three sources) for this type of funder intervention, indicating that it helps grantees to navigate and create change in complex systems, adopt innovative and novel solutions, and receive affirmation from their peers.
- **Facilitating Grantees' Networking.** A medium-sized body of evidence (eight sources) reveals that grantees benefit in several ways when their funders help them build networks. Bigger networks can help them raise funds and adapt and pivot in changing times. In one study, 76% of participants "used the program's network to access information and resources," and in another, 71% of the participants reported "leveraging networks to address community health challenges."
- **Making Grantees' Work More Visible.** A small body of evidence (three sources) shows strong linkages between organizations' online following and their access to financial and volunteer support. Both Facebook and Twitter followers were positively associated with individual donations, with Facebook being more strongly associated with the amount of donations.
- **Strengthening Grantees' Capacity.** There is a large body of evidence (10 sources) suggesting that direct, nonfinancial support to core organizational functions can be transformational for organizations. One study finds effects ranging from the personal — including work-life balance (82% of respondents), better connections with family (64%), and better physical health (68%) — to the professional, including taking on more duties (37%), and receiving a promotion (29%). Another study on the public health-focused, United States Agency for International Development (USAID)-funded FANIKISHA Project underscores how efforts such as helping non-governmental organizations (NGOs) develop strategy and monitoring and evaluation documents led to a strengthened referral system in the community.

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# Introduction

While action necessarily precedes evidence in times of disruption, emerging norms and practices still require critical examination. This literature review stems from the desire to review the evidence for WomenStrong International's theory of change<sup>1</sup>, while also exploring recent and consequential shifts in the philanthropic landscape. The latter include the societal awakening ushered in by the COVID-19 pandemic and the racial reckonings of 2020, along with the no-strings-attached largesse of billionaire philanthropist MacKenzie Scott. Our approach is to address the classic evaluation question of whether an approach is “working” or not, while adopting more value-oriented evaluation questions on how the approach creates value, by whom, and for whom (Schwandt and Gates, 2021).

Given this dual methodological lens, and in light of the relatively thin track record of some of the new behaviors in philanthropy, this review concerns itself not only with evidence but with emerging best practices and lessons learned. Therefore, the two main research questions for each subject of inquiry are: *What are the outcomes and impacts of this approach?* and *What are some best practices?*

WomenStrong believes in advancing gender equity by partnering with grassroots women's organizations to improve the lives of girls and women within their respective communities. The organization's theory of change posits that partners are better able to serve their communities when they receive a combination of trust-based funding and nonfinancial services. These services, which are intended to build partners' resilience, include facilitating peer-learning among partners, increasing the visibility of partners, such as through showcasing their work with external audiences, helping the partners network with key constituencies, and providing customized capacity strengthening support to partner organizations.

The particular magic of a theory of change, especially one intending to support emergent outcomes (results uniquely arising from the context), is that the elements work in synchrony. However, for the sake of critical study, we have deconstructed the theory of change to examine its constituent cause-and-effect relationships more closely, while recognizing that, thus dismembered, the model loses some of its effectiveness. We have tried to mitigate this by including a section on synergies between and among the components of the theory of change.

<sup>1</sup> <https://www.womenstrong.org/our-approach/our-theory-of-change/>

# Methodology

We conducted a comprehensive thematic literature review using the databases Taylor & Francis Online, Scopus, Wiley Online Library, ProQuest, GALILEO, and EBSCOhost, as well as the search engine Google Scholar and the AI-powered research platform Perplexity. To locate relevant articles, we initially used search terms based on six overarching concepts in WomenStrong International's theory of change: (1) trust-based philanthropy, (2) funder-facilitated peer learning, (3) funder-facilitated network approaches, (4) visibility-focused support, (5) customized funder support, and, (6) strengthened organizational and technical capacity. In the initial search, we prioritized peer-reviewed articles from the aforementioned databases, particularly those that studied outcomes and impacts. However, anticipating that some of the concepts are still emerging from praxis within the field and in light of our dual methodological lens, we also included sources focused on best practices or process observations, as well as gray literature from established development organizations.

We extracted data from selected studies into a table organized by basic study characteristics, methodology, and key findings related to the key concepts (search categories). We then performed a qualitative analysis of the collected literature anchored in the aforementioned six overarching key concepts. From there, emerging themes from each topic were identified and further expanded. We classified the body of evidence — a total of 38 studies — as small (1-4 sources), medium (5-9 sources), and high (10+ sources), relative to search categories, based on the number of sources of suitable relevance and quality for inclusion. To be included, a source had to be published in 2014 or later, be a peer-reviewed article, or, in the case of gray literature, exhibit robust methodology or be published by a recognizable industry thought leader. In some cases, to give additional context to concepts and outcomes identified, we included some sources published earlier than 2014. Some sources were counted in multiple search categories, and the research also includes additional sources not specific to any category.

# Limitations

Although this study explores trust-based funding and/or unrestricted funding — along with related approaches — and the benefits of such funding for organizational capacity strengthening, it does not examine restricted funding. An exploration of restricted funding directed at capacity strengthening or operational support would further nuance arguments on what types of funding are important for creating effective, resilient organizations. Furthermore, this research does not claim to be an exhaustive search of available literature, but rather aims to collate and examine an evidence base of reasonable quality and quantity to help practitioners navigate changing norms within philanthropy.

# Findings

## Providing Trust-Based Funding

### What are the outcomes and impacts of trust-based funding?

Trust-based funding (or philanthropy) is built on the idea of shifting power within philanthropy. Traditional grantmaking often relies on a top-down dynamic, with funders dictating how resources should be used. In contrast, trust-based philanthropy embraces a partnership model between funders and grantees and is rooted in values such as transparency, open dialogue, and mutual learning (Jones et al., 2024; Powell et al., 2023). Its most striking feature, perhaps, is that grantees are given control over how and on what they spend funds received. The approach may also entail loosening, removing, or reimagining of the typical reporting requirements that often accompany grants, thus freeing up grantees' time for more important activities. The approach has also been codified into six practices by the eponymous Trust-Based Philanthropy Project.<sup>2</sup>

Finding few peer-reviewed studies on the outcomes of a trust-based funding approach, likely due to its novelty, we thus extended our search to unrestricted funding. Unrestricted funding resembles the most striking feature of trust-based funding — that of letting grantees decide how funds should be spent “without explicit and formal conditions” on spending (Wiepking and De Wit, 2020). With both terms in play in our search, we found a large body of evidence (18 sources) for trust-based and/or unrestricted funding.

### Making Transformational Change Possible

Search results indicate that unrestricted funding can be transformational for organizations — particularly when it is multiyear and significant enough to cover shortfalls in general operating expenses — as it disrupts a cycle of impoverishment that can keep nonprofits trapped in survival behaviors.

One notable exception to the dearth of literature on trust-based funding was a report by Buteau et al. (2020) on billionaire philanthropist MacKenzie Scott's Giving Program. Scott made large gifts in 2020 that resulted in a total disbursement of \$1.7 billion to 116 nonprofits and became a de facto experiment in upending the rules of philanthropy. While hailed as an embodiment of trust-based funding, Buteau et al. generally characterized the funding as multiyear, general operating support — nonprofits could spend the grants as they saw fit, with no required ongoing relationship with the Giving Program. This constituted a hands-off arrangement that was unprecedented for most.

With a median grant size of \$8 million, the grants, most of which were awarded in 2020, were frequently cited by nonprofit leaders as transformational. However, leaders stressed that it was the unrestricted nature of the grants that made them transformational.

The study, which featured a mixed-methods design that included survey responses from 168 CEOs and 105 program officers of private and community foundations, showed far-reaching impacts in recipient organizations. These included the ability to plan for the future (66%), the opportunity to focus on their work (30%), and the capacity to invest in staff (27%). In short, the grants were game-changing interventions that gave nonprofit leaders “breathing room” and space to think and plan bigger,

<sup>2</sup> <https://www.trustbasedphilanthropy.org/practices>

particularly in terms of how to increase their impact. For example, results included that this type of funding “allows nonprofits the time to develop, evaluate, and improve programs.”

A two-fold study by Wiepking and De Wit (2024) echoed the theme that unrestricted funding has profound and far-reaching effects within organizations. The study supplemented a literature review on nonprofit strategies for coping with resource uncertainty with key informant interviews of 20 grantees receiving multiyear unrestricted organizational funding. The authors’ findings led them to theorize that this type of funding positively affects several types of nonprofit capacities, including financial management, operational capacity, staff management, adaptive capacity, strategic planning, mission orientation, and innovation.

### **Increased Resilience – For Both Nonprofits and Philanthropy**

Wiepking and De Wit (2024) point to evidence that organizations with access to multiyear unrestricted funds are more resilient to economic shocks, enabling them to make progress toward longer-term goals. By diminishing nonprofit leaders’ worries of their future survival, this type of funding provides the stability, infrastructure, and flexibility that organizations need to focus their energy on activities and pursuits that are most important in their specific contexts and movements — in short, their impact (Karim, 2022).

Lynn et al. (2021) flipped the question of resilience on its head, positing that trust-based funding strategies are important not only for building the resilience of grantees, but also for creating resilient philanthropic strategies, particularly in the age of disruption ushered in by the COVID-19 pandemic and the racial reckonings of 2020. They noted that philanthropic strategies are resilient and supportive of systems change when they release control over processes and outcomes, instead of trying to predetermine results, and when they support their grantees in building networks that create solutions in a more organic fashion.

### **Improving Programs and Service Delivery**

COVID-19 presented a unique opportunity for the development sector to observe the impacts of trust-based funding on organizations’ ability to adapt. For instance, Powell et al. (2023) looked at the effects of the CDC Foundation’s “trust-based philanthropy” relationship with community-based organizations during the pandemic and found that access to this type of funding was crucial in addressing health inequities and improving community resilience. Interestingly, while the CDC Foundation achieved five out of the six criteria for trust-based philanthropy established by the Trust-Based Philanthropy Project, the organization did not provide what is often thought to be the most salient feature — multiyear, unrestricted funding. With other elements of the approach in place, such as “provide support beyond the check,” “simplify and streamline paperwork,” and “be transparent and responsive,” the authors note that “trust-based philanthropy has allowed the [community-based organizations] to respond to the needs of the communities they serve during the COVID-19 pandemic faster, which was critical during an emergency response.”

Buteau et al. (2022) also demonstrate the direct programmatic impacts of the infusions of unrestricted funding from MacKenzie Scott, including increases in the number of constituents served by nonprofits (84% of respondents), new programmatic initiatives (84%), and new collaborations and partnerships (80%).

## Helping Organizations Procure More Funding

Some evidence suggests that the ability to spend on overhead, including on fundraising staff, may even help organizations secure additional funding. In addition, freed from the constraints of donor mandates, organizations can devote more time to seeking out additional resources. Buteau et al. (2022) reported that unrestricted funding can also increase organizations' sense of credibility, lending them more confidence to apply for other diverse and strategic external funding. As one leader says, “[unrestricted funding] has emboldened us to be more strategic in fundraising by giving us a cushion to be more selective about restricted grants. This will put us in a much stronger strategic position going forward, as we will be able to focus on funding that is better aligned with our strategy.”

## What are some best practices for trust-based funding?

### Self-Regulation, Voluntary Accountability, and External Regulation

While garnering swift praise, trust-based funding has also received criticism for lacking accountability and circumventing strategy. Some critics point out that while it allows nonprofits to focus on their core mission, this may come at the cost of transparency and oversight.

Yasmin and Ghafran (2021) argue that even the perception of oversight functions as a crucial aspect in establishing the legitimacy of a nonprofit organization. Keating and Thrandardottir (2017) highlight that the international development sector is undergoing an “alleged crisis of trustworthiness” and that there is no escaping accountability measures.<sup>3</sup> This statement is echoed by more recent data, showing that in the U.S. in 2023, “Only 52% of Americans say they trust nonprofits to do what is right today,” a number that was down a statistically significant four points from the previous year (Trust in Nonprofits and Philanthropy, 2024). Keating and Thrandardottir (2017) posit that while regulatory frameworks for the development sector cannot be escaped, there should be room for flexibility in these frameworks. In fact, they encourage self-regulation and voluntary accountability of NGOs as alternatives to regulatory frameworks, while noting that there may still be a need for regulators to engage with voluntary accountability programs and thus increase the public's trust.

## Multiyear Funding

As a thought leader in trust-based funding, the Trust-Based Philanthropy Project outlines best practices in its article, “The 6 Grantmaking Practices of Trust-Based Philanthropy” (2023) for grantmakers to provide multiyear unrestricted funding, with the idea that real and lasting social change requires longterm interventions. Furthermore, feminist organizations like Association for Women's Rights in Development and Coalition of Feminists for Social Change cite multiyear funding as an important factor in challenging and shifting gendered power structures (Coalition of Feminists for Social Change (COFEM, 2021; Miller and Jones, 2019)). While the benefits of this approach may be self-evident, another Buteau et al. study (2020) provides self-reported evidence that multiyear general operating support gives nonprofits the necessary time to develop and improve programs.

## Sharing the Load of Grantmaking and Grants Management

Rather than merely offering a new set of prescriptions, the appeal of trust-based philanthropy may be that it entertains questions and possibilities that once would not have been voiced: Why should grantees have to submit onerous proposals to funders? And are such proposals even necessary? Some advocates of

<sup>3</sup> The research precedes a set of global scandals, starting in 2018, that have done serious damage to the credibility of development NGOs (see *Nonprofit Scandals: A Systematic Review and Conceptual Framework*): <https://journals.sagepub.com/doi/full/10.1177/08997640221129541>

trust-based philanthropy suggest that it is the funder's responsibility to research prospective grantees, making it more likely that applicants will be accepted when they apply for funds. As Wong and McGrath note, "trust-based philanthropy shifts the onus onto funders to better understand their grantees — rather than having their grantees prove their efficacy."

Streamlining the grantmaking process can be done through the use of technology (i.e., opening an online grant application form) and providing applicants with an in-depth overview of the application process (Powell et al., 2023). Other suggested practices include accepting grant applications prepared by other funders and using screening processes, such as short letters of interest, that can screen or pre-qualify candidates, helping to eliminate unnecessary applications (*Simplify & Streamline Paperwork — Trust-Based Philanthropy*, n.d.).

## Building Strong Grantmaker-Grantee Relationships

With the hands-off philanthropy of Mackenzie Scott emblazoned in the minds of many as the standard for trust-based giving, the Trust-Based Philanthropy Project's model nonetheless reminds funders that there are other important aspects of the practice. These include a strong funder-grantee relationship. Indeed, for trust-based funding to work, mutual accountability is expected of both parties. As Faella and Roberson (2024) state, funders should not just ask how grantees can be more effective; rather, funders should also reflect on how they themselves can more effectively support grantees. Powell et al. (2023) describe how the CDC Foundation (CDCF) practiced accountability to its grantees through transparency and responsiveness. For example, CDCF was dedicated to responding promptly to phone calls and email messages. The Foundation believed that doing so modeled accountability and was effective in building trust. Perhaps even more importantly, CDCF was open to making changes to grant operation processes based on feedback from grantees and explicitly shared its decision-making with grantees.

Lefroy et al. (2015) note that the feedback process should be viewed as a dialogue between funder and grantee, where both are seen as equals exchanging perspectives on how to improve the relationship with each other and with the community.

The relationship-building process can also involve internal changes within the funding organization, such as reskilling and reorienting staff towards new kinds of support. For example, Wong and McGrath (2020) cite how the New York City-focused Robert Sterling Clark Foundation replaced traditional program officer roles with "network organizers and administrators" who collaborate with grantees to develop their leadership.

## Fostering Peer Learning Between Grantees

### What are the outcomes and impacts of funder-facilitated peer learning approaches?

Some funders purposefully foster peer-to-peer learning among their grantees as a capacity strengthening strategy. Our review finds a small body of evidence (three sources) in support of the effectiveness of such efforts, particularly in supporting grantees in navigating and creating change in complex systems. For example, Nicklin et al. (2021) emphasize that "since no single perspective or actor can understand the full system complexity, the [community of practice] acts as a type of evolving crowdsourcing and social-learning platform, enhancing the value of the funder investment." The authors note that while successfully fostering such communities requires the relinquishing of a good

amount of control on the part of the funder, this is “compensated for by the innovations and shared meaning and capacity that an authentic [community of practice] provides.”

Additionally, Bradley et al. (2017) evaluated the Healthy Start Initiative’s peer-focused capacity building Collective Impact Peer Learning Networks (CI-PLNs), as another example of grantmaker-facilitated peer learning. Healthy Start focused on eliminating disparities in perinatal health and improving health outcomes before, during, and after pregnancy in the United States. The program facilitated eight 90-minute, virtual monthly meetings and one face-to-face session, thus creating, through the CI-PLNs, a dedicated forum for grantees to share their experiences of applying the Collective Impact (CI) framework within their communities and to develop a collective impact action plan.

Participation was voluntary, and thus, attendance was expected to fluctuate. The evaluators found that the CI-PLNs met the project goals and that participating in the forums helped Healthy Start grantees determine the initial focus of their efforts and improved their understanding of collective impact. Specifically, participants noted that hearing from their peers “affirmed their work and provided insight into novel approaches that could be adapted to their context.” The participants valued the program, with more than two-thirds of the grantees interviewed communicating that they wanted to continue implementing collective impact. Perhaps more importantly, the participants identified detailed next steps for advancing collective impact, particularly formally establishing a fully operational community action network to further develop and improve shared measurement systems intended to achieve collective impact.

Navalkha et al. (2021) review two examples of peer learning initiatives, one coordinated by the Lincoln Institute of Land Policy, to bring together an international group of landscape conservation practitioners for shared problem-solving, and an initiative of the Network for Landscape, facilitating a learning-exchange community among grantees. The former led to several examples of continued collaboration after the program, such as partnering with the Government of California to accelerate conservation and stewardship and supporting the Northern Appalachian Trail Landscape Partnership in designing a more participatory planning process for landscape conservation. Both initiatives also led to several intermediate outcomes, such as a “collaborative consciousness,” based on trust and familiarity, a common language among landscape initiatives in the cohorts, and increased cross-cultural competence.

### **What are some best practices for funder-facilitated peer learning?**

Navalkha et al. (2021) conclude that ingredients for the success of peer learning initiatives include clearly setting objectives and expectations, making time for interpersonal connections, such as through field visits, and co-creating shared deliverables through which groups can learn the value of “collaborative ideation.”

Bradley et al. (2017) likewise note some lessons learned cited from the Healthy Start study of being realistic about time and level of effort when planning sessions, and building in extra time for face-to-face interaction between grantees to increase trust and sharing. In addition to the importance of technology and effective facilitation, co-facilitators also noted the importance of in-person training for co-facilitators on action planning, “scheduling time for co-facilitators to share emerging findings and jointly plan sessions, and allowing time for participant discussion and sharing at each session.”

# Facilitating Grantees' Networking

## What are the outcomes and impacts of funder-facilitated networking approaches?

A medium-sized body of evidence (eight sources) suggests that when a funder is intentional about building their grantee's networks — whether through hosting calls with key actors in relevant sectors, brokering connections with outside contacts or other grantees, or directly funding network-building activities — the grantees benefit in several ways. Forged connections often open doors to new clients and donors, providing more resources to sustain operations even in uncertain times. In fact, Strichman et al. (2008) identify network connectedness as a key component in helping nonprofits' ability to adapt to shocks.

Stahl (2022) finds several studies citing benefits when grantmakers foster nonprofits' networks, including:

- *The Schusterman Fellowships indicated that 76% of participants used the program's network to access information and resources and 57% of participants contributed to the network (Learning for Action, 2017).*
- *One year after participation in the [Robert Wood Johnson Foundation] program's cohort program, Ladder to Leadership, 71% of participants reported leveraging networks to address community health challenges (Kirk et al., 2013).*

## What are some best practices for funder-facilitated networking approaches?

Lynn et al. (2021) suggest some conditions within which funders may want to fund the creation of new networks, such as when networks relevant to the task do not exist or when existing networks are too specialized. Short of these, based on the work of Taylor et al. (2015), the authors recommend that funders discuss with their grantees ways to strengthen existing networks in such areas as network connectivity, health, and results, while adding that it is also important for networks to be able to innovate. These elements would prompt grantmakers and their grantees to explore questions such as the quantity and nature of connections among actors, the levels of enthusiasm and collaboration, and the type of results being generated by the network.

Looking at the outcomes of funder-initiated communities of practice, Nicklin et al. (2021) conclude that, "by building the bonding and bridging [social] capital, [a network] can strengthen its collective adaptive capacity." Bonding social capital is defined as having strong ties within a community, whereas bridging social capital pertains to strong external ties made with different groups (Narayan, 1999, as cited in Nicklin et al., 2021). The bonding social capital is important for maximizing trust and flow of information, whereas bridging brings in new experiences and ideas that lead to innovation.

Additionally, Jones et al. (2024) note that funders have a responsibility to eliminate competition for funding between their grantees and, in its place, to promote trust and collaboration. In so doing, they "foster collective, higher-impact work."

## Making Grantees' Work More Visible

### What are the outcomes and impacts of increasing the visibility of grantees?

When funders aim to boost grantees' visibility, they do so with the assumption that this helps open the door to new possibilities for the grantee. While our search yielded little on the effects of boosting grantees' visibility in real-life events such as conferences, the research did underscore the importance of boosting an organization's online visibility. Specifically, we find a small body of evidence (three sources) showing strong linkages between organizations' online following and their access to financial and volunteer support.

For instance, Lee and Shon's (2023) study revealed a correlation between nonprofits' Facebook and Twitter engagement levels and the amount of individual donations and volunteer support they received. To be specific, the study found that fulltime-equivalent volunteers were positively associated with the number of Facebook fans. In fact, using tobit regression, the study found that a 1% increase in Facebook fans led to a 1.25% increase in volunteers. Both Facebook fans and Twitter followers were positively associated with individual direct donations, with Facebook more strongly associated with the amount of donations. The study notes that a 1% increase in Facebook fans led to a 0.19% increase in donations, while a 1% increase in Twitter followers led to a 0.06% increase in donations.

Laureano et al. (2018) reached comparable conclusions in their study. They looked at the satisfaction of participants with the Facebook page of the Portuguese nonprofit organization, "Leigos para o Desenvolvimento" (People for Development). After surveying 204 respondents, they highlighted that Facebook serves as a valuable tool for NGOs seeking financial sustainability.

The value in increasing online visibility is particularly clear for nonprofits focused on advocacy, as shown in a case study by Nguyen-Novotny (2021). Online engagement proves to be a valuable tool in sharing ideas that can fuel social change. Viral marketing, or marketing that hinges on viral online trends, was found to be useful in encouraging individuals globally to join nonprofits' advocacy by sharing petitions, calls to action, and donation drives within their own circles. Nguyen-Novotny (2021) notes that although this is low-hanging fruit in their activism, it can give rise to huge online support, "which can lobby politicians and legislators at the local and national level." More importantly, by increasing numbers of online supporters, organizations can create online communities that can serve as avenues for people to communicate and act upon their beliefs and values. This enables organizations to expand their political and civic engagement.

While the examples do not explicitly entail support from funders to boost online followings, they suggest that boosting the visibility of grantees, such as through re-shares on social media, is a worthwhile activity for funders.

## Strengthening Grantees' Capacity

### What are the outcomes and impacts of strengthened organizational and technical capacity?

Despite their technical overtones, terms such as "organizational capacity building" or "capacity strengthening" cover some very human-centric functions, such as staff development and recruitment. When looking at the effects of nonfinancial efforts by grantmakers to strengthen their grantees' capacity, we find a large body of evidence (10 sources) on the benefits of these interventions.

In a landscape analysis on the ways in which funders are strengthening nonprofit capacity, the Hewlett Foundation (2022) explored the link between capacity building programs and nonprofit health and resilience. The analysis acknowledged that while capacity strengthening is generally believed to improve nonprofit effectiveness, there remains a need for more robust research to determine precisely how and to what extent these efforts contribute to longterm organizational health and resilience.

This gap highlights a critical area for further investigation, particularly in understanding the specific mechanisms through which capacity building translates into improved outcomes for nonprofits and the communities they serve. Bryan (2019) notes this gap and concludes that only a few evaluations of nonprofit capacity building focus on community-level outcomes, despite this being a primary expectation in the development of many programs. Similarly, a key informant interviewed in the Hewlett Foundation study notes, “there isn’t a strong body of quantitative data showing long-term impact from capacity building.” Despite this gap in evidence, all the funders interviewed in the Hewlett Foundation’s study expressed confidence that investment in capacity building leads to positive outcomes for nonprofits, and presumably for those they serve.

## Broader Organizational Transformation

Earlier in this study, we noted how unrestricted funding can transform organizations, through direct means such as helping organizations procure crucial operational, program quality, and staff development functions, and indirectly, because it gives nonprofit leaders the breathing room to think longterm and strategically. The evidence suggests that direct, nonfinancial support to some of these same core organizational functions can also be transformational. For example, while the longterm impacts of capacity building may not always be directly evidenced, research like Bryan and Brown’s (2015) study of two nonprofit capacity building programs — the Omaha Community Foundation and the Fremont Area Community Foundation — suggests that the clearest demonstrated outcomes of capacity strengthening can be observed at the individual and group levels.

Individual-level outcomes noted relate to the organizations’ leaders and include “increased knowledge and skills of [the] executive director,” clearer role definition of the board and executive director, and “increased emphasis on strategic orientation of organizational leaders” — though the exact meaning of the last term is unclear. Group-level impacts, particularly in one capacity building program which included monthly roundtable meetings of executive directors, include the ability to benchmark and build relationships and trust among participants. While organization-level impacts were the least apparent in the intervention, the authors emphasize that both individual and group level impacts can spark a ripple effect leading to broader organizational transformation.

The research invites a deeper exploration into the broader implications of capacity building initiatives, particularly how they can be structured not only to strengthen individual- and group-level capacities, but also to also translate these gains into sustained, systemic change.

Stahl (2022) provides even more granularity for how capacity building affects individual nonprofit workers, with likely ripple effects in organizations — a relationship that is beyond the scope of this study but is well documented in organizational development literature. In arguing for increased grantmaker investments in what the author calls “talent justice,” or investing in the professional development and wellbeing of nonprofit workers, Stahl also argues that it is quite possible to evaluate the effects of such investments. Based on a literature review of 13 foundation-commissioned evaluations reports, the author finds effects ranging from the personal — including work-life balance (82%), better connections with family (64%), and better physical health (68%) — to the professional, including taking on more duties (37%) and being promoted (29%).

## Broader Population-Level Impacts

In the same vein, Odiwuor (2014) demonstrates that improved organizational capacity leads to broader impacts. For example, the FANIKISHA Project, a public health project funded by USAID in Kenya, helped NGOs develop key documents (e.g., strategic plans, project management manuals, and monitoring and evaluation frameworks), all of which improved their organizational capacity and strengthened the project's referral system, which ultimately enabled more people to seek treatment and other services for HIV/AIDS.

## The Subjectivity of Organizational Effectiveness

Finally, in an exploration of nonprofit capacity building versus nonprofit effectiveness, Bryan (2019) notes that what constitutes organizational effectiveness is highly subjective, thus complicating efforts to draw clear lines between the capacity building and effectiveness. The author poses a three-part contingency model for measuring organizational effectiveness, based on the organization's ability to: a) attain its specified goals; b) procure external resources; and c) maintain a good reputation within its various constituencies.

## What are some best practices in strengthening technical and organizational capacity?

### Trust and a Safe Environment

One of four conclusions from a study on grantee-grantor relationships and grantmaking best practices by Bettis and Pepin (2019) is that building trust between grantee and grantor is paramount, particularly for grantees to feel safe enough to allow funders to see the messy realities of nonprofit life, given the difficult literal and figurative contexts within which they operate. Fear of negative repercussions, including loss of funding if they reveal that progress is not as expected, can prevent nonprofits from communicating with their grantors about emerging threats to their progress. The authors note that, "If every one of its grantees are reporting that progress is being made entirely as planned, a foundation should take that as a sign that it has more work to do to create a safe space for dialogue."

Creating an environment in which grantees feel safe enough to disclose challenges would make it possible for them to benefit from the insights and practical support that grantors — in this case, foundations — bring (Despard, 2016). In some cases, grantors can provide direct assistance, such as evaluation support or software; in some cases, they can provide advice and insights, particularly as without the day-to-day concerns of service delivery, funders might be better able to cultivate a big-picture view of the sector and understand ways to navigate emerging threats.

### Customizing Technical Support

De Vita et al. (2001) emphasize that approaches to capacity building should be customized and flexible in order to meet the needs of nonprofit organizations as well as the conditions of their communities. Despard (2016) lends further credence to this view in looking at how small, resource-constrained, community-, and faith-based nonprofits can strengthen their evaluation capacities as a result of highly contextual interventions such as group-based training and one-on-one technical assistance over several months.

## Reimagining Organizational Support

Finally, Wakefield and Zimmerman (2020) note that feminist activism “occurs at great personal cost” and describe a movement underway to reimagine support for activists. They write in urgent tones that, “Patterns of domination, extraction, and supremacy that fuel violence and cause intergenerational trauma thrive on breaking down the spirit, imagination, and resilience of marginalized peoples, particularly those who challenge the status quo.”

Similarly, Stahl (2022) notes that “powerful myths” such as the fear that nonprofits will become dependent on them, or that low overheads are a measure of organizational effectiveness, “serve as barriers to widespread funder investment in grantee staff, and the resulting environment is significantly harmful to wellness, morale, productivity, and equity in the social sector.”

## What aspects of organizational support and strengthening work in synergy for women’s rights-focused organizations?

Because social problems are complex, programs are by necessity multipronged; similarly, the evidence reveals that various types of grantee support are complementary or synergistic. Boosting an organization’s online presence doesn’t just elevate visibility — it is a networking boost, drawing in potential donors and volunteers and hopefully retaining them in online constituencies that can be mobilized for activism or advocacy. Meanwhile, building communities of practice through peer-based learning makes organizations and systems more resilient, adaptive, and innovative. This effect is enhanced by unrestricted funding, which reduces a sense of competition among grantees and makes them more likely to connect with one another and thus grow their networks.

Perhaps the most contested topic in the emerging discourse on trust-based philanthropy is on whether grantmakers should be hands-off, providing unrestricted funding and trusting their grantees to procure the support they need to implement programs and enhance their operational abilities, or whether a hands-on relationship, in which grantmakers work closely with grantees to provide specific types of nonfinancial support, is needed. In short, it is a question of whether unrestricted funding is complementary to other types of nonfinancial support.

In a quest to examine the efficacy of grantmaking models that go beyond funding alone to actively support organizational capacity building, Boesso et al. (2023) conducted an empirical analysis of the grantor-grantee relationship using a novel dataset obtained from a sample of grantees of Italian Foundations of Banking Origin. Citing Ebarb (2019), the authors noted that, “oftentimes grantees lack managerial and financial skills just as much as they need money.” From the analysis, the authors concluded that support for the organizations’ operations and having aligned goals between grantmakers and grantees were “positively correlated with the organizational capacity of the grantee.” The author also suggested that “the benefits of increased oversight prevail over the drawbacks.”

Old habits also persist, creating scenarios where grantees unused to the freedom and resources to take charge of their own capacity building may also benefit from nonfinancial support from their funders. For example, Loomis et al. (2019) evaluated the technical assistance component of Sí Texas, an initiative of Methodist Healthcare Ministries of South Texas, Inc. (MHM). MHM is a faith-based nonprofit organization dedicated to creating access to health care along the U.S.-Mexico border in South Texas. In addition to funding for scaling local solutions, MHM provided the eight grantees of the program with interpretation support from a consultant and assembled a pool of vetted and qualified candidates for grantees to choose from to fulfill their unique organizational objectives, such as strategic planning, data collection, or executive coaching.

Based on their findings, achieved through interviews with the program’s six technical assistance providers, representatives of 27 grantee and partner organizations, and MHM staff, the authors explain that in instances where the grantees seemed to be waiting for MHM’s instructions on how to proceed, “these organizations didn’t have the time and space to think deeply about capacity building.” In some instances, based on their previous experiences, they assumed that MHM would be more prescriptive; in others, they noted limited experience working with consultants.

For feminist organizations in particular, Wakefield and Zimmerman (2020) add a new dimension to the issue of synergistic types of support by connecting the “personal and political” and admonishing funders to think of the “interconnectedness of ... minds, bodies and spirits.” In their view, organizational capacity strengthening is not only a technical concern, but also a means of seeing the wellbeing and individual and collective health and fitness of those who serve and defend others as being every bit as worthy of concern, care, and professional support as those they serve. In practice, this would see more international development funding for women’s rights and gender justice focused not only on priming more women leaders for representation in formal decision-making bodies, but also on providing more personal, care-based support for feminists, to help them cope with work that is “stressful, often abusive and violent, and may even be dangerous.”

## Conclusion

In the new landscape in which philanthropy has been forced to reckon with its own role in perpetuating deleterious power dynamics, some progressive funders have been leading the way with grantee-centering approaches. In some cases, they have been doing so well before trust-based philanthropy as a concept entered common parlance.

However, there is clearly a continuum of “progressiveness” of such approaches, with some more centered on doing no harm, e.g., through at least providing unrestricted funding and/or lifting the burdens of donor restrictions and reporting requirements on funding, to adopting a spirit of partnership and solidarity with grantees and providing practical support based on needs identified by grantees themselves. There is an encouraging quantity and quality of evidence on some of the effectiveness of this new generation of grantmaking approaches — trust-based funding, organizational capacity strengthening, peer-based learning, etc. — particularly when they work in tandem. These approaches have at their heart respecting and trusting the wisdom of grantees and upholding them as equals in the journey to social change.

What do the findings suggest we make of the ongoing debate in philanthropic circles, between, on the one hand, relinquishing full control of funding to grantees and stepping out of the way, and, on the other hand, maintaining oversight over the way funds are spent? The evidence suggests that oversight, when it relates to the potential for losing funding, is highly problematic. There may be no one-size-fits-all solution, given that large differences in capability, experience, size, and structure of both nonprofits and their funders, and broader levels of accountability (e.g., to the general public) are important. However, if a needle were to be seeking calibration between the two extremes of hands-off or highly regulated giving, evidence suggests it should stop at partnership — particularly for smaller or less operationally sophisticated nonprofits.

However, true partnership and open, trusting collaboration between two parties with such inherent power imbalances seems all but impossible if the fear of losing funding due to perceived

underperformance is at play. If the basic precondition of unrestricted funding is met, the literature suggests that both grantees and grantors are better off when engaged in ongoing dialogue on how best to achieve the objectives of the grant — in short, how to set the grantee up for success. In situations where it is infeasible or undesirable for funders to provide funding without performance-based conditions, then genuine dialogue between grantmaker and grantee to co-determine performance standards may be helpful.

In addition to being an exercise in principles of equity and power-sharing, trust-based funding could also be plainly termed a survival strategy for philanthropy, which is increasingly being compelled to face its shortcomings in contributing to a lasting or even widespread societal change in the age of complexity and disruption. Citing Kania et al. (2014), Lynn et al. (2021) note that, “complexity calls for more flexible and adaptive approaches that have lately been encapsulated under the rubric of emergent or adaptive philanthropy, a core tenet of which involves a rebalancing of the power relations between funders and grantees.” Put another way, both the problems and the promise of creating new norms in philanthropy belong to grantmakers and their grantees.

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