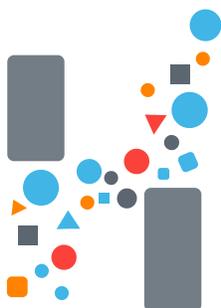


Updated March 2022

Headwaters Foundation

Framework for Capacity-Building



**Headwaters
Foundation**
BE THE SOURCE OF CHANGE

Background

What we Learned from Grantee Partners

During the Spring of 2021, Headwaters commissioned a needs assessment to identify challenges and priorities among grantees related to organizational capacity, advocacy, and community leadership. The top needs and priorities identified by grantees has provided guidance to the Headwaters team in developing our framework for supporting capacity building:

- *Organizational Capacity:* Grant partners need both technical assistance and training in fundraising and grant writing. Strong marketing and communication strategies are needed to better educate stakeholders about their work and support fundraising efforts. Grantees also need training and assistance in working with public officials and policy makers to address social issues.
- *Advocacy:* Nearly all grantees expressed interest in engaging effectively with local legislators, public officials, or policymakers. Again, strong marketing and strategic communications plans are needed to support these efforts.
- *Community Leadership:* Grantees feel they are very well to moderately equipped or prepared to act as community leaders on issues that are important to them (i.e., DEI, health, conservation & sustainability), but are faced with barriers like lack of financial resources and coordinated efforts across multiple organizations to be most effective.
- *Collaboration & Networking:* Grantees have a deep desire to work more collaboratively or be in more direct conversation with other Headwaters' grantees. They see this as an opportunity for shared learning, having a better understanding of the work other organizations are doing, and discussing barriers and brainstorming solutions together.

Capacity Builders Across the State

To supplement the development of Headwaters capacity building strategy, Headwaters contracted with Flaherty Consulting to conduct a landscape analysis of the capacity builders in the state in the Fall of 2021. Key learnings from that assessment include:

- While there are capacity building organizations scattered throughout the state, they are primarily located in Helena and Missoula, making it difficult to provide equal access to resources for rural communities.
- There is interest in collaboration amongst capacity builders across Montana, yet those organizations are not currently working collaboratively to provide educational opportunities that meet the needs of organizations and their leaders. Similarly, funders across the state are not currently collaborating, but are willing to collaborate to strengthen the nonprofit sector through capacity building.
- Capacity builders tend to offer a wide range of support and lean into the current needs identified by organizations, rather than having a defined list of offerings.

Based on this information, as well as numerous conversations with grantee partners and capacity-building funders in the field, Headwaters has developed a framework to guide our capacity-building efforts and developed possible approaches for beyond the check support work in Montana that align with our strategic framework, Theory of Change, and organizational core values.

Our Strategic Framework & Theory of Change

In 2018, the Board of Trustees adopted a bold vision for how Headwaters would make an impact with the resources we are charged with stewarding. We started by listening to communities, who told us to go upstream and address the social and economic factors that keep people from being healthy at their roots. We were told to focus on kids, families, and American Indians in the state who bear the greatest health disparities in our region. We were told to let communities drive the work and develop their own solutions. Under the Strategic Framework, we have used four primary tools to move us towards this vision: grantmaking, **capacity-building**, community organizing/convening, and influencing policy.

We track progress towards this vision through our Theory of Change, developed in partnership with grantees. To start to make significant change in people's lives, organizations are working to change long-held mindsets in their communities around health and the factors that influence it. They are working to get community members who face the most barriers to health engaged in the decisions that have real implications for them. They are working to bring information to policymakers that will allow them to be better informed about decisions they make that affect people's health, sometimes in the form of research and sometimes in the form of real-life stories. Organizations are building strong, meaningful relationships with other organizations doing work outside of their own. They are working to ensure more people know that their services, especially preventative programs, exist. They identified a need in MT for more overall funding for preventative programs focused on reducing social and economic barriers to health. **Universally, organizations said that they could achieve more of these desired outcomes if funders invested in the leadership and capacity of their organizations.**

Our Core Values

Trust and Invest In Community - We trust that our communities have the answers, so we always start by listening. The resources we are honored to steward belong to the community and we are accountable to that community as a result. Through relationship building and supporting community-driven solutions, we are working to reshape the traditional dynamic in philanthropy and striving to put power back into the hands of those who know our communities best.

Be Brave, Do Things Differently, Keep Learning - We understand that in order to solve some of our toughest problems, we must work together, be brave, and try new things. We are committed to supporting our partners as they take risks and dare to do things differently. We know that new efforts and ways of doing things won't always succeed, but we also know we can learn from every experience.

A Healthy Montana for All Montanans - We believe that everyone has a right to health and wellbeing, but we know that we don't all have the same access or resources needed to live our healthiest lives. We are committed to working towards a just Montana where everyone has what they need to thrive and where there are fewer barriers to being healthy. We are supporting this work for health equity by investing in children and families, American Indian health and wellbeing, and focusing resources in

underserved and rural communities.

Together We Win - Every Montanan has a unique story. While we do not all think alike, vote alike, or have the same life experiences, we value every voice. Headwaters Foundation strives to make space for everyone to speak their minds and find common ground and solutions for better health. We are especially committed to making room at the table for people who are often left out of the decision-making process but whose voices are essential for achieving better health outcomes for all.

Capacity-Building Principles & Approaches

We have spent a considerable amount of time thinking about how we want Headwaters to show up as a partner. We've made long-term funding commitments to several organizations so they can build up their own capacities that will allow them to support their critical work well into the future. What we have learned as we've heard from grantee partners, from seasoned capacity-building organizations in the state, and from peer funders regionally and nationally is that there is no one-size fits all solution and that the best solutions are ones that are welcomed and driven by the grantee partners themselves. Based on this knowledge, Headwaters has developed a set of principles to guide our capacity-building work, as well as some examples of what living out this principle could look like in our work.

Principle	Examples of what this looks like in our work
Partner Led	<ul style="list-style-type: none"> • Being mindful to offer what communities say they need even if it isn't what we think they need or feel easily equipped to offer • Providing the assistance on a timeline that works for the grantee, not one that is determined by the Foundation's internal goals • Participation determined by grantee partners, not us
Equitable	<ul style="list-style-type: none"> • Offering tailored experiences, not one-size fit all approaches or toolkits • Ensuring what we offer reflects the partner's cultural values/norms • Supporting those organizations who might not seem "ready" • Extending support to participants who aren't typically seen as leaders in their organization (e.g. – beyond ED, to community volunteers with the organization, etc.) • Access to the support is available to those who need it (e.g. - rural vs. urban) • Diversifying the partners we work with to get more voices and perspectives around the table • Funding grantee partner time for participation, in addition to regular investments in their programs • Developing clear expectations for participation in capacity-building efforts with the grantee partner, based on where they are at organizationally; it may not be the same expectation for all organizations
Sharing	<ul style="list-style-type: none"> • Creating space for more collaboration • Sharing lessons learned • Supporting peer expertise and learning together
Distinct	<ul style="list-style-type: none"> • Not duplicating offerings that already exist • Being innovative and taking risks with our support
Commitment	<ul style="list-style-type: none"> • Providing long-term support on capacity-building • Keep showing up

While there is no one-size fits all approach, the following key elements have emerged in the research we have done to think about approaches that would best support our partners:

- 1) **1:1 Coaching.** Some element of professional support with a coach they trust.
- 2) **Peer Support.** Peer learning communities or peer networks where people can connect to share lessons learned and problem-solve their specific issues.
- 3) **Long-term and equitable support.** One-off programs rarely have transformational impact; a long-term partnership that allows the participants to build goals and receive professional coaching and peer support as they navigate through, do.

As Headwaters develops specific programs and plans to support partners, we will use these principles to guide our decision-making.

Learning & Evaluating

We will measure the outcomes of the program(s) and strategies of the capacity-building efforts we implement. We anticipate using the initial capacity-building needs survey as a baseline, as well as developing pre and post surveys for the programs we provide. In alignment with our trust-based approach, we will also seek regular and timely feedback from partners about the programs and make adjustments to improve it along the way.