



Reimagining the BDA Third Sector

“Secondary Research Report”

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Executive Summary

An Overview of the Effort to Reimagine the BDA Third Sector

Bermuda's Third Sector (BDA Third Sector) exists to work on behalf of the country's residents. Over decades, countless leaders have strived to make progress in education, health, economic security, and many other areas. And countless residents can cite the life-changing effects of one or more programs, services, community groups, and public policies. Third Sector stakeholders have also strived over decades to further that impact by strengthening their own practices, collaboration, and use of data.

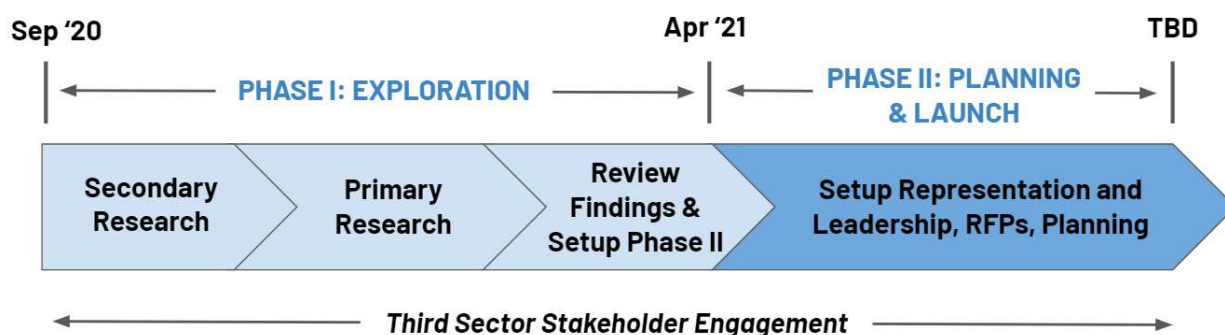
The dual-pandemic of COVID-19 and heightened awareness of systemic racism has forced third sectors worldwide to address unprecedented challenges and operate in brand new ways. As communities have settled into a new normal, third sectors are also seizing this moment as an opportunity to reinvent themselves and shape an enhanced, *new new normal* versus returning to the status quo. While celebrating their successes, third sector stakeholders are also highlighting long standing racial and other disparities, inequities in how opportunity and barriers are distributed across communities, the significant role of systems in supporting or hindering success, and the need for more inclusive and equitable practices among third sector stakeholders themselves.

This global moment has raised an opportunity for the BDA Third Sector to *transform* how it approaches its purpose from the ground up. The *Reimagining the BDA Third Sector* initiative was launched as a venue to act on this opportunity. It is an opening to build on the sector's history of self-improvement and also to "reimagine" what it looks like in the future, i.e. adopt radical inclusivity, revisit who sits at which tables and in which roles, question all assumptions, tackle the root causes of long-standing issues, pursue new ideas, address underlying power dynamics, and work together in new ways.

In the spirit of the growing mantra "never let a good crisis go to waste," funding has been provided by the Centennial Bermuda Foundation and Bermuda Community Foundation to sponsor the Reimagining effort's first *Exploration* phase. Phase I: Exploration focuses 80% on engaging BDA Third Sector stakeholders to shape what comes next (primary research) + 20% on providing learning from other third sectors and the BDA Third Sector's own strengthening experiences (secondary research). To ensure that this work leads to action, new funding is also being sought to support a subsequent *Launch* phase to enact what is lifted up via this first phase.

A timeline for the process is illustrated in the diagram below.

Reimagining the Bermuda Third Sector Timeline



To immediately begin embodying a new ethos, the Reimagining initiative applies the following inclusive view of the BDA Third Sector's purpose and stakeholder groups, with the explicit intention of all groups working side-by-side as partners in this effort:

The BDA Third Sector's Purpose: To ensure equitable opportunity, lifelong success, and quality of life for all Bermuda residents.

Who the BDA Third Sector Is:

Nonprofit Organisations	Philanthropy	Government
<ul style="list-style-type: none"> Direct service providers Advocacy groups Intermediaries: Network facilitators, TA providers, evaluators, researchers, etc. Civil society organisations including faith-based institutions, clubs, etc 	<ul style="list-style-type: none"> Foundations (corporate, private, family, community) Individual donors 	<ul style="list-style-type: none"> BDA government agencies Policymakers Elected officials, Public/civil servants

The Focus of the Phase I Secondary Research

To inform what a *reimagined* BDA Third Sector looks like - which builds on its greatest assets, addresses pain points, incorporates the best lessons from third sectors globally, learns from its own lessons to date, and embraces local vision and innovation - the secondary research aimed to answer the following learning agenda questions:

- What have been the major efforts to strengthen the BDA Third Sector to date? What worked well, what progress was made, and what were the challenges?
- What are major approaches to strengthening a third sector, and how do they work? What private and public sector approaches could add value?

- What do the various approaches do well? Where do they fall short?
- How are third sectors seeing the next big opportunities and need for progress?
- What are the most important lessons to apply to a reimagined third sector in Bermuda?
- What are the implications of the secondary research for the subsequent *primary* research phase of this process?

The Secondary Research Takeaways

As a baseline for the secondary research, a comprehensive scan of 23 BDA Third Sector documents captured a long, rich history of efforts by numerous leaders and organisations to strengthen the sector's work as a whole. The scan illustrate perspectives, data, insights, and recommendations coming out of these efforts in the following areas:

- Multiple variations of how the BDA Third Sector is defined, who is included, and roles
- Which, and how many, stakeholders are working in the Sector
- The priority issues and challenges to address
- What leadership of the BDA Third Sector should look like
- The central role of racial equity, race relations and systems

Building on this baseline scan, the secondary research on other jurisdictions reveals that as third sectors have grown in size, role, and sophistication over the past several decades, significant energy has been devoted to strengthening how they work. The private sector also holds potentially relevant models. These efforts can be classified into two categories: **a) advancing transformation** and **b) targeted strengthening**.

Advancing Transformation

Community efforts toward transformation have been undertaken since before third sectors even existed as we know them today. As third sectors have expanded and professionalized over the past several decades, distinct contingents have consistently focused on transformation alongside the strengthening approaches described above.

The current dual-pandemic scenario has now expanded the call for more transformative efforts that *reinvent* systems, versus solely piecemeal efforts that generate incremental improvements and may even perpetuate long-standing issues. This global moment arrived on the heels of a peak in philanthropic self-critique -- spurred by such conversation-launching books in the field as [Winners Take All](#) and [Just Giving](#) -- and increased attention to income and wealth inequality.

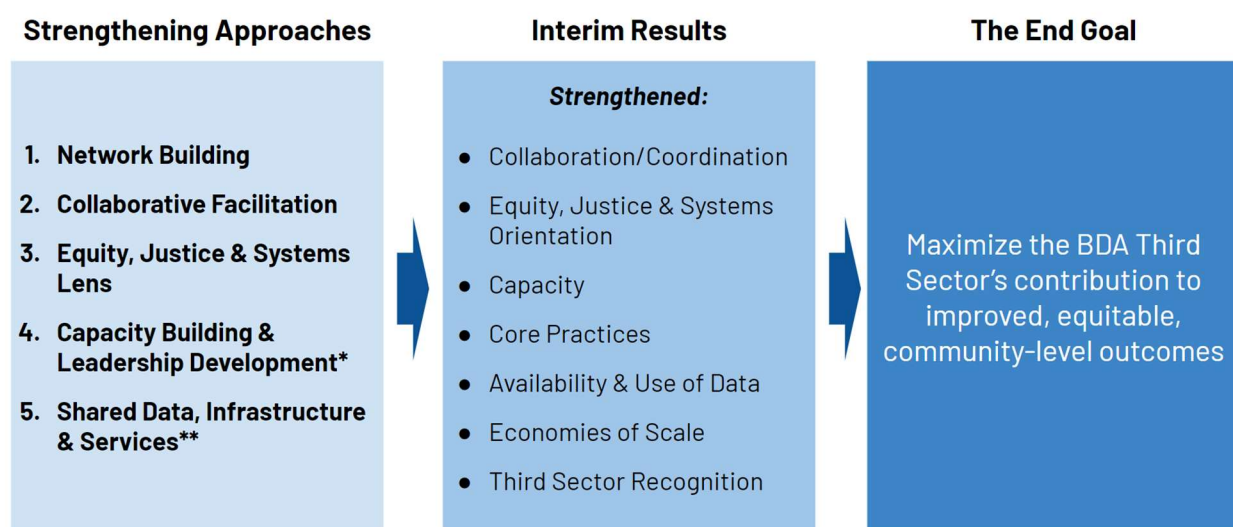
The following third sector trends identified through the research stand out as ways in which expanded transformative energy is being channeled through the third sector and also the private sector.

- **Recognizing that where one grows up** shapes one's opportunities and barriers, chances for achieving life success, and intergenerational economic mobility, and that the neighborhoods in which people live is highly correlated with race and income

- **Strengthening diversity, equity, and inclusion (DEI)** within third sector practices including strategic planning, research, evaluation, funding, service delivery, policy advocacy, community engagement, hiring and advancement, leadership, and others
- **Centering equity and justice** in examining social issues (education, economic security, health), naming root causes, and determining solutions
- Aiming to **change systems** in addition to delivering program and service interventions
- Orienting third sector work around engaging and **empowering community members** who are most marginalized and affected by the challenges that third sectors aim to address

Targeted Strengthening

The below diagram outlines five common strengthening approaches and the results they could aim to achieve for the BDA Third Sector.



*Capacity areas include: strategy, financial sustainability, measurement and evaluation, team and governance, programmatic practices, and many others

**Shared resources include: physical facilities, office equipment and services, administrative functions, and others

Each of the named approaches is designed to address a targeted problem or opportunity. Each shows wide variation in its intended results, what it looks like, and observed effectiveness when it is implemented. Also while the approaches are outlined separately, they are often combined in their design and implementation. Despite this variation, the research *does* indicate evidence of the tangible value that each strengthening approach can add through practical models that achieve narrowly defined, interim results.

This value comes with an important caveat: these strengthening approaches can often be promoted in an isolated manner, and can be driven by individual stakeholder perceptions of third sector flaws that need “fixing” and/or the next silver bullet solution. Many approaches can be promoted without a solid hypothesis for how it contributes to the ultimate *end* of stronger communities. The result is strengthening approaches that are sometimes implemented as a solution looking for a problem to solve.

There is value to be gained by the BDA Third Sector via one or more of these strengthening approaches, and the sector already has past and/or current experience with many of them. Given the above considerations, *there is also no perfect approach or model*. It is necessary to *look across them to define a combination* that is driven by stakeholder needs and will best help the BDA Third Sector reimagine how it achieves its purpose.

The BDA Third Sector's Transformative Opportunity

Bermuda's Third Sector stakeholders have shown a clear, long-term commitment to achieving a Bermuda that works better for all. The latest circumstances have lifted up an opportunity to step back while looking ahead toward a stronger and more equitable future.

Other third sectors and the BDA Third Sector's own history of self-improvement efforts provide useful learning. While *advancing transformation* and *targeted strengthening* and are outlined as separate categories, they are not an either-or proposition. Approaches in both categories can work hand-in-hand and reinforce each other.

The BDA Third Sector now has an opportunity to create a customized, integrated, transformative approach that fits Bermuda and keeps the ultimate end front and center.

In moving forward, third sector stakeholders should keep in mind the following implications that arose through the research and should be considered as important as the research results.

- **Too many third sector self-improvement efforts approach their work backwards**, beginning with a silver bullet solution that goes looking for a problem to solve.
- **Bermuda has an opportunity to lead the way** by setting its own example and a new bar for what reimagining a third sector can look like, while building on its assets and self-improvement efforts to date.
- **Setting a leading example requires beginning with the *ultimate end* in mind**, honest recognition of what is getting in the way and the root causes of Bermuda's greatest community challenges, clear priorities, and rigorous hypothesis for how to address them.
- **Setting a leading example requires confirming the BDA Third Sector's collective purpose, stakeholders and roles** while addressing underlying dynamics, which would mirror sector stakeholders' own calls for greater inclusivity, coherence, collaboration, sense of shared identity and community.

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Reimagining the BDA Third Sector: Phase I Exploration

To ensure that the BDA Third Sector reimagining effort is inclusive and makes progress toward its broad ultimate end -- a Third Sector that maximizes its assets and is stronger for all of Bermuda -- it begins with a robust **Phase I: Exploration** which includes the following activities:

- **Third Sector Stakeholder Engagement:** Open town halls (virtual) and online communication to provide updates and gather input
- **Secondary Research:** Review of a wide range of third sector approaches and models, evidence of effectiveness, and latest trends, i.e. this report
- **Primary Research:** Individual interviews to inform the design and launch of a broad survey of BDA Third Sector stakeholders
- **Review Findings & Setup Phase II:** Results of the secondary and primary research presented to the BDA Third Sector community and used to shape Phase II

The Phase I Secondary Research Process

To inform what a *reimagined* BDA Third Sector looks like - which builds on its greatest assets, addresses key pain points, incorporates the best lessons from third sectors globally, learns from its own lessons to date, and embraces local vision and innovation - the secondary research aimed to answer the following learning agenda questions:

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To answer the above learning questions, the secondary research examined the following content areas:

1. Relevant BDA Third Sector-wide data and experiences
2. Approaches to strengthening third sectors worldwide
3. Private sector approaches - both local business landscapes and national industries - that can be applied to a third sector
4. The latest major trends in progress and advancement in third sectors globally

To source information and data around the above areas, the secondary research referred to the following data sources:

- BDA Third Sector reports, surveys, mapping efforts, and other available materials
- Third-party research on third sector strengthening approaches
- Best practice reports and articles on third and private sector approaches
- Available information on third sectors in geographically targeted jurisdictions with a similar profile to that of Bermuda
- Latest thought leadership on how third sectors need to advance

The BDA Third Sector Strengthening Experience to Date

Summary

The BDA Third Sector has a long, rich history of efforts to strengthen its work. Nearly 25 documents and reports produced over 15 years -- beginning from 2005 -- illustrate a history of self-examination, gathering a range of information, convening stakeholders, analyzing racial disparities and race relations, and other sector-focused activities (see *References: Review of BDA Third Sector Strengthening Efforts* section). This work engaged, and was driven by, a large number of leaders and organisations across sectors in many different group settings.

Reviewing this set of materials as the first step of the secondary research helped to understand the historical context and baseline from which the BDA Third Sector is undertaking the current reimagining effort. In particular, it helps to understand the following five sector attributes which are summarized below:

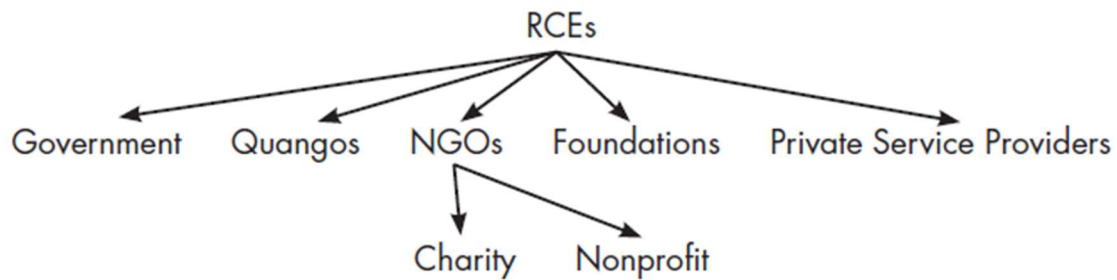
1. How the BDA Third Sector is defined, who is included, and roles
2. *Which* and *how many* stakeholders are present in the Sector
3. The priority issues and challenges to fix
4. What leadership of the BDA Third Sector should look like
5. The central role of racial equity, race relations and systems

1. How the BDA Third Sector is defined, who is included, and roles.

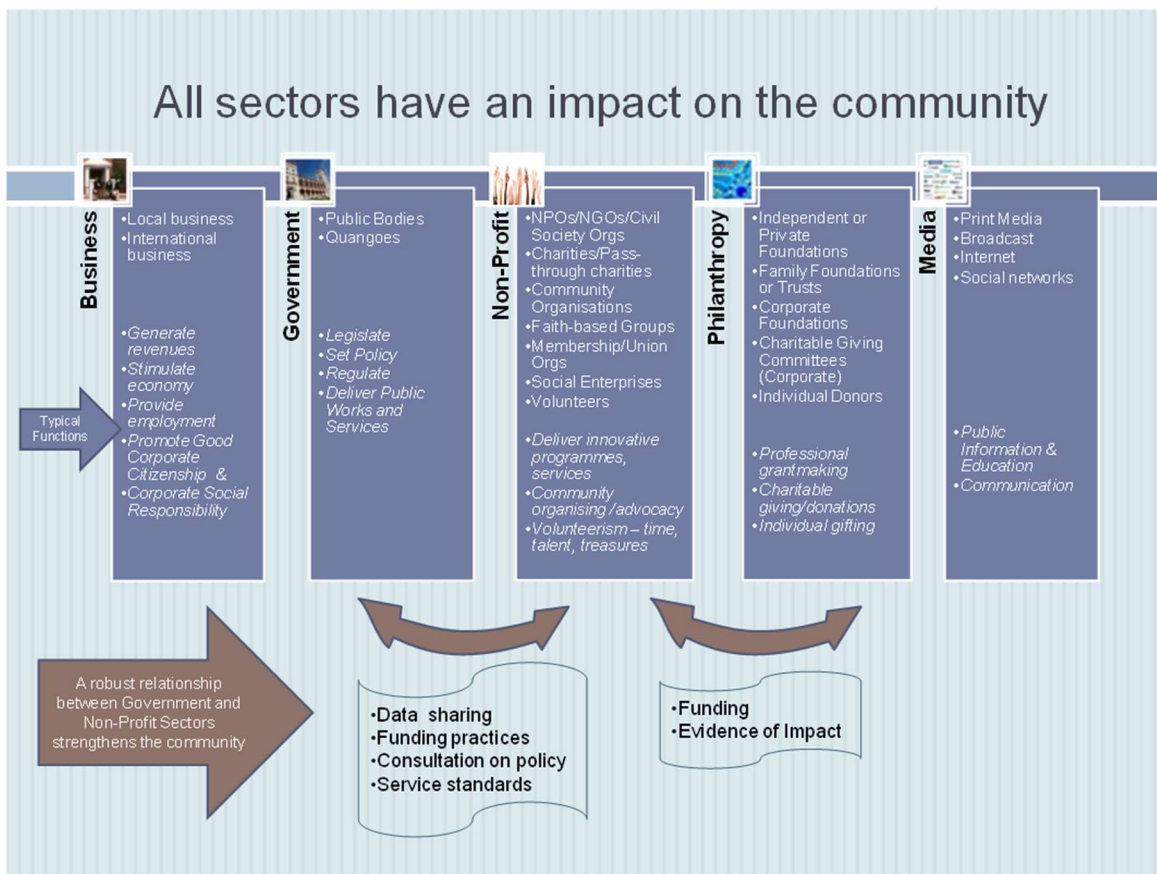
Several BDA Third Sector documents showed variation in how the Third Sector is defined, beginning with differing titles including “Third Sector,” “civil society,” and “nonprofit sector.” These documents also variously describe this sector as filling the space between the government and private sectors (a more traditional view), collaborating with government as an outside stakeholder, and/or including government as a Third Sector stakeholder (a more recent, collaborative view).

These documents also showed variation in describing which stakeholder groups comprise the Third Sector, and the labels for those groups. For example, three versions of labeling stakeholder groups from the Bermuda Civil Society Project (BCSP) 2010 *Who Does What For Whom? An Initial Analysis of Bermuda’s Civil Society Landscape* field mapping report, the 2012 *Council on Social Impact* draft document, and the *Zero to Three in Bermuda* report are included below.

BCSP 2010 Field Mapping Report: Outline of Stakeholder Groups



2012 Council on Social Impact Draft Document: Outline of Sectors and Stakeholder Groups



Zero to Three in Bermuda: List of Stakeholders

5. STAKEHOLDERS

Stakeholder Map

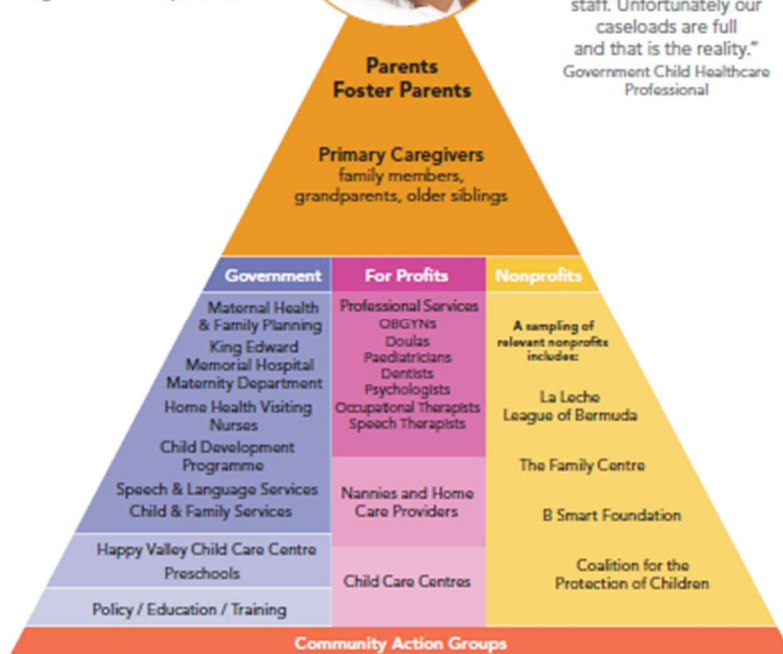
The following is an illustration of various stakeholders responsible for the zero to three population in Bermuda. The map is not intended to be an exhaustive portrayal, but a representation of those having direct interest and concern in the well-being of babies and toddlers as a core element of their activities.

"Government delivers Human Services through a number of mechanisms, many of which operate in separate Ministries or Departments. This creates a fragmented approach such that one family or individual can be seen by multiple caseworkers."
Sage Commission Report, 2013



"Everyone has individual boxes... We need to move more towards concentric circles."
Healthcare Professional

"We seem to be looking for increased outcomes with decreased staff. Unfortunately our caseloads are full and that is the reality."
Government Child Healthcare Professional



ZERO TO THREE IN BERMUDA 17

2. Which and how many stakeholders are present in the Sector.

The 2010 BCSP field mapping project documented 481 registered charitable organisations (RCEs), noting that the majority do not offer substantial services.

Organisation Type/Sector	# of RCEs
Charity	356
Government (Public Service)	7
Primary Nonprofit (Registered)	109
Private Service Provider/ Social Enterprise	2
Quasi-Government (QUANGO)	7
Grand Total	481

3. The priority issues and challenges to fix.

A Focus on Services

Much of the BDA Third Sector’s strengthening efforts have concentrated on **services**, looking at service gaps and duplications, and the (insufficient) efficiency, effectiveness, accountability, and sustainability of the sector. For example, the BCSP field mapping report cites:

“The fact is the third sector is, by and large, not that well positioned to ensure that services and programmes align with community needs, and this is particularly noticeable at a time when the needs are greater than ever. Programmes are often not held to account for being effective and measurable and the sustainability of the sector has not been addressed by either adequate planning or funding for the medium and long term. Service gaps and duplications, a lack of information and public accountability, poor service planning, and inadequate performance measurement tools are the result.”

The report further notes as insights that “Organisations concentrate in social issue areas that may not appear to align with Bermuda priorities.” and “Relatively few organisations in Bermuda focus on the social conditions that lead to the two consistently rated top concerns for Bermudians: Economy/ Unemployment and Crime.” The report also notes relatively few organisations focused on advocacy.

The 2019 *Centre Strategic Planning Workshop* notes further mention the importance of aligning services to meeting community needs, and measuring/quantifying success against those needs.

A Focus on the Number of NGOs

Related to the focus on services is a focus on the number of NGOs as an issue. The BCSP field mapping report again cites:

“The proliferation of NGOs (registered and unregistered) in Bermuda is considered to be a significant factor in driving inefficiency, financial and human resource constraints. During the 2010 social service convenings, key stakeholders estimated that close to 700 NGOs (see sidebar) exist on the island, including many entities that are not officially registered with the Government.”

4. What leadership of the BDA Third Sector should look like.

The following were outlined in several documents as essential attributes for broad leadership of the BDA Third Sector to possess:

- Diversity and diverse representation of the BDA Third Sector, which would support leadership credibility, integrity, inclusivity
- Importance of advocacy and serving as a voice for the sector itself
- Encouraging a sense of shared identity and community within the Sector, which can encourage coherence and combat a sense of competition
- Maintaining a balcony view showing the sector larger context and individual roles
- Specific performance and success indicators, metrics, measures as a way of gauging progress - guided by co-defining what success looks like
- Taking an asset-based approach to charities, recognizing contributions and unique roles (versus assumptions of deficits to fix and duplication)

5. The central role of racial equity, race relations and systems.

Over the 2008-2014 period, a number of research and analysis projects were conducted to report the state of racial equity and dynamics and race relations in Bermuda. This work had resulted in several reports and products outlining both research data and policy recommendations. A notable portion of these efforts examined data around Black-white education and economic security disparities, and described the lives of young Black men.

This work coincided with three formal cross-sector conversations on race: Led by the Aspen-Bermuda Partnership on Racial Equity, nearly 70 leaders from the non-profit sector, business community and government in Bermuda were brought together via for a Racial Equity and Society Seminar that was conducted over three group conversations in October 2009 (21), June 2010 (19), and October 2010 (26).

The cumulative body of work in this area collectively named multiple systemic issues to address that directly contribute to Bermuda's persistent racial disparities in education, employment, earnings and wealth, involvement with the criminal justice system, economic power, and other areas. The systemic issues cited throughout the multiple reports in this area include various forms of structural racism, social and racial exclusion, occupational segregation, lower academic expectations for Black Bermudians, prevailing negative narratives and bias.

This body of work also included a series of policy and practice recommendations to address these dynamics, including more broadly recognizing structural racism, changing the narrative, advancing an explicit commitment to racial equity, connecting the voice and resources of civic organisations, increasing social and cultural connections, creating more equitable job opportunities and addressing discrimination, and bridging the gap between private, public, and third sector interests.

Trends in Advancing Third Sector Transformation

The third sector in the US and worldwide have been using the 2020 dual-pandemic of COVID-19 and greater awareness around systemic racism as a prompt to make rapid shifts in the moment, while also stepping back and seeing the opportunity in crisis. While some third sector leaders have recommended to “never let a good crisis go to waste,” others are offering encouragement to look ahead to a new normal that is better than the pre-COVID status quo. This global moment follows on the heels of a peak philanthropic self-critique, spurred by such conversation-launching books in the field as [Winners Take All](#) and [Just Giving](#). This attention, in turn, follows increased global awareness of issues of income and wealth inequality.

The above are examples of significant trends that are affecting the thinking and work of third sectors worldwide. Understanding these trends offers insights into where third sectors are paying attention and can help illuminate transformative opportunities for the BDA Third Sector.

Below is a high-level summary of *select* recent trends that are worth noting, based on ongoing tracking of the following range of third sector references: Stanford Social Innovation Review, Alliance, Nonprofit Quarterly, Chronicle of Philanthropy, Huffington Post, GrantCraft, The Foundation Review, and many other third sector thought leadership publications as well as broader publications that cover third sector topics (see *References: Secondary Research* section). All of these trends reflect long standing priorities that have been amplified by the dual-pandemic, and they have many overlaps. The below list is by no means exhaustive, and like the strengthening approach examples, would need to be gauged for relevance in Bermuda. However, these trends are all important considerations for the reimagining effort.


- Recent research out of Harvard and Stanford Universities has documented the need to **recognize that where one grows up significantly shapes one’s opportunities and barriers, and chances for achieving life success, and intergenerational economic mobility**. Furthermore, the neighborhoods in which people live is highly correlated with both race and income, due to both physical and social segregation.¹
- Driven by criminal injustice events and greater awareness of systemic racism, there has been a mass **global (re)awakening around issues of diversity, equity, and inclusion (DEI)**. This awakening has spurred unprecedented cross-racial energy to increase DEI within third sector practices including strategic planning, research, evaluation, funding, service delivery, policy advocacy, community engagement, hiring and advancement, leadership, and others. This has in turn spurred a wave of equity-oriented webinars, trainings, and assessments, and hiring for DEI leader positions.

¹ <https://www.opportunityatlas.org/>

- The increased attention around DEI has accelerated the longtime momentum around **centering equity and justice** in examining social issues (education, economic security, health), naming root causes, and defining solutions.
- Third sectors have spent several years expanding attention, practices and resources focused on **shifting systems and policies**, in addition to providing program and service interventions. This is considering how systems and policies shape the environment and broader conditions that communities live in and how they determine available opportunities and barriers.
- As an integral element of the above trends, an increased focus is being put on **engaging and building the leadership, capacity, and power of those community members** and residents who are most marginalized to shape the systems, policy, practice, and budget decisions that shape their lives.

A central element of the above trends is the *use of a systems lens and change approach to examine and address existing social issues and disparities*. A systems change approach addresses how systems impact people's lives by shaping opportunities and barriers that in turn affect people's circumstances, choices, and decisions. An overview of this approach and a framework for understanding systems is illustrated below using summary content developed by Community Science.

Example of Using a Systems Change Approach

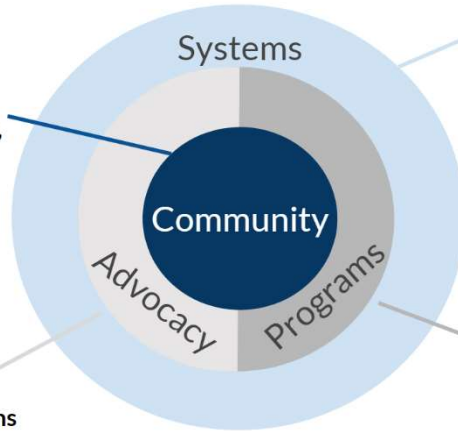
	Education	Economic Security
Example symptoms	Racial and other disparities in school readiness, 3rd grade reading	Racial and other disparities in employment, income, wealth
An <i>intervention</i> approach addresses...	<ul style="list-style-type: none"> • The symptoms through direct services, programs, and resources (e.g., tutoring, parenting programs, job training) • Solutions to strengthen, scale and sustain interventions (e.g., coordination of services, evidence-based models, funding) 	
 A <i>systems change</i> approach addresses...	<ul style="list-style-type: none"> • Lower access to quality early education programs, schools, college preparation • Discrimination in suspensions and expulsions 	<ul style="list-style-type: none"> • Lower access to good quality jobs • Overall reduction in available quality jobs • Discrimination in hiring, placement, and advancement
	<ul style="list-style-type: none"> • <i>Limited power over policy & practice decisions that affect people's lives</i> • <i>Systemic racism</i> 	

A systems change approach advances equity and justice by addressing the root causes of longstanding disparities (i.e., the symptoms) faced by communities that are marginalized based on race, class, gender, and other factors. Systems change also complements interventions that aim to address disparities through direct services, programs, and resources. An intervention approach helps people *beat* the odds; a systems change approach helps *change* the odds.

Systems are the broadest of several domains that exist around communities.

Community: Relationships, culture, groups, capacity, and other assets that help community members connect, share mutual support, and shape the decisions affecting people's lives.

Advocacy: Formal and informal efforts that aim to improve systems and programs on behalf of Community.

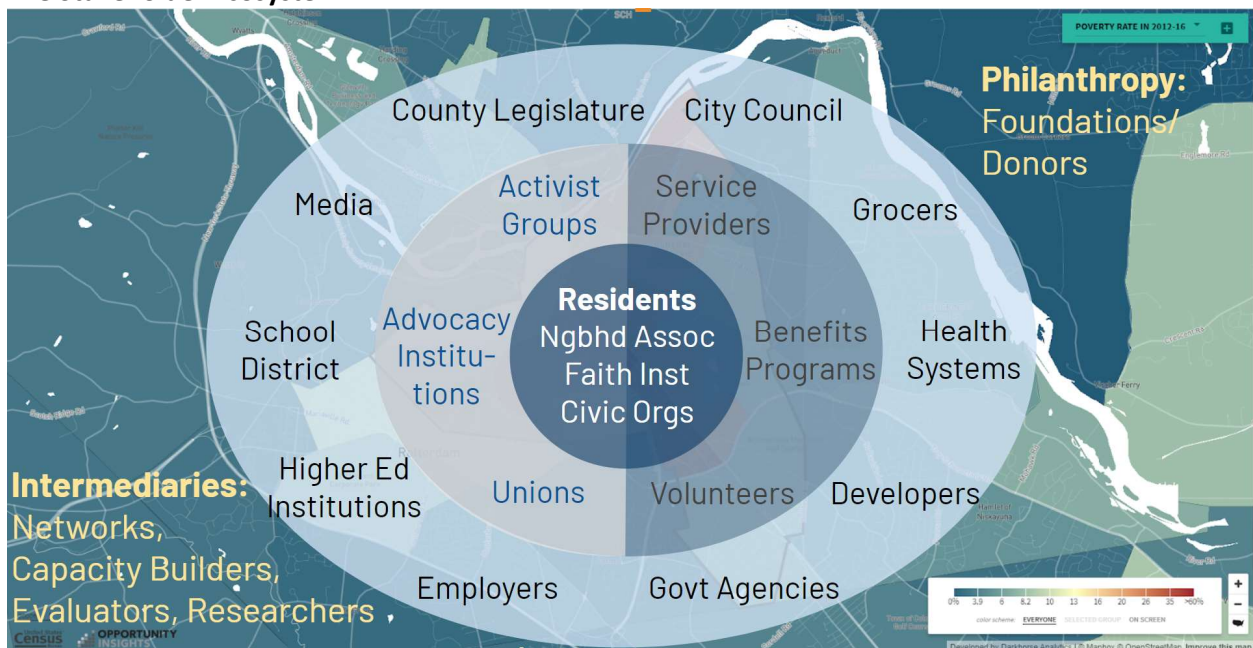


Systems: Individual and groups of institutions, laws and policies that collectively shape the broader conditions and environment people live in.

Programs: Direct services, supports, benefits working within systems and community that help compensate, fill gaps, increase access, address challenges.

Common systems include education, health, employment, food, criminal justice, housing, transportation, and others which interact in people's daily lives. Each system includes stakeholders with varying roles and authority to make policy, practice, and budget decisions, and to implement those decisions. These stakeholders are part of an ecosystem that also includes *intermediaries and philanthropy* which aim to strengthen one or more domains.

The Stakeholder Ecosystem*



*While they are outlined distinctly, domains overlap and stakeholders can operate across multiple domains, e.g. community stakeholders can engage in advocacy, both community and systems stakeholders can provide programs and services, and philanthropy and intermediaries are often viewed as a part of systems.

Numerous resources articulate a range of frameworks, models, conditions, and detailed tactics (e.g. community organizing, policymaker education) for conceptualizing and influencing systems change. A successful systems change approach strategically prioritizes and customizes these based on each unique situation, and continuously learns and evolves over time.

A Review of Targeted Strengthening Approaches

As third sectors have grown in size, role, and sophistication globally over the past several decades, much energy has been devoted to strengthening how they work. Much of this energy has focused on targeted topics that have also shifted frequently over time, e.g. over just the past 15 years these areas have included (but are not limited to) the following:

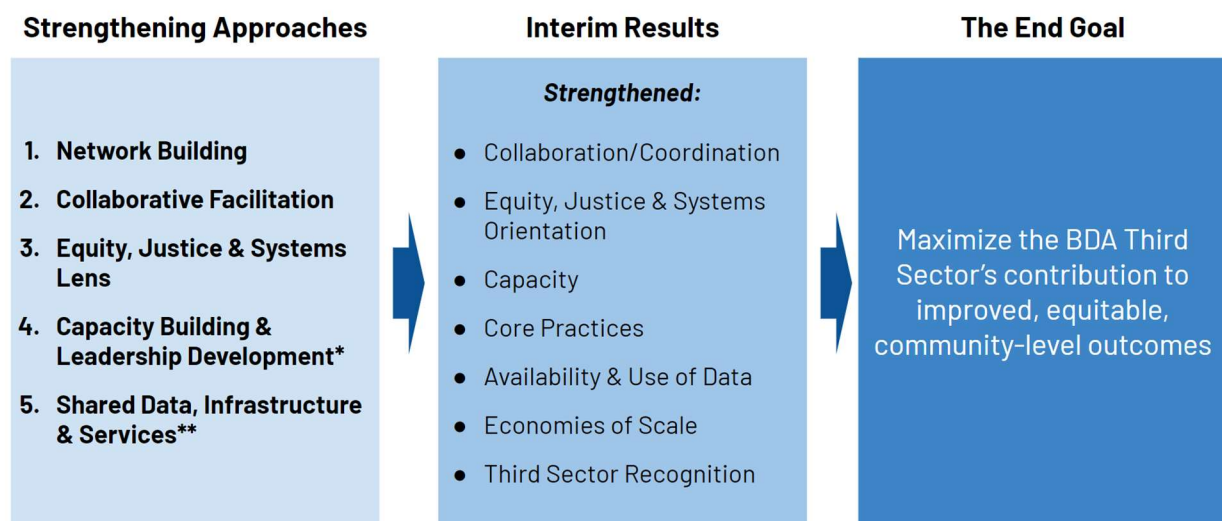
History of Third Sector Strengthening Focus Areas and Topics

Nonprofit Organisations	Philanthropic Institutions	Third Sector as a Sector
<ul style="list-style-type: none">● Strategy● Growth and replication● Sustainability● Social... Entrepreneurship, Innovation, and Enterprise● Accountability● Measuring outcomes● Continuous improvement● Leadership development	<ul style="list-style-type: none">● Strategy● Shifting funding to XYZ area● Larger grants● More flexible grants● Grantee relationships	<ul style="list-style-type: none">● Inclusiveness of stakeholder groups● Collaboration/coordination● Place-based approaches● Shared data systems● Advocating on behalf of third sector itself
<ul style="list-style-type: none">● Use of data/evidence around what works● Equity and justice● Systems change● Community engagement		

In addition to their frequent and relatively rapid shifts, many of these strengthening topic areas have also been, and continue to be, promoted in an isolated manner. This dynamic may be partly driven by stakeholder perceptions of third sector flaws that need “fixing” and/or what is the latest silver bullet solution. Hence, many have been promoted without a solid hypothesis articulating how they - as *means* - contribute toward the ultimate *end* of stronger communities.

Despite these caveats, the secondary research on third sector strengthening focus areas generated a shortlist of approaches to dive deeper. To maintain a focus on the ultimate purpose of strengthening the BDA Third Sector, the below diagram illustrates **five strengthening approaches** and the results they could aim to achieve in Bermuda.

Targeted Strengthening Approaches and Results



This shortlist of strengthening approaches was used as a framework to categorize and identify a range of example models for each approach -- drawn from the nonprofit, private, and government sectors -- to examine through this secondary research, which are outlined in the table below.

Targeted Strengthening Approaches and Examples

Strengthening Approach	Description	Example Models (cross-sector)
1) Network Building	Groups that enable connections and working relationships across stakeholders with shared interests, and advocate on behalf of the group	<ul style="list-style-type: none"> • Membership associations (public, private, public sectors) • Chambers of commerce (private sector)
2) Collaborative Facilitation	Deliberate, strategic facilitation to strengthen stakeholder collaboration toward shared goals	<ul style="list-style-type: none"> • Coalitions, alliances and campaigns • Collective Impact • Comprehensive Community Initiatives (CCIs) • Distributed leadership networks
3) Equity, Justice & Systems Lens	Use of multiple training, assessment, collaboration and other methods that reorient stakeholders and build capacity to better prioritize and advance equity and justice practices	<ul style="list-style-type: none"> • Training workshops • Self and team assessments • TA/consulting • Tools and resources • Equity impact analysis (public sector)

4) Capacity Building & Leadership Development	Programs, services and resources to strengthen organisation and leader knowledge, skills, and competencies, and to improve core practices in key areas*	<ul style="list-style-type: none"> ● Training workshops ● Cohort-based programs ● TA/consulting ● Tools and resources
5) Shared Data, Infrastructure & Services	Sharing of common resources by multiple third sector organisations to increase efficiency, consistency, and economies of scale**	<ul style="list-style-type: none"> ● Nonprofit centers ● Fiscal agents ● Shared data platforms ● Common grant platform

*Capacity areas include: strategy, financial sustainability, measurement and evaluation, team and governance, programmatic practices, and many others

**Shared resources include: physical facilities, office equipment and services, administrative functions, and others

The above approaches and examples reflect numerous, diverse options for strengthening the BDA Third Sector. While they are outlined separately, examples are often combined in their design and implementation. They range from more comprehensive and strategic efforts to those that are more tactical and transactional. Reflecting the historic patterns described earlier, most of these examples focus on achieving narrowly targeted results, and many have been shown to have notable gaps. While there is significant writing and research covering third sector strengthening overall, the level of coverage varies widely between examples. The nature of many examples makes them less conducive to measuring concrete results, and even if they are measured it is typically internally driven and the results are not publicized. Even well-researched and documented examples vary greatly when implemented in different communities, with countless factors affecting what they look like and how well they work on the ground.

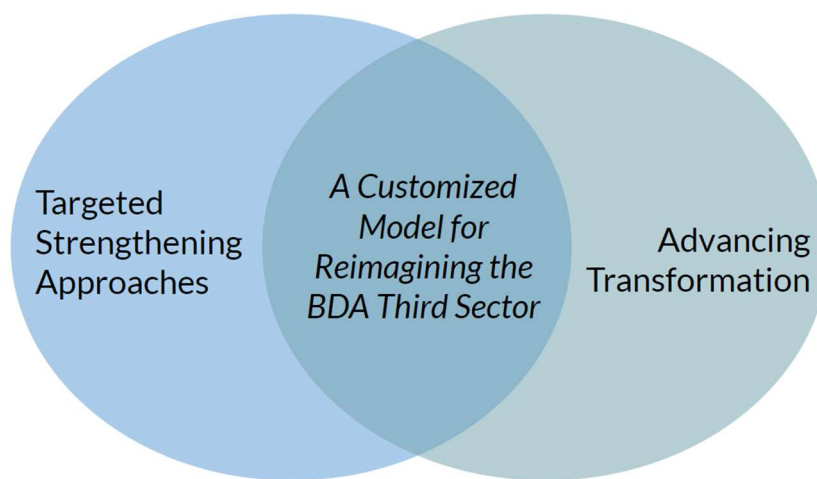
There is value to be gained by the BDA Third Sector via one or more of these strengthening approaches, and the sector already has past and/or current experience with many of them. Given the above considerations, *there is also no perfect approach or model*. It is necessary to *look across them to define a combination* that is driven by stakeholder needs and will best help the BDA Third Sector reimagine how it achieves its purpose.

Examination of these models included reviewing a range of available research reports, best practice reports and articles, thought pieces, case studies, and individual examples. This research was complemented by the report author's nearly two decades experience in direct consulting work to design, plan, implement, and evaluate many individual examples of these models. The key takeaways around the identified models for each strengthening approach are described in the *Targeted Strengthening Approach Details and Implications* section of this report.

The BDA Third Sector Transformative Opportunity

Bermuda's Third Sector stakeholders have shown a clear, long-term commitment to achieving a Bermuda that works better for all. The latest circumstances have lifted up an opportunity to step back while looking ahead toward a stronger and more equitable future.

Other third sectors and the BDA Third Sector's own history of self-improvement efforts provide useful learning. While *targeted strengthening* and *advancing transformation* are outlined as separate categories, they are not an either-or proposition. Approaches in both categories can work hand-in-hand and reinforce each other.



The BDA Third Sector now has an opportunity to create a customized, integrated, transformative approach that fits Bermuda and keeps the ultimate end front and center.

In moving forward, third sector stakeholders should keep in mind the following implications that arose through the secondary research and should be considered as important as the research results.

1. **Too many third sector strengthening efforts approach their work backwards**, beginning with a silver bullet solution that goes looking for a problem to solve (i.e. putting the cart before the horse). These solutions may be selected based on any number of preconceived assumptions around third sector to address, which may indeed exist but should not be confused with the root causes behind the social issues that third sectors aim to address.
2. Considering the state of existing third sector models, in addition to looking to these for examples, **Bermuda has an opportunity to lead the way** by setting its own example and a new bar for what reimagining a third sector can look like, while building on its assets and efforts to date.

3. **Setting a leading example entails beginning with the ultimate end in mind**, honest recognition of what is getting in the way and the root causes of Bermuda's greatest community challenges, clear priorities, and rigorous hypothesis (logic, rationale, assumptions) for how to address those priorities. This hypothesis can be used to determine what combination of *strengthening approaches* and *advancing transformation* to prioritize.

Such an approach would be essential to strategically decide which of many strategic lever options to get behind at an island-wide level, such as expanding programs, coordinating services, building community power to shift systems, expand available social issue data, building organisational capacity, and many others.

Only then would it be conducive to design and implement work using the latest learning and best practices in the field.

4. An important part of the above process would be to **confirm the Third Sector's purpose, stakeholders, and roles**. A broader, more collaborative view around defining Third Sector stakeholder groups would mirror the Sector's own calls for greater inclusivity, coherence, collaboration, sense of shared identity and community. This view can also help to address chasms across sectors and foster more collaborative versus competitive dynamics.
5. The above reflects a departure from the approach taken by many third sector efforts in the US and worldwide, and by some of Bermuda's own Third Sector past strengthening efforts. But it is this very **shift in approach that would help the reimagining effort be *transformative* versus *incremental***.

Targeted Strengthening Approach Details and Implications

Strengthening Approach 1: Network Building.

Description	Example Models
Groups that enable connections and working relationships across stakeholders with shared interests, and advocate on behalf of the group	<ul style="list-style-type: none">• Membership associations (public, private, public sectors)• Chambers of commerce (private sector)

Value and How They Work

Membership associations and *chambers of commerce* are two common types of network structures that exist to build, maintain, and strengthen relationships between stakeholders with a level of shared situation or interests. These networks are oriented around organisations and/or individuals, and can be organized around sector/industry, topic, target beneficiary, geography, many other attributes, and various combinations. They are typically operated by a central intermediary whose work is funded via a combination of membership dues and philanthropy.

The value of these networks begins with the connections and relationships they support between individual stakeholders. These relationships in turn support the making of direct connections between network members, peer learning, convenings, and other common value-added activities. Many networks build on their membership by incorporating any number of the other strengthening approaches. In these cases, the network is used as a channel to deliver these approaches, provide value to members, and spread best practices.

Depending on the orientation of the network and its membership, they can assume the function of representing and advocating on behalf of the overall group. For example, countless US-based membership associations maintain a Washington, DC presence to support a distinct policy and lobbying function. This is seen as part of the value that members' dues are allocated toward supporting. Nonprofit state associations typically own the primary responsibility for advocating on behalf of the third sector across the US.

The exact nature of a network's activity varies based on its membership and focus areas. Those serving a narrower membership will provide more targeted services per the member profile, while those serving multiple stakeholder groups will pay more attention to bringing those groups together and providing broader supports. These networks operate in parallel alongside each other, with each type serving its own purpose and many stakeholders maintaining memberships in multiple networks simultaneously. Examples of various organisation-focused network structures include, but are not limited to, the following:

Nonprofit	Philanthropy	Government	Private Sector
<ul style="list-style-type: none"> • Nonprofit State Associations • Issue-Based Nonprofit Associations • Nonprofit Networks? 	<ul style="list-style-type: none"> • Grantmakers for Effective Organisations (GEO) • Council on Foundations (CoF) • Grantmakers in Health • Regional Grantmaker Associations 	<ul style="list-style-type: none"> • National Association of Counties • National Governors Association 	<ul style="list-style-type: none"> • Chambers of Commerce • Industry and trade associations

Best Practices for Success

Formal research or evaluation publications around best practices for network models are relatively limited, given that they tend to be individually oriented around a private sector-based customer service approach. These networks are designed primarily to provide value to their members who are seen as customers or constituents. The financial models of these network structures, which rely largely upon membership dues for sustainable revenue and typically run on tight budgets, are the primary driver behind this customer service priority. The intermediaries that operate both member associations and chambers of commerce typically drive their own measurement and evaluation efforts to gauge how well they are providing member value.

Despite this general orientation, recommended practices for maximizing member value include the following:

- Use a member-driven approach to design and providing services and products
- Support members with more active, seamless match-making type networking
- Maximize accessibility
- Serve as an expert on the relevant fields and unique source of valuable information

Gaps and Considerations

- Philanthropy-only networks are often cited for their lack of inclusivity, which enables decision making and allocating \$ millions in resources with limited input from those who are closest to communities and have most direct knowledge about challenges and solutions.
- Intermediaries particularly in the third and government sectors often struggle in balancing their financial sustainability and membership growth priorities versus advancing their social mission.
- For third sector network structures with a broader social mission, there is an inherent limitation or missed opportunity in measuring *primarily* member value, without *also* gauging support of the network's social mission.

- Many chambers of commerce have a high degree of turnover among their small business members, and have agendas that are often not aligned with what business owners hope to gain from their membership.²

Implications for the BDA Third Sector

- While there is relatively limited formal research and evaluation around this strengthening category, it is helpful to view it as a straightforward approach and having value in its own right.
- Keys to success in this area include being member-driven, while keeping an eye on the ultimate social mission.
- Attention should be paid to documenting existing networks, their membership, purpose, and activities.

Strengthening Approach 2: Collaborative Facilitation.

Description	Example Models
Deliberate, strategic facilitation to strengthen stakeholder collaboration toward shared goals	<ul style="list-style-type: none"> • Coalitions, alliances and campaigns • Collective Impact • Comprehensive Community Initiatives (CCIs) • Distributed leadership networks

Value and How They Work

This category of models takes the Network Building approach and goes one step beyond by deliberately coordinating groups of stakeholders to work toward shared goals.

Coalitions, alliances, and campaigns have been around for a long time, and are typically formed around shared issues or priorities. They can be structured for the longer-term or be launched to target shorter-term priorities, and can focus at the local, state, regional, national, and even global levels. While they vary greatly in nature and scope, this research report frames this type of model as generally looser in its collaborative work. *Coalitions, alliances, and campaigns* often rely on the majority of work being led by a central intermediary entity and sometimes more local affiliates. Members are engaged via periodic convenings, online platforms, and online and offline advocacy efforts (e.g. petitions and letter writing). In addition to their coordination role, central intermediaries also serve as a source of vital issue-related information.

Building on the basic premise of these models, a more recent generation of place-based models has been formally documented and are receiving considerable attention: *Comprehensive Community Initiatives (CCIs)*, *Collective Impact*, and *distributed leadership networks*. These models represent three

² [Can chambers of commerce stay relevant for small business?](#)

of the more commonly referenced ways of facilitating deep collaboration in a place. *CCIs* are noted as having begun formal operation during the 1990's. *Collective Impact* and *distributed leadership networks* first gained prominence as frameworks for deep collaboration in 2010/2011 when third sector consulting firms FSG and Monitor Institute, respectively, released articles to describe the operation and results of local collaborations the Strive Partnership and RE-AMP Energy Network. Each model has its own proponents that aim to spread it as a best practice. While there are some differences, they share many common themes. The following table summarizes the key considerations of these three deeper collaborative models.

Collaborative Facilitation Model:	Comprehensive Community Initiatives	Collective Impact	Distributed Leadership Networks*
Components	<ul style="list-style-type: none"> ● Resident engagement ● Community building: Mobilize, strengthen connections, foster ownership, build on assets, strengthen civic capacity ● Focus on investment areas: Improve Human, Physical, and Economic Development in Poor Neighborhoods; Strengthen Community Capacity; Generate Policy and Systems Change 	<ul style="list-style-type: none"> ● Common agenda ● Backbone support ● Mutually reinforcing activities ● Continuous communication ● Shared measurement 	<ul style="list-style-type: none"> ● Process to map the systems needing improvement and identify key levers ● Distributed, decentralized network leadership ● Six working groups ● Central steering committee, Full-time staff and network coordinator (based and funded within respective organisations) ● Online collaboration platform ● Shared media center ● Shared learning and progress system ● Pooled grant fund ● Bottom-up annual strategic planning process
Value/ Results	Success in building community capacity (leadership, connections to one another, ownership, civic capacity and voice, social capital and sense of community), stronger organisations and networks, increasing neighborhood funding, and powerful partnerships between communities and institutions with public sector access, leverage and influence	Strong evidence that CI can drive or contribute to early and systems changes, which then drive population changes	Tangible results demonstrated in passing policies and increased/ strengthened activist capacity, funding for the cause, shared resources, relationships between funders and nonprofits, strategic coordination and alignment, shared media frames and messages, overall power and influence, nonprofit leadership and network capacity

Challenges	Difficulty stimulating economic development or poverty reduction, as too many of the forces that drive economic activity are outside of the control of neighborhood actors, and very limited funding to support	Struggle with an equity focus and meaningful inclusion, and hence limited results in advancing equity outcomes, and limited data on 'effect size' - the <i>scale</i> of the population changes	Resistance to distributed network approach as a departure from accepted practices around dominance and independence of individual organisations, slow adoption of centralized tech platform, and lack of a central institution as voice and advocate for federal policy
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*Based on one available example model, the RE-AMP Energy Network

In addition to the above three commonly regarded deep collaboration models, a new generation of models has arisen including LISC Building Sustainable Communities, Living Cities, Promise Neighborhoods (based on Harlem Children's Zone), and Purpose Built Communities. Driven by a central intermediary, each model has its own particular characteristics but with many similarities to the three models above.

Best Practices for Success

As philanthropy has placed greater priority on deeper collaborative models, much attention and resources have been devoted to evaluating their results. The nature of these evaluations are inherently challenging, given their long-term nature and focus on achieving community and systems level outcomes. However, these evaluation efforts have generated useful learning and outline clear, common best practice recommendations and principles to maximize success in achieving community, systems, and population changes (moving the needle on key community-wide indicators). These best practices are summarized below and organized within four categories: Establishing the Mindset, Fostering Engagement, Laying the Foundation, and Undertaking the Journey.

Establishing the Mindset

- Prioritizing collaboration in addition to individual organisation success, where the whole is greater than the sum of its parts
- Non-traditional approach to measurement which gauges results of the group *more than* effectiveness of individual stakeholders
- Commitment to long-term involvement (there is no easy path or short cut)
- Deliberate, upfront focus on equity and systems strategies, in addition to programs

Fostering Engagement

- Co-creation with stakeholders across sectors from the outset, including funders and nonprofit organisations working as equals
- Meaningful engagement and *empowerment* of community members as substantive partners and 'natural allies'

- A culture that fosters relationships, trust, and respect across participants
- Incorporate trusted, neutral leaders that can serve as early enthusiasts and catalysts
- Collective infrastructure that facilitates collaboration and learning, with guidelines to encourage that behavior
- Support leadership at many levels

Laying the Foundation

- Shared understanding of the system(s) that need to be changed, and the key levers to shift them
- Alignment around common purpose, long-term vision, mission, levers, strategic goals, agenda, operating principles
- Sufficient, dedicated funding and resources
- Sufficient, dedicated and appropriate staff capacity and structure to support roles around convening, coordination, data collection, communications, administration: *This can be housed within a central “backbone” organisation or distributed and decentralized across a network (see below)*

Undertaking the Journey

- Customization of the work for the local context
- Flexibility to allow the work to look different, adapt, emerge, iterate, and take different routes to change
- Ongoing, deliberate alignment of resources and efforts to best support the goals
- Keeping decision makers at the table over time
- Effective, open, transparent communication and connection via multiple venues
- Use of data to continuously learn, adapt and improve

Gaps and Considerations

- An overall challenge is the different mode of thinking and working required to shift from focusing on one’s own organisation, with independent decision making and operation, to thinking in context of the overall system and community.
- Collective Impact and other collaboratives typically do not have an equity focus: “When looking at how initiatives approach equity in their work, about a third had equity capacity/intent and focused actions, but many struggled with meaningful inclusion, and of those w/ stronger focus few specifically focused on root causes, most use data strategies and communications. Those with no focus typically did not see results that advanced equity, with a few exceptions.”³
- The reviewed CCIs had large aspirations but minimal funding, and community residents did not have the access required to affect systems change that would improve their neighborhoods.

³ When Collective Impact Has Impact: A Cross-Site Study of 25 Collective Impact Initiatives

- The distributed network approach experienced resistance from some stakeholders based on the departure from accepted practice, dominance of individual organisations, and independence of individual foundations.
- Use of centralized technology for collaboration and communication takes time to be adopted and for people to change their ways of working.
- Collaborative Facilitation models are less conducive to traditional measurement of individual impacts and assigning credit: “While it’s possible that these outcomes could have been achieved by individual organisations working alone, it’s highly unlikely. The desire to assign unique causality is a perpetual challenge of evaluating collective action, or networks. “It’s really hard to decipher the difference made by a member organisation and progress made by RE-AMP,” says network coordinator Elizabeth Wheeler. “It’s very hard to assign credit.”⁴

Implications for the BDA Third Sector

- All of the cited Collaborative Facilitation models have noted challenges and gaps, thus it is necessary to look across them to identify the most appropriate combination that is customized to Bermuda’s local context.
- Regardless of the exact model design, success will first require a deliberate priority around collaboration, which in turn will require a shift in traditional mindsets away from individual organisations, independence, competition, and in some cases division between stakeholder groups.
- A collaborative mindset can offer a different lens on efficiency and effectiveness: “Arguably, by developing a shared understanding of the system, activists have also saved both time and money. Typically each nonprofit carves off its own “niche” without taking into consideration the complexity of the dynamic system in which they operate. But the RE-AMP network helps its members see this larger picture, focus on what’s important, and reallocate resources in that direction—making them both more efficient and more effective.”⁵
- A key upfront activity which may have not yet been undertaken in a robust way in Bermuda is an island-wide *systems* mapping with a focus on equity and justice, recognizing how many of Bermuda’s priority issues stem from the same local dynamics: “Equity goes beyond achieving a set of outcomes; it requires intent, shifting power, and meaningful inclusion along with targeted problem definition and action: The study findings suggest that equity is broader than simply targeting actions toward a specific group. For collective impact to achieve its full and lasting potential, it is necessary to re-think the systems and structures that produce inequity to begin with. As such, equity in collective impact requires capacity to reflect on and drive an equity perspective, sharply target interventions that will address the greatest need, and shift power from system leaders to the communities who are direct beneficiaries of the work.”⁶

⁴ Transformer: How to build a network to change a system. A Case Study of the RE-AMP Energy Network

⁵ Ibid.

⁶ When Collective Impact Has Impact: A Cross-Site Study of 25 Collective Impact Initiatives

- Meaningful community engagement and *empowerment* is a requirement, and decades of research show its ample benefits in itself for communities, but also takes time and effort. The good news is there is significant writing on best practices and methods to do it successfully, including advisory groups, community-based participatory research (CBPR) and human-centered design (HCD).
- A major strategic decision in this area for the BDA Third Sector Reimagining effort will be between housing leadership roles within a central intermediary/backbone organisation versus building a collective infrastructure with decentralized, distributed leadership, or possibly a combination.

Strengthening Approach 3: Equity, Justice & Systems Lens.

Description	Example Models
Use of multiple training, assessment, collaboration and other methods that reorient stakeholder strategy and practices to better advance equity and justice, including a focus on community engagement and systems change	<ul style="list-style-type: none"> • Training workshops • Self and team assessments • TA/consulting • Tools and resources

Value and How They Work

Third sector attention to equity & justice and systems change has gained growing attention and prioritization over the past decade. Driven by racial criminal injustice in the US, global attention to these areas has particularly exploded over the summer of 2020. With this attention has come a new wave of energy around tapping relevant resources, hiring of Diversity, Equity and Inclusion (DEI) officers, self-reflection, and team conversations.

Shaping third sector work around an equity & justice lens means addressing the broader conditions that drive disparities in life outcomes based on race, class, gender, and other demographic factors. This goes hand-in-hand with prioritizing systems change, recognizing how systems and policies shape the conditions that communities live in. These conditions in turn affect the lives of community residents across many issues which are all interconnected, including economic security, education, health, early childhood development, and others. And efforts to change systems require understanding the history and incentives that drive what they look like and hold them in place, i.e. “There is no such thing as. a broken system. Each system is perfectly aligned to achieve the results it currently gets.” - *Ron Heifetz, The Practice of Adaptive Leadership*.

Examples of successful efforts to achieve equity & justice and systems change and their effects on community-wide indicators certainly exist. What is more rare are successful model examples for comprehensive *efforts to reorient a third sector* around equity & justice and systems change. This is driven by several factors including the fact that this type of reorientation effort is rare in general, those

that do exist are relatively new and have not robustly measured and/or publicized their results, and the nature of these efforts vary widely.

However, what *has* been documented is the significant difference in how third sector stakeholders can approach their work *with* an equity & justice lens versus *without*, with much greater likelihood of addressing *what matters* for communities.

For those taking on this effort to reorient their work, a range of “models” are available from a host of providers, including *training workshops*, *self and team assessments*, and other *tools and resources*. Custom *technical assistance and consulting* is a common, more intensive model used to help third stakeholders strengthen their equity & justice and systems lens.

It is important to note that models to strengthen an equity, justice and systems lens are can -- and should -- be integrated with other strengthening approaches, rather than being undertaken in isolation. For example, equity and justice models can be integrated into the *Collaborative Facilitation* approach:

“Equity goes beyond achieving a set of outcomes; it requires intent, shifting power, and meaningful inclusion along with targeted problem definition and action. The study findings suggest that equity is broader than simply targeting actions toward a specific group. For collective impact to achieve its full and lasting potential, it is necessary to re-think the systems and structures that produce inequity to begin with. As such, equity in collective impact requires capacity to reflect on and drive an equity perspective, sharply target interventions that will address the greatest need, and shift power from system leaders to the communities who are direct beneficiaries of the work.”⁷

Best Practices for Success

Considering the more limited knowledge base around equity, justice and systems change, guidance around concrete best practices is also harder to find. Much writing in this area promotes increased focus and prioritization, aiming to build broad awareness and commitment. However, the following are generally recommended best practices in the field.

- Take time to understand what systems look like, their effects on communities, the incentives that drive them and hold them in place, and the strategic levers to shift them
- Meaningful community engagement and the building of true community power over policy and practice decisions is inherent to an equity & justice and systems change approach
- Authentically pursuing equity, justice and systems change requires pursuing diversity, equity, and inclusion (DEI) within one’s team and organisation

⁷ When Collective Impact Has Impact: A Cross-Site Study of 25 Collective Impact Initiatives, ORS Impact and Spark Policy Institute, 2018

- Efforts and funding around equity & justice and systems change should be more inclusive of grassroots and community-based organisations that may be closest to the issues but have limited resources and access

Gaps and Considerations

- As the field this area continues to be built out and more formalized, there remains lack of consistency around definitions and terminology.
- Many DEI training and assessment tools alone have been shown to be insufficient in substantially reorienting third sector stakeholder work around equity, justice and systems change, and may even instill less empathy in participants.⁸
- There is a notable gap around guidance and resources to comprehensively *operationalize* equity & justice within organisational practices, beyond lists and examples of isolated practices.
- Focusing on systems change continues to entail a mindset shift for many third sector stakeholders typically focused on programs.
- Many systems change efforts tend to lack a cohesive strategy: “I see a lot of people today advocating for systems change but going about it without systems thinking,” - *Jonathan Raymond, President of Stuart Foundation*.

Implications for the BDA Third Sector

- It is valuable to make an explicit and deliberate commitment to equity & justice and systems change upfront, and weave it throughout the reimagining effort
- Reimagining the BDA Third Sector *without* this commitment could likely perpetuate the very inequities and disparities that the Third Sector aims to address
- A useful way to help launch the effort would be to increase awareness and assess the baseline of stakeholder knowledge and efforts around this area as it shows up in Bermuda, considering issues of income and wealth inequality, systemic racism, intergenerational poverty, residential segregation, etc.
- This work can build on the BDA Third Sector’s significant past and current strengthening work around racial equity and race relations (as described earlier in the *BDA Third Sector Strengthening Experience To Date* section)
- Taking on this work successfully will require identifying relevant, quality resources and support from the many options in the field, while filling the *operationalization* gap

⁸ Research Shows Diversity Training is Typically Ineffective, al-Gharbi, Musa, RealClearScience, 2020

Strengthening Approach 4: Capacity Building & Leadership Development.

Description	Example Models
Programs, services and resources to strengthen organisation and leader knowledge, skills, and competencies, and to improve core practices in key areas	<ul style="list-style-type: none">• Webinars• Training workshops• Cohort-based programs• TA/consulting• Tools and resources

Value and How They Work

Capacity Building & Leadership Development models are used to build knowledge, skills, competencies, and practices across a wide range of topical areas for individual leaders and/or organisations across the third sector. Common capacity building and leadership areas include, but are not limited to, strategy, financial sustainability, measurement and evaluation, team and governance, programmatic practices, and many others.

While the areas of capacity building and leadership development have been combined into one third sector strengthening approach for simplicity purposes in this document, and there can be overlaps, it should be noted that they are typically delivered and undertaken separately in the field. Capacity-building in particular is a common investment for philanthropy, with approximately 77% of foundations indicating that they provide funding to support this area for their grantees.⁹

The models for this strengthening approach range from those with lighter-level intensity (e.g. *webinars*) to deep intensity for as few as one organisation at a time (e.g. *TA/consulting*), and somewhere in between (e.g. *training workshops*). They include more formal programs that offer certifications. *Cohort-based programs* provide capacity building and/or leadership development support via a group setting, which may incorporate varying levels of peer learning.

Looking within each of the listed models, there are countless variations. Numerous third sector stakeholders - including intermediaries, TA/consulting firms, foundations, and others - have documented and promote their particular versions of each model, many of which were custom-designed for particular situations. Further variation in these models is created when they cover different topics, and are delivered by different providers to different profiles of participants.

Evaluation of the effectiveness of capacity-building and leadership development models exhibits similar variation. The majority of evaluative efforts in this space are internally-driven, often by the providers themselves. By their nature, these self-evaluations tend to remain internal, and use different measurement methods to gauge a diverse range of results. Publicized results are typically shared in the form of a 'lessons learned' article or report. The relatively few formal, third-party evaluations of

⁹ 2014 grantmaker survey conducted by Grantmakers for Effective Organizations (GEO)

capacity-building and leadership development efforts have examined select programs that are the subject of each deep study. The biggest remaining gap in this field continues to be the notorious difficulty in establishing the link between the results for individual leaders and organisations, and the community-wide indicators and population changes they aim to affect through their work. For example, a major capacity building examination effort, which included review of nearly 60 academic, think-tank, and thought leader sources published after 1990 along with foundation and capacity-building provider interviews, found “a lack of robust empirical research linking capacity building support with improvements in measures of organisational effectiveness, and even less research linking capacity building with greater social impact.”¹⁰

However, there are more than sufficient compiled data points to confidently state that capacity-building and leadership models *do* have concrete value in addressing targeted needs for their third sector participants, who themselves nearly universally cite the need for the right type of support. Depending on the depth of the model and topic area, quality models can deliver value in terms of the following: greater strategic clarity, broader staff and board engagement and buy-in, better use of data for continuous improvement, leader confidence, and other capacity areas. The models in this area can also be considered to add this value when combined with models in the other Strengthening Approaches.

Best Practices for Success

Considering the above dynamics surrounding the models falling under this Strengthening Approach, overarching and generally applicable best practice recommendations are fewer in number but certainly exist. Based on available publications and the author’s nearly two decades of experience in the field, the following are guidelines to maximize the success of any capacity-building and leadership development effort:

- Incorporate the latest knowledge around general adult-learning practices, e.g. learning by doing.
- Support the practical application and action of learned knowledge and skills.
- Approach leadership development and organisational capacity building as two sides of the same coin, recognizing individual leaders as working within the context of their organisation.

Gaps and Considerations

- Lighter-intensity models (*webinars, written tools and resources*) can reach a large number of participants at relatively low cost, but are naturally limited in the depth of changes they can instill.
- Deeper-intensity models (TA/consulting) exhibit the opposite pattern where more substantive capacity and leadership improvements can be achieved, but at higher cost which limits the number of participants.
- Many models in this area may not explicitly cover the practical application of the knowledge, skills, or products/deliverables developed (e.g. a strategic plan, measurement system, etc.) - this

¹⁰ Can You Measure the Impact of Capacity Building for Nonprofits?, Beth Kanter

includes those leadership development models which do not speak specifically to leaders' unique roles within their organisation.

Implications for the BDA Third Sector

- Capacity-Building and Leadership Development models should certainly be considered as a crucial component of a reimagined BDA Third Sector, only with careful consideration of what this area looks like in the context of the full picture.
- Based on this overarching context along with the considerations described above, the most appropriate models would be strategically designed based on the unique local situation - this design would likely include a combination of replicating or adapting existing models and creating custom new models.
- Strategic questions to consider in this design include: Which stakeholders need to build which capacities, for what purpose? How will those capacities collectively help advance the reimagined BDA Third Sector as a whole toward its longer-term vision and goals? Which capacity and leadership topics should be 'pushed' out to the sector versus 'pulled' in by stakeholder demand?
- Like the reimagining journey in general, what the model(s) in this strengthening area look like should be seen as iterative and evolving, consistently gauging the latest needs, situation, and progress, and using performance data for continuous improvement
- Regardless of the model(s) selected, incorporating a community/group aspect can help reinforce capacity and leadership gains via peer learning, a sense of group accountability, ongoing group feedback to help assess and refine the model, and other benefits.
- Looking ahead, particular capacity topic areas to consider include community organizing and policy advocacy, which may be gaps in the BDA Third Sector landscape, and concrete community engagement methods including Community-Based Participatory Research (CBPR) and human-centered design (HCD).
- A critical decision to greatly affect what the model(s) in this area look like and their efficacy, will be the selection of an experienced, strategically minded capacity and leadership expert who can both design effective methods and also approach this area within the context of the broader reimagining effort.

Strengthening Approach 5: Shared Data, Infrastructure & Services.

Description	Example Models
Sharing of common resources by multiple third sector organisations to increase efficiency, consistency, and economies of scale**	<ul style="list-style-type: none"> ● Nonprofit centers ● Fiscal agents ● Shared data platforms ● Common grant platform

Value and How They Work

This Strengthening Approach comprises several models that enable third sector stakeholders to leverage a shared resource, which can support several benefits including efficiency, consistency, economies of scale, and others. Some models allow third sector stakeholders to essentially outsource particular functions at a lower cost. In a third sector's relatively under-resourced environment, such resource saving models can be a welcome addition.

The nature of shared resources depends on the particular model. *Nonprofit centers* help nonprofit organisations to share common facilities, space, and office services and equipment (e.g. wifi, mail). This enables increased efficiencies and cost savings, that can lead to the ability to serve more clients and to provide new and increased services that impact more people.¹¹ Tenant organisations also “see improvements in staff morale, retention and productivity, increased programming and additional opportunities for collaboration.”¹² Recent additions in this field include nonprofit-focused co-working spaces that may be standalone or operate within a larger co-working facility that includes private sector tenants. Collectively, the (North American) nonprofit shared space sector encompasses approximately 19 million square feet of workspace, housing 8,500 organisations and nearly 35,000 employees across 570 known centers.¹³ As a physical shared venue, nonprofit centers provide the opportunity to offer additional shared services at lower cost (e.g. bookkeeping, marketing, purchasing, food, etc.) and community programming to support networking and relationships. The centers themselves are generally stable financial organisations, with 81% of centers breaking even or generating a surplus.¹⁴

Fiscal agents help nonprofit organisations save on the resources and time required to set up and manage the administrative and financial requirements of operating an independent charitable organisation.

Common grant platforms, while still relatively rare in actual use, can save notable resources for both funders and applicants by streamlining the entire grant application and reporting process. Much like common college/university applications in the higher education industry, these platforms can save nonprofit organisations on the significant resources required to apply for grants and report performance data to multiple funders.

Shared data platforms are included as a model under this Strengthening Approach, though they look different in terms of operation and value. In theory, a shared data platform can save third sector organisations the time and monetary resources required to maintain their own organisational platform. In reality, shared data platforms more typically exist alongside the platform that each organisation uses for its own measurement purposes, and can require additional effort to manage. However, IF designed and implemented well (see below), these platforms can increase consistency and efficiency on the side

¹¹ MEASURING COLLABORATION The Benefits and Impacts of Nonprofit Centers, Mt. Auburn Associates for The Nonprofit Centers Network.

¹² State of the Shared Space Sector 2019 Report, The Nonprofit Centers Network.

¹³ Ibid.

¹⁴ Ibid.

of reporting and analyzing data, particularly if used within the context of a Collaborative Facilitation model.

Best Practices for Success

- For *shared data platforms* to effectively serve their purpose, they should lead with the target user base and intended data process and build the platform technology around that, versus the other way around.
- The development process for *shared data platforms* should also incorporate target user input along the way.

Gaps and Considerations

- Sharing physical office space in *nonprofit centers* can save facilities and equipment costs, but does not automatically lead to greater relationships or collaboration - if this is a goal it needs to be deliberately supported.
- For all the excitement, effort and resources put into them, *shared data systems* are immensely challenging to pull off. Barriers include complex technology, users needing to input data into a shared system in addition to their own organisation's, the required re-formatting of diverse data types to input into a shared system, the learning of a new process and tools, existing resource constraints limiting staff time around data work in general, and others.
- Many of the above data system barriers are initially driven by the dynamic that many such systems are developed leading with technology versus user experience, and do not incorporate end-user perspectives until it is time for implementation (see best practices above).

Implications for the BDA Third Sector

- Cap-a-Laige Charities House represents a former attempt to develop one *nonprofit center*, possibly among others, in Bermuda. The experience around this center offers learning and considerations around this type of model. - although it is still rare, future expansion of this model might consider co-locating *cross-sector stakeholders* along with nonprofit organisations to support stronger relationships and collaboration; this could include foundation and/or government representation, at least part-time during the week, where rent for all or select nonprofit organisations under a certain size is subsidized.
- Careful strategic consideration should be paid to any effort around a *shared data platform*, first ensuring clarity around its purpose, user base, type of data to be collected, etc., and how it would work in real life; this is particularly considering that many of the Collaborative Facilitation models showing effectiveness (described above) did so *without* a shared data system in place.

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