



Call for Concept Notes

Round Two Grants

March 11 – April 30, 2019



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Co-Impact Round Two: Process for Initial Applications

Co-Impact works to identify and support a small number of transformative systems change initiatives, each of which seeks to bring about **significant and enduring improvements** in the lives of **at least one million people** in one or more countries in the Global South. Our second round of grants will focus on **early childhood development** and **increased and/or improved jobs and livelihoods**. We know that systems change is difficult to achieve, and so we look to support initiatives with technical competence, organizational strength, and effective engagement with political economy and governance (see details below).

We are pleased to **invite initial concept notes** from qualified organizations and partnerships (see Section B below) for our second round of grants. Applications will be accepted between **March 11 and April 30, 2019** – we encourage applicants to apply early. The concept notes, not to exceed four pages, should respond to the guiding questions in Section C below. We also encourage you to review Annex 1: *What We Fund and Do Not Fund* and Annex 2: *Our (Evolving) Approach to Systems Change*.

A. OVERVIEW AND PROCESS

We expect to use the following timeline and process:

Sourcing & initial consideration (March – September 2019): 1) Sourcing and initial consideration of all concept notes and ideas solicited through our networks; 2) further information requests and calls in May and June 2019 with about 20-30 initiatives; and 3) detailed engagement with up to 10 initiatives, including likely site visits around July 2019.

Design grants (October 2019 – June 2020): We expect to provide 5-8 of the most promising organizations and partnerships with “design” grants of up to US \$500,000 each to advance and pressure-test their systems change initiative, and to develop a robust strategy and proposal. The outcome of this process is meant to be valuable in itself by enabling organizations to advance their thinking and work, strengthen their partnerships, and support their broader efforts to raise funds (not just from Co-Impact). The typical design grant period is 6-8 months.

Systems change grants (estimated October 2020): Co-Impact expects to award 3-6 systems change grants, which are typically between US \$10-25 million each over 5 years, to a subset of the design grant organizations/partnerships. Each award is intended to provide substantial support, typically between 25-35% (and not more than 50%) of the total five-year budget of a given systems change initiative. We also provide support for learning, adaptation, and organizational strengthening.

B. QUALIFICATIONS

Please ensure that you fulfill all of the following criteria before writing a concept note. We regret that we cannot consider organizations or partnerships that do not meet all of these criteria.

1. **Themes:** Core focus of the proposed systems change initiative is to drive enduring improvements for at least **one million people** in one or more of the following domains:

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- a. Early childhood development – contributes to healthy child development (ages 0-5) by significantly improving one or more of the key factors that science¹ has shown to be critical, such as:
 - Quality early stimulation and early learning
 - Children’s health and nutrition
 - Safe and nurturing environment and relationships
 - b. More and better-quality income-earning opportunities – significantly increases one or more of the following outcomes for disadvantaged communities and populations (especially lower-income youth and women):
 - Number of quality (safe, stable, fairly-compensated) income-earning opportunities/jobs, including self-created via entrepreneurship
 - Number of such persons successfully entering into available quality jobs / earning opportunities, thanks to strategies including improved identification of, matching to, acquisition of essential skills for, qualifying for, and securing such opportunities
 - Earnings realized from current income-earning activities
2. **Countries:** Proposed initiative is focused on one or more **low- and middle-income countries in the Global South**. Countries need to exhibit at least minimal civic and governance conditions that are necessary to undertake – and sustain – a meaningful systems change effort.
 3. **Evidence:** Independent, third party **evaluation** shows that the core approach/model/idea(s) at the center of the initiative works and achieves **people-centered outcomes**. While this evaluation needs to be relevant, rigorous and of high quality, we do not require the use of any particular methodology.
 4. **Scale**
 - The proposed or very similar change initiative is **already underway** (not a start-up or initial pilot), and in the past year has **benefited at least 10,000 persons in a significant way**.
 - Applicant has significant capacity and track record to work at scale; the **annual budget** in the last audited financial report of the lead organization is **at least US \$1 million or equivalent**.
 5. **Organization(s)**
 - Co-Impact will give preference to organizations based in and/or led by individuals from the countries or regions that are the focus of the work.
 - Partnerships between multiple organizations are encouraged but not required; partnerships should designate a lead partner.
 - Organization/partnership is not a political campaign promoting a specific candidate or party. While policy interventions may be a part of an initiative, lobbying organizations primarily seeking to change legislation are not eligible.
 - For-profit organizations are eligible provided the primary objective of the effort is to achieve lasting social impact for millions of people in the domains described above.

¹ https://www.who.int/maternal_child_adolescent/child/nurturing-care-framework/en/

C. GUIDELINES FOR INITIAL CONCEPT NOTE

Please review and respond to the guidelines below. Please be concise and specific. The concept note should not exceed four pages (single spaced, 11- or 12-point font). Please upload your concept note [on our website](#) by **midnight EST on April 30, 2019**. We can only consider applications submitted **in English**, but we do not require fluency from non-native English speakers. Thank you for your understanding.

1. Summary (one short paragraph)

- Summarize your core initiative and why you think it should be supported.

2. Overview of the problem (max one page)

- Describe the system failure, and why it has persisted. Summarize prior and current efforts to address the problem, and why they have not been adequate.

3. Systems change initiative (2 pages)

- Describe what success looks like. What specific outcomes would you achieve in 5 years?
- What is your pathway to change – how will you achieve these results? Why do you think this approach will succeed when previous efforts have faltered? How will this change be sustained after 5 years?
- What partnerships/relationships/engagement with others will be critical to achieving these outcomes, and why?
- How do you think about political economy and governance in your work, and how will you address these?
- How will you address gender meaningfully in your work? If inclusion of other disadvantaged groups is a significant part of your work, please describe it.
- Describe your approach to learning in this initiative.
- What is your rough estimate of the 5-year cost for the initiative?

4. Organization(s) and track record (max 1 page)

- What's the current scope and results of your work on this initiative? How many people were significantly impacted in the most recent year?
- Please provide a 1-2 sentence summary and attach a copy of high quality, third party evidence of the effectiveness of your core idea/approach in a comparable context.
- What is your organization's most recent total annual budget (in USD)? Which is the most recent year of your audited financial statements? How many staff do you currently employ?
- Where is your organization based? Who is the CEO, how long has she or he been in place?
- What is your organization's legal registration or status (not-for-profit, B Corp, for-profit, etc.)?

Where the initiative involves more than one organization, please provide this information for all partners.

D. NEXT STEPS

We thank you in advance for taking the time and effort that goes into preparing a concept note. We hope the information provided here was helpful.

We will acknowledge receipt of your concept note and expect to get back to you on our review by no later than **June 15, 2019**. Thereafter, we expect to follow the steps outlined in Section A above.

Questions and conversations: Please note that, unfortunately, with a very small team, we are generally unable to hold individual conversations or provide individual feedback on concept notes. We plan to hold at least two public webinars early in the application period to run through the process and answer questions – [see here for more details](#). Please [click here to sign up](#) to receive an email about any updates we might have regarding the application process. We will also provide periodic updates [on our website as needed](#). Thank you for your understanding.

Please note that we may ask third parties about the information you provide in your application. Please understand that the final decision will consider the best fit for the Co-Impact portfolio and will be made at the sole determination of Co-Impact.

Annex 1: What We Fund and Do Not Fund

Philanthropy supports many different worthwhile objectives, across a range of issues and types of support. Some funders support idea generation and testing; others focus on service delivery or advocacy. Some funders inject large capital to supplement government budgets to pay for critical infrastructure (e.g. build clinics) or services (e.g. procure textbooks).

Our approach fills a very particular gap in the philanthropic landscape and will not be suitable for most organizations. We do not fund work outside low-and middle-income countries in the Global South. And because our view of systems change requires evidence-informed collaboration between governments and independent organizations, we are unlikely to support work in countries where even basic civic and governance conditions are extremely fraught. We do not fund the “beginning of the story” by supporting critical startups, pilots or innovation incubators. Nor do we support initiatives that have only worked at a smaller scale, or do not have an independent, third party evaluation that shows that the core approach / model / idea(s) at the center of the initiative works and achieves people-centered outcomes. Likewise, we do not fund the “end of the story” where a good idea is already being implemented at large scale and has become or is close to becoming “the new normal”.

So where do we fit? We make a small number of relatively large-sized grants to established organizations with proven ideas in support of their efforts to expand these ideas, change systems, and have impact at a larger scale. We only fund efforts that contribute to achieving outcomes related to health, education, and economic opportunity; which are usually further refined for each round of funding. The initiatives we support tend to have received funding from other donors for many years, have a strong evidence base, and a coalition of support that positions them to shift systems. Our support helps bridge successful pilots and sustainable “adoption at scale” from within the system itself. By helping successful initiatives grow, we also seek to support program partners to prepare for, accelerate, and expand commitments by larger entities, such as bilaterals, multilaterals, and country governments.

Co-Impact offers two stages of support: Stage 1: a “design” grant and limited technical assistance to help organizations advance their work and thinking, and develop/refine a rigorous five-year strategy for systems change. We intend for this support to be helpful to the change initiatives regardless of the Co-Impact's final decision regarding systems change grants. Stage 2: On the basis of the design phase, we will then award a subset of organizations five-year systems change grants, as described below.

DESIGN GRANT	→	SYSTEMS CHANGE GRANT
<ul style="list-style-type: none"> • Intended to help 5-8 organizations advance their thinking and work on systems change, strengthen their partnerships, pressure-test their systems change initiative. • Helps orgs develop a compelling 5-year strategy. • Includes light technical and writing support where needed. • Positions org to raise funds (not just from Co-Impact). • Typically, up to \$500,000 over 6-8 months. 		<ul style="list-style-type: none"> • A sub-set of 3-6 design initiatives are considered for systems change grants. • Intended to help organization(s) advance a systems-change initiative that will benefit millions of people. • Includes support for learning, adaptation, and organizational strengthening. • Typically, \$10-25 million over 5 years. • Typically, meant to cover approximately 25-35% of cost of initiative. • See our web site for descriptions of our first round of grants.

Annex 2: Our (Evolving) Approach to Systems Change

We are interested in how you think about achieving and sustaining change, and do not wish to impose any one model. At the same time, in the interest of transparency, you may find it useful to see how we think about system change. We believe that systems change is most likely to succeed when a strategic, adaptive organization develops a winning coalition to advance a transformative initiative, which targets a specific key fulcrum or leverage point in the system. Our thinking is evolving as we continue to learn from our partners and practice. At present, our approach to systems change has seven key components as follows:

1. Systems change starts with a transformative Idea

We believe that good ideas deserve to spread and scale. Yet not all good ideas are suited to successful systems change efforts. To succeed, the core idea should reflect at least three key components:

- The idea responds to a clearly identified problem that it is trying to solve, including its political and institutional constraints.
- The idea can be phrased in simple terms that people can understand and explain back to you.
- The idea has been shown to work in multiple, similar, real-world contexts and has been validated by independent evidence generated by a credible third party using rigorous methods (even as we acknowledge that a good idea cannot simply be copied and pasted).

2. We do not try to change every aspect of the system, but instead focus on a key lever or “fulcrum”

We recognize that there are different ways to pursue systems change. When trying to make large scale change, it is tempting to comprehensively diagnose and address everything that is wrong with a system. But the challenge with that approach is that it can become overwhelming, prohibitively expensive, complicated, and simply too much to address all at one time. Just like the person who makes 50 New Year’s resolutions might as well have made none and is unlikely to achieve success, we believe that more can be achieved by focusing on what matters most.

Our approach to systems change seeks to influence one aspect of the system that is critical to its core purpose and has the potential to catalytically influence other parts of the system. Just like exercise can help a person deal with diabetes, hypertension, obesity, high cholesterol, coronary heart disease, low energy, weak muscles and poor mental health, we seek to find similar critical levers in global development systems. For example, in education, basic literacy skills not only help children read and do well in languages, they help children achieve the foundation skills and confidence they need for lifelong learning in all academic subjects and decoding work and life. Similarly, trained and motivated community health workers cannot only treat specific illnesses before they get worse, they can help promote awareness and practices that help prevent illnesses in the first place and promote healthy community norms.

In short, we seek to identify and invest in the one key change to the system that is meaningful in itself and can serve as a *fulcrum* for inspiring broader transformation within that same system and/or others like it elsewhere.

In their approach, our Program Partners seek to intervene at scale. Scaled impact is achieved by working on the key levers of systems or platforms that already operate at scale or are scalable. This is not the same as developing a successful pilot in a laboratory and then seeking to find partners to replicate it or “scale up” the successful pilot bit by bit. In our view this latter approach often fails because it is very difficult to replicate the leadership, resources, and quality assurance that were essential to success at a small scale. For example, one can achieve excellent results for some time by having a highly qualified and motivated group of external doctors conduct in-person training for the staff of a community health center to diagnose and treat complex

medical diseases. But it will be impossible to scale up this conventional in-person model to train 50,000 community clinics.

3. Systems change depends upon strategic leadership

We believe that leadership matters and is essential to identifying opportunities, articulating a vision and strategy, assembling the critical team and partnerships to achieve success, and motivating collective action.

Our Program Partners provide the strategic leadership that ambitious systems change initiatives require. They:

- Cut through noise and inertia to focus on what matters most.
- Are purpose-driven and pragmatic; they know how to work with what they have.
- Have a solid track record, integrity, and strong ethical values.
- Have the capacity to work at a high level of scale and sophistication.
- Exemplify both credibility and legitimacy. They have deep roots in and strong relationships with people in the countries where they seek to make change. We seek to work with leaders and program partners who are based in and/or have strong roots in the global south. They put the goal above their and their organization's self-interests.
- Are humble and curious; they recognize the complexity and uncertainty of their endeavor, and seek to continually test and refine their key hypotheses and thereby improve the impact and effectiveness of their work, while still moving forward and not being paralyzed by indecision
- Promote equity in all that they do. Women and disadvantaged groups are represented in leadership and senior positions.

4. Complex systems change initiatives require learning and adaptation

We believe that learning and adaptation are critical to success when addressing complex systems change problems. It doesn't matter how smart and how well prepared one is – faithfully following a blueprint does not work because things are complex and do not go according to plan.

Rather, we support organizations who are willing to test, refine, retest, and adapt their theories of change over time. We believe that this type of learning depends on humility, curiosity and a “beginner's mind” among partners who have the courage to ask, “how will we know if our theory of change is not working”?

This deep commitment to learning must begin with an organization's executive, but must not end there, or be siloed in a “learning department.” Rather, tools and practices that elicit feedback, draw from the data, and adapt must permeate the organization.

Each organization designs its own systems for gathering data and information based on its particular needs, culture, and priorities for learning and continuous improvement. But our experience suggests that, as one part of these systems, successful organizations tend to incorporate feedback processes that allow them to systematically listen directly to the people they ultimately want to serve, and in particular, the women and other groups who tend to be excluded from power and influence. We believe that feedback from the communities who the work is most intended to benefit helps to keep the work focused, informed and accountable to its stated goals. Robust feedback systems like these can also help build a sense of ownership among communities and catalyze a constituency that can help sustain progress over time.

5. Our approach requires a minimally enabling political and institutional environment

People with the greatest need for health, education and economic opportunity often live in countries with difficult political and institutional systems and serious governance challenges. To be successful, our program partners will need to continually assess the constraints, opportunities and risks posed by these institutional realities, and craft pathways of action that are politically astute and flexible. A critical feature of our ongoing

conversation with partners is to understand how they are interpreting and responding to governance concerns. These risky environments also mean that progress will rarely follow a straight line, and that setbacks will be common.

That said, Co-Impact’s approach cannot work well in every context. Our reliance on civil society leadership, commitment to learning using data and evidence, and emphasis on innovation and continual improvement require the presence of at least *minimal civic and governance conditions*. These include respect for basic rule of law; the freedom to organize, associate and expression; a commitment to effective public financial management; and basic transparency and accountability. Many organizations have developed measures to track these aspects; we rely on several of these indices to delineate the countries in which we work.

These minimal conditions should be more robust within the specific institutional context that the systems change initiative targets. For example, we also look for *demand* for change from within the institutions themselves – usually from reform-minded government officials working in partnership with others. Similarly, while we cannot expect that the tough places where we work will be corruption free, our partners driving the systems change effort need to have the highest levels of integrity.

Across the contexts where we work, we examine the ways that women and other excluded groups can participate in a systems change initiative, and how an initiative will affect gender dynamics and inclusion. We believe that meaningful systems change is not possible when women and excluded groups cannot exercise agency, and therefore we do not invest in partners or political and institutional contexts where this is not possible.

6. Systems change requires a winning coalition of key actors

No single organization, no matter how large and powerful, can achieve the kind of ambitious systems change goals we seek. Rather, we believe that an idea requires collaboration among a range of organizations, people, and institutions if it is to take hold and gain traction.

This “winning coalition” need not include everyone. And it does not mean that every key stakeholder is engaged in the same way, or even formally working together. But it should reflect a solid political economy analysis of the diversity of actors, including women and excluded groups, who are needed in order to advance the idea and sustain reform in the midst of the real-world power dynamics of the systems we wish to change. For example, civil society groups often help to model ideas, press for scale and ensure accountability; media can help bring attention to an idea and its promise; technologists can help accelerate change; faith groups can give normative power to an idea, donors can bring much-needed resources, and the private sector can incorporate market-based solutions.

Most importantly, government partners, from within a system itself, almost always feature in a “winning coalition.” Often, these partners are reformers who see the opportunity for change within the system, but do not have the power, resources, or expertise to advance it. These internal government champions are critical to success and provide an “authorizing environment” for other staff to advance an idea. It is these staff – often mid-level civil service implementers – who often do the tough work of operationalizing the change at scale.

Given our focus on public goods, government naturally plays the most crucial role in ensuring the sustainability of the change. But the diversity of the “winning coalition” also plays a critical role. We know that governments, organizations and their leaders change over time. A diverse “winning coalition” helps ensure that an initiative can sustain its momentum despite the inevitable shifts in power and priorities.

Building a winning coalition is no small task. We seek to support our Program Partners as they work to recruit and attract the institutions and organizations who are best suited to advance change in its political context.

7. Systems change requires working on ideas and shifting norms

Successfully changing a system in one place can lead to large scale improvements there; but not just through mechanical replication of a successful intervention. For true and enduring change at scale, it is about an idea and transformation that changes the notion of what is possible, shifts norms and mental models, raises aspirations, and sparks further innovations. These broader changes rarely happen automatically or on its own – they require investments in curators, validators and purveyors of ideas, norms, and mental models in the ecosystem. These may include people who can write and tell the stories of failure and success, credible researchers who can vouch for the validity of the story, a web of opinion makers who continually promote a new norm, and a set of generous practitioners who are open with their time and experience to help others borrow, riff and adapt. Getting this aspect to fly requires attention and priority too.