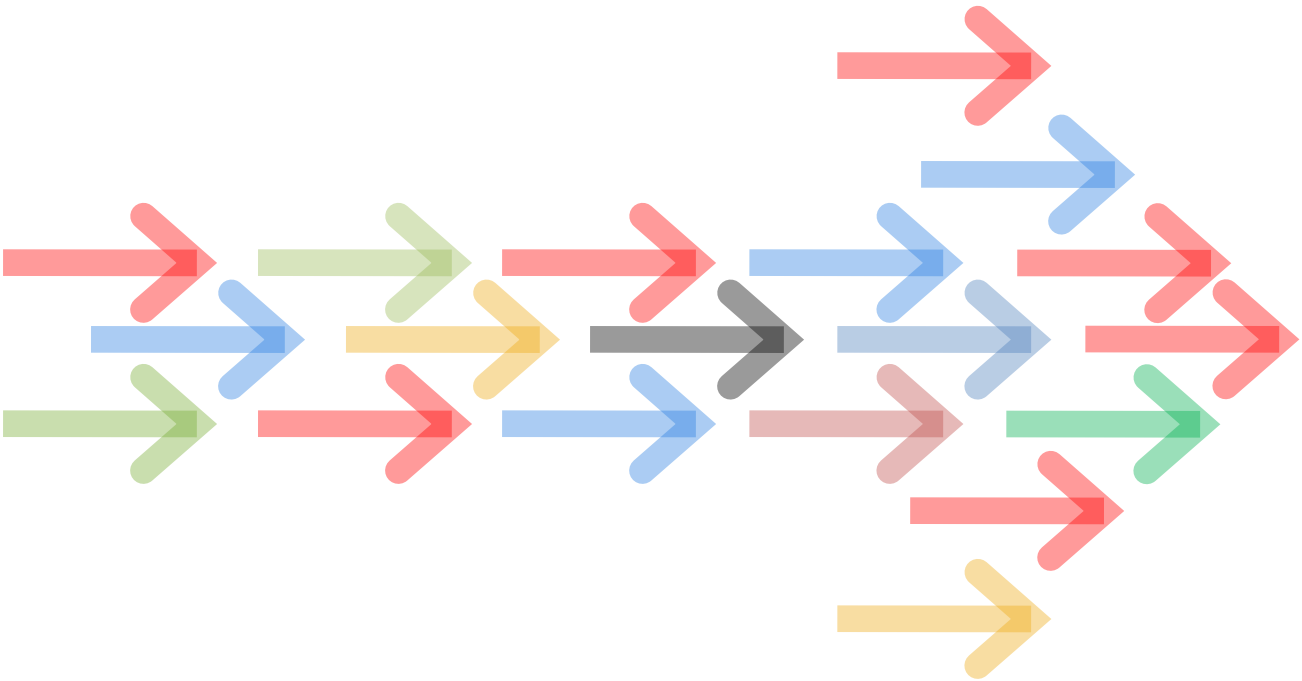
Strategic Review of Collective Impact at Realdania



FSG REIMAGINING SOCIAL CHANGE

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INTRODUCTION

In early 2014, Realdania initiated and financed the establishment of three Collective Impact (CI) groups:

- The countryside as a double resource
- Built heritage in rural areas
- Inclusion for everyone

Realdania's leadership was excited to experiment with CI and to learn how such an inclusive approach could help the organization achieve greater impact.

Less than two years later, the three CI groups have progressed significantly in establishing the conditions for CI and yielded important lessons for Realdania. At the same time, stakeholders involved have learned much about the CI approach and many speak of their experience with enthusiasm.

As its initial funding for these initiatives is coming to a close, Realdania asked FSG, as the champions of the CI approach, to conduct a strategic review of its role in launching and advancing the three initiatives.

The following report captures the results of a document review and over three dozen interviews conducted in January and February 2016. It provides a high-level overview of the progress made to date and recommendations on how Realdania could better support CI efforts going forward.

While this strategic review has looked closely at the three CI groups established in 2014, it is important to note that it is not an evaluation of the initiatives themselves. The focus of this review is learning from nearly two years of work to guide Realdania's future strategy and embrace of CI.

EXECUTIVE SUMMARY

This strategic review captures the positive changes initiated by Realdania's investments overall and the progress made to date by the three CI groups. It outlines five themes which Realdania can learn from to improve its role as funder and initiator of CI groups, as well as more general opportunities at the strategic and organizational levels. Building on FSG's experience with CI globally, a last section also outlines potential next steps for the three CI groups.

Positive changes initiated by Realdania's investments in CI

Only two years into the CI process, it would be unrealistic to expect any concrete impact on the societal issues that the three CI groups are targeting. Nonetheless, Realdania's experimentation with CI has already yielded positive and significant changes on a number of levels:

- Realdania staff and participants across sectors feel they have learned new ways of engaging in social change and are hopeful that it will lead to better results;
- The CI groups have advanced at various rates in understanding problems, defining new solutions, and deploying new approaches with pilot projects at local levels;
- Realdania's leadership in introducing the CI approach in Denmark is igniting interest for the approach beyond the scope of the three initiatives.

The most notable shifts at Realdania tied to the CI experience are an increasing focus on understanding and targeting specific problems, and a greater attention to working more inclusively with

stakeholders. For stakeholders, CI has provided a safe ground for dialogue and developing new "win-win" solutions.

Progress made to date by the three CI groups

At the level of the three CI groups, the most progress has been achieved by *The countryside as a double resource* CI group, as many of the preconditions for CI were present when it began its work: the right champions, urgency for change, and a specific problem definition early in the process. The CI groups *Built heritage in rural areas* and *Inclusion for everyone* were launched without most of these preconditions, and have spent more time on problem definition with different levels of progress.

Insights for Realdania as a funder of CI

Across groups, the review of Realdania's role in catalyzing the CI groups has revealed five areas where practices can be improved. These themes are tied to the life stages of initiatives from inception to ongoing management, and are mutually reinforcing. They may be applicable to planning new investments in CI or for recalibrating investments into the current CI efforts.

Theme 1: Invest in problem definition and set boundaries for CI through research and stakeholder dialogue before launching CI groups. Gaining a more thorough understanding of the problem before initiating a CI group will help in convening the right co-champions with the same urgency and commitment to results. It will also help accelerate the search for solutions and local execution.

Theme 2: Better sequence the mobilization of co-champions and select even more committed steering committee members. Realdania has the opportunity to clearly differentiate between the stakeholders required to define the problem and those required to tackle the problem. Staging the mobilization of stakeholders from more informal to formal committees while problem definition is underway will help identify who is best positioned and able to lead the CI group as co-champions.

Theme 3: Ensure greater support and discipline in establishing and documenting the common agenda, and initiating shared measurement and continuous learning. This will help accelerate understanding within groups and for new potential stakeholders on the nature of the problem (baseline situation), emerging strategies and objectives. Such "guiding star" material helps focus implementation and maintain momentum and learning.

Theme 4: Carefully select the chairs of CI groups and better tailor the backbone support to the problem and objectives. Expect the backbone structure to evolve over time. Process support is not one-size-fits-all recipe; rather, it is initiative-specific, relating, for example, to the local versus national emphasis of action and the degree of progress achieved. Consider funding an interim backbone when needing to balance the need for quick progress and an inclusive selection process.

Theme 5: Be more flexible in determining Realdania's role in the CI group as it advances from inception to implementation. Process and funding needs will naturally evolve for each initiative, and funders that are using CI as a core approach in their strategy can have unique insights into innovative grant-making opportunities. There is an opportunity to inform potential role options through upfront research into the problem, but an adaptive mindset remains essential.

Insights for Realdania as a leader of systems change

As Realdania strengthens its position as a leader of systems change in Denmark, this review has identified four opportunities relevant for Realdania's overall strategy going forward.

Assess which problems require CI and invest in adaptive skillsets: Realdania has an opportunity to more systematically plan where and how to apply CI within the context of its overall strategy. It is not unusual for funders to deploy a portfolio of different approaches to achieve their strategic objectives. Furthermore, Realdania should identify where technical and adaptive strengths are needed among its staff and elaborate how to align and develop these strengths within its organization.

Develop an internal playbook for CI: Realdania has the opportunity to develop an internal guidebook for how the organization engages in CI, elaborating on the five themes mentioned in this document as well as on the topic of evaluating CI. Such a guidebook should place particular emphasis on opportunities related to developmental evaluation to drive social innovation as the basis for systems change.

Invest in developmental evaluation for the three CI groups: Realdania can play an important role in funding and guiding learning processes by introducing developmental evaluation, which will nurture the spirit of trial, error, and adaptation that is at the core of social innovation and ultimately systems change

Invest in a cross-sector learning platform for CI: As many other societal issues in Denmark will also require CI, Realdania has the opportunity to create the resources that will help other funders and actors better understand both the implications of investing in CI and the sequence of steps that are required to make progress. Such an exchange platform could also provide the opportunity for funders to pool funding.

Potential next steps for CI groups

The interviews with stakeholders and staff, as well as FSG's experience with CI globally, suggest a list of next steps for Realdania with regard to recalibrating its investments in the CI groups. Common themes include the need to clarify the link between CI groups and Realdania's strategy and Realdania's role within the CI groups. For *The countryside as a double resource*, there is a concrete opportunity to mainstream grant funding for projects emerging from the initiative. For *Built heritage in rural areas* and *Inclusion for everyone*, a critical next step is to clarify the goal, scope, and desired outcomes, and to rethink the steering committee composition and backbone support accordingly.

1. COLLECTIVE IMPACT DRIVES CHANGE, FOR REALDANIA AND OTHERS

Realdania's investments in CI have all created new outcomes in terms of bringing institutions and leaders together in understanding problems, designing new solutions, and beginning to test these in the field. While progress on the societal challenges targeted by each CI group cannot be expected only 18 months after their launch, interviews revealed a clear excitement about the CI approach and the way it is changing both internal and external mindsets.

A. Mindset shift at Realdania towards more strategic philanthropy

Realdania's engagement in CI has yielded a number of important insights for the organization that have the potential to influence the way it works and creates impact in the future:

- **Achieving large scale social change requires a problem-focused approach and the inclusion of relevant stakeholders in planning and executing new interventions**. Realdania has discovered that it can enhance its impact by supporting the process of stakeholders aligning their efforts around a specific problem, in addition to supporting organizations via traditional grant making and projects.
- **A problem-centric approach is likely to take Realdania beyond its traditional focus on the built environment**, underlining linkages between societal problems and the need for more holistic approaches. For example, the *Built heritage in rural areas* group concluded that it could not achieve as much success without connecting its problem to rural economic development efforts.
- **Leading systems change through CI requires a different skillset than traditional grant making does**. Realdania has realized that leading CI efforts requires moving beyond the technical and deterministic mindset that is strong in its architectural legacy (i.e. the solution to the problem exists and just needs to be carefully planned and implemented), and towards a more adaptive and inclusive mindset (i.e. there is no existing solution to the problem, but a set of solutions will emerge from the process of collaboration).

> *"Realdania has learned a lot, we have greater comfort with uncertainty, the need for baselines and data-based approaches is now recognized. This is a result of the CI thinking."*

B. Strong enthusiasm for collective impact among stakeholders and beyond

Partners in the CI efforts, regardless of the progress made by their group, spoke positively about the CI approach and process. During the interviews, they underlined how the experience has changed their perspectives and the dynamics of collaboration:

- **The process enabled a new level of dialogue between stakeholders** that have traditionally had opposing standpoints (i.e. farmer organizations and environmentalists). Given the premise of CI that solutions can only be found when all stakeholders align on a common vision for change, the dialogue shifted away from people's differences towards the elements that all could agree on.
- **The groups helped break the siloes** that the different stakeholders are used to operate in. Bringing diverse perspectives to the table also allowed participants to see each other's perspectives in a less conflictual way.
- For two of the three groups, **the process introduced new perspectives on the issues and opened the door for new solutions**. For *The countryside as a double resource,* a new

approach to land distribution is being piloted, and the group on *Built heritage in rural areas* will focus on a new holistic approach enabling preservation of old buildings as part of economic clusters.

"This is another way to work now, we are much more involving stakeholders, and also bringing in the economic perspective."

"The CI framework introduced a new set of rules and the premise of needing to reach a common objective allowed to set the politics aside."

"The political struggle continues but we can find certain aspects where it is possible to create win-win solutions. The process allows a new room to talk in a different way."

The interview process also revealed a coherent perception of the progress made and the challenges encountered by the CI groups over the past 18 months. It showed that stakeholders have both a common understanding of the approach and, in most cases, a commitment to the process. This contribution to promoting more structured collaboration on the societal challenges facing Denmark is laudable, and could be expanded going forward by encouraging further exchange with other initiators of CI in Denmark to share lessons learned and potentially even help pool funding and activities.

2. STATE OF CI GROUPS AND PROGRESS TO DATE

The three CI groups have had different levels of success, primarily due to the appropriateness of the issues to the CI approach:

- **The countryside as a double resource:** This opportunity and its context presented the strongest basis for CI. It built on a clearly defined problem and a high level of urgency for change among key stakeholders created by the previous work of a government committee with the same focus. The leaders in this group also expressed a sentiment of frustration with previous efforts and failures as well as conviction in the possibility of finding new solutions. In this sense, Realdania's introduction of the CI approach came at the right moment, providing a new tool to unlock the situation. In addition, the skillsets of the chair and secretariat leader seem to have contributed greatly to the progress of this CI group. They are highly respected, recognized as content experts, and perceived as neutral.
- **Built heritage in rural areas:** This group started without most of the preconditions conducive to CI. While the focus of the group was given, there was no clearly defined problem, and, most importantly, no real sense of urgency for change. This led to the group spending a long time coming to an agreement on a common problem definition. While many perceived this process as long and inefficient, it nonetheless yielded a stronger "theory of change" framework than the others, and a positive sense of achievement among most participants. The initial built environment focus has expanded to include economic development challenges following strong lobbying by the chair. The group also realized that they needed to shift their activities to the local level to make tangible progress, potentially opening the need for a modified role for the national steering committee.
- **Inclusion for everyone:** This group has struggled most with a lack of concise problem definition. While there is clearly a sense of urgency around the topic of social inclusion, the issue is very broad and stakeholders had difficulties agreeing on a common direction and

vision for change. The stakeholders around the table were perceived as too diverse to allow the group to narrow its focus down to a specific issue that would have also been compatible with Realdania's focus on the built environment. The main question for this CI group going forward is how realistic it is, given the composition of the steering committee and some levels of frustration, to align on a common vision for change.

3. KEY INSIGHTS FOR REALDANIA AS FUNDER OF CI

In the course of this strategic review, we have identified five themes that directly relate to the lifecycle of an initial round of funding for a CI process. These themes are likely to recur during any new CI effort that Realdania may be planning, and provide guidance for recalibrating investments in the current CI groups.

A. Theme 1: Invest in problem definition and set boundaries for CI

Insights:

While most interviewees expressed high appreciation for Realdania's commitment to an inclusive problem definition process, many identified difficulties with this approach due to a lack of clarity around the boundaries for the problem and guidance on Realdania's expectations.

In the CI groups of *Inclusion for everyone* and *Built heritage in rural areas*, Realdania convened stakeholders around issues without clearly indicating which problem they intended these groups to solve. In both cases, the steering committees were composed of a diverse set of national stakeholders, but in the absence of a concise problem definition, a sense of urgency for change and the presence of champions for a specific problem, they had difficulties agreeing on the challenges to be addressed and a common vision for change.

For the CI group *The countryside as a double resource*, the preconditions for CI were given. There was a shared understanding of the problem among the stakeholders. The previous work of the government committee on the same subject had created a sense of urgency, and Jørn Jespersen, as the previous head of the government committee, was already positioned as a credible champion.

All three CI groups are now moving to the local level either to validate and evolve their framework of change, or to better identify and define the problem based on concrete examples. It seems that Realdania could have saved time, increased momentum and facilitated more targeted discussions within the steering committees by investing in better understanding and scoping the problem for each of the CI groups before initiating them.

> *"When we started there were a lot of issues we could work with. The question was how the built environment could help people that are socially challenged. This was hard to define, are we talking about people who are physically disabled or do we broaden the scope to all vulnerable people? How do we connect the built environment with social problems?"*

"The initial idea from Realdania was to try to test the [CI] approach and get to know how it can function in Denmark and be adapted to the Danish context. But especially when we speak about inclusion, respect for the diversity of mankind, this fluffy thing where you are not specific about what you work on, there is a need for a clear direction. So we have been spending 18 months trying to see what is actually going to be the problem that we are going to work on."

"We gathered a lot of people who were reluctant to provide a standpoint. So we used a lot of time to point out what we could work on, but they couldn't agree on any common goal. If we had had an area to focus on, it would have been quicker."

"Usually you get a problem and you choose the methodology to solve it. We were given a methodology and asked to apply it."

"I think we spent quite some time on discussing project ideas that basically turned out to be a no-go. There was a bit of a gap in terms of what the group wanted and what Realdania was able to support. That killed the energy from time to time."

Opportunity for Realdania:

Going forward, Realdania has the opportunity to be more intentional about understanding the problem it wants to solve. It is important to underline that an inclusive visioning process is critical to ensuring ownership among stakeholders. However, in the absence of a clear problem description based on data and research, there is a significant risk that CI groups will struggle to build consensus and maintain momentum. The following table illustrates the kind of questions Realdania should consider prior to launching new groups:

Research Activities	Key Research Questions
Analyze problem landscape and collect data	• What are the root causes of the problem, and where are the gaps or blockages in the system (data-based)? • Who are the key actors? • What are existing initiatives and how successful are they?
Map the system	• What are the various actors' roles • What are the connections between these actors and are they functioning correctly? • What are the power structures in the system?
Set boundaries	• What are the opportunities for a CI group? • How does it relate to Realdania's focus areas? • Who needs to be involved?
Validate preconditions for CI in place	• Is there a sense of urgency for the problem? • Is there an influential champion? • Are there existing cross-sector collaborations?

Realdania has the opportunity to gain a more thorough understanding of the problem before initiating CI groups. This initial research process can include stakeholders' perspectives but should precede the launch of a CI group, as it defines problem boundaries and identifies the right actors.

B. Theme 2: Convene a dedicated group of actors

Insights:

With the intention to create momentum for the CI approach, Realdania convened stakeholders right from the start for the three CI groups based on existing networks and relationships, as well as steering committee members' expertise and track record. Selection of these stakeholders, however, was not based on a systems and stakeholder mapping process, for example, that would have defined which actors were most linked to a specific problem and most infused with a sense of urgency to try new approaches. An alternative might have been an earlier pivot to local stakeholders for *The countryside as a double resource* or B*uilt heritage in rural areas*, for example, or a different set of actors more focused on the elderly in the *Inclusion for everyone* group.

> *"I think they [Realdania] wanted an open democratic process. But in reality, it is difficult to take 25 people together in one room and let them decide on a common project. Maybe it would have been easier if they had come with a strong hypothesis on what needed to happen."*

Opportunity for Realdania:

Identifying the right set of actors for a CI group is a continuous process. Realdania has the opportunity to clearly differentiate between those stakeholders required to *define* the problem and those required to *tackle* the problem. While the former should be included in problem definition, the latter need to be carefully selected for a first convening. Our experience has taught us that starting with a small group of highly engaged co-champions is often more effective than trying to achieve complete inclusiveness from the outset. The initial group of actors can always be extended in the course of the process.

Given that most systemic challenges require policy changes at some point, it can be important to achieve national concertation before enabling CI initiatives at the local level. But depending on the problem, it can also be beneficial to start with specific local problems and only later seek national concertation around the issue based on the success at the local level. The research and systems mapping described under Theme 1 can help identify the most appropriate point of entry, the sequence of engaging local and national stakeholders, and the degree of interaction between the two levels.

Realdania has the opportunity to select even stronger steering committee members and backbone leaders following more rigorous problem definition and stakeholder mapping.

C. Theme 3: Ensure a documented common agenda and shared measurement systems

Insights:

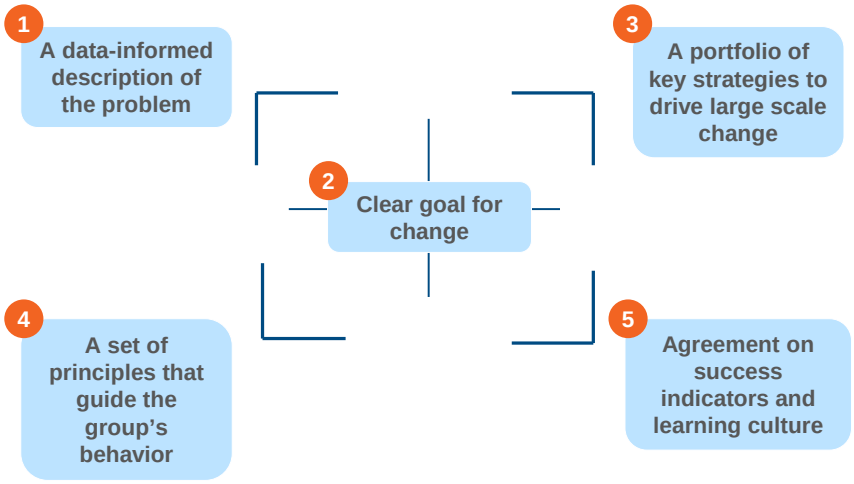
The document review and the interviews revealed that only one of the CI groups has developed an articulated framework of change. A precise common agenda serves as a reference point that helps each actor to understand "where do we want to go" and "how are we going to get there." Without such a documented common agenda, there is a risk that the consensus and momentum achieved among stakeholders can get diluted over time as stakeholders return to "business as usual." Furthermore, without a precise common agenda, it is more challenging to onboard new actors or seek new resources from funders that have not been involved in the CI group from the beginning.

A strong baseline, specific outcomes and success indicators also provide the basis for shared measurement systems, a critical success factor for CI. While the CI groups seem to have built on a favorable tradition among stakeholders of authentic exchanges and trustful collaboration, they seem less at ease with data-based problem definition, clear target setting and rigorous measurement. *The countryside as a double resource* group, at this stage, is the most advanced in developing a common evaluation framework through university partnerships.

Opportunities for Realdania:

When engaging in CI, alignment on a common agenda is often a long process and its conclusion usually marks the launch of a CI group. As funder of the process, Realdania can leverage its position to ensure a guardian role for the rigorous development and documentation of the common agenda.

A strong common agenda includes five key elements, as shown in the illustration below:



In addition, Realdania should make sure that CI groups start building shared measurement systems early on. Tracking progress and continuous learning is critical to ensuring maintenance of the momentum within the CI groups once they move into action. For the existing CI groups, it will be crucial to recalibrate the role of the steering committees from defining the issues towards championing the learning process. A recent article[1] in *Stanford Social Innovation Review* underlines the importance of nurturing the momentum of CI initiatives over the long term by involving steering committees actively in the learning process.

The value of developing shared measurement systems for CI initiatives is often underestimated. In general, there are four points of advice for this topic:

- Don't wait: Start planning now for measurement and evaluation, and how you will learn from it.
- Invest: Provide sufficient financial and logistical support (including personnel) for shared measurement and evaluation – it's worth it!
- Be inclusive**:** The process of getting a broad set of partners to jointly identify shared measures is as important as the measures themselves. This takes time.
- Shared measurement alone is not sufficient**:** Be intentional about focusing evaluation on developing a culture of continuous learning (*see 6.A. ii. for recommendations on developmental evaluation*).

[1] "Second-Generation Collective Impact", *Saphira M. Baker and Kelly King Home*, SSIR Feb 2016

Going forward, Realdania has the opportunity to ensure that all elements of the common agenda are developed and documented before a CI group moves to the next step, and that shared measurement and continuous learning are anchored in the process from the outset.

D. Theme 4: Custom design the backbone support and carefully select the chair of CI groups

Insights:

Overall, the selection of the chair and secretariat leaders happened very early in the process. This worked well in *The countryside as a double resource,* as both individuals had expertise and legitimacy in the field targeted. In the other groups, the longer problem definition process naturally created a gap between the leaders' profiles and the emerging focus of the initiatives. Some interviews, in addition, revealed different levels of satisfaction with the process leadership skills of both chair and secretariat leaders.

"Realdania and the backbone are the key for success as they provide the framework and ensure the process. It is important that the backbone has the muscle to provide the level of support that it does."

"The backbone leader was very well chosen as she is highly qualified in the initiative's thematic area and has leveraged her own network to make progress."

"The role of the chairmen has been very important, despite their relative strengths and weaknesses. Their different backgrounds and skillsets are not always conducive for balancing co-creation and making progress."

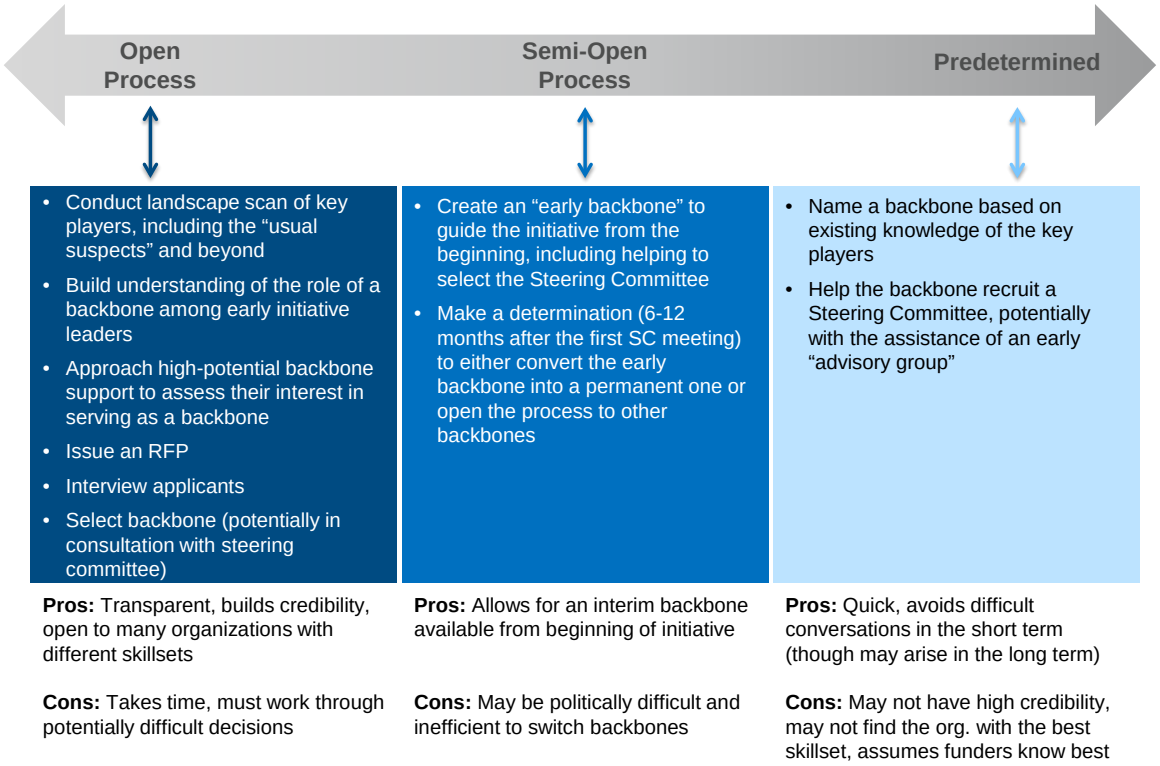
"We believe that the steering committee has too little influence on the process. We feel we must accept the already decided."

Opportunity for Realdania:

Elaborating the appropriate leadership and support structure for a CI group is an important process. This is not a "one size fits all" process and going forward, Realdania should consider supporting interim facilitation positions until a common agenda and natural leaders have emerged, and pushing the establishment of the backbone to a point when there is greater clarity on the profile required for its leader.

In general, decisions regarding whom to select and when to select them will be context-specific. In a predefined context with clear boundaries, an early choice of the backbone leader will favor quicker progress. When initiating a CI group on an issue with no predefined boundaries, it may be prudent to work with interim positions or make sure that choices are accepted by the stakeholders engaged early on in the initiatives.

The illustration below depicts three possible scenarios based on the level of predefinition of the scope of the CI group.



In the future, **Realdania should weigh different approaches to how and when to select CI group leaders. Given that in all CI groups there is a tendency to move to the local level, Realdania can also use this moment to assess the appropriateness of the existing structures and think about how they can deliver more comprehensive and integrated support to the work going forward.**

E. Theme 5: Consider different role options within CI groups

Insights:

While the intention of introducing the CI approach to Denmark is highly appreciated and recognized, the interviews revealed a tension around Realdania's role as process funder rather than strategy setter or grant maker. Realdania established a clear principle that its investment would focus primarily on supporting the process and creating the conditions for CI. However, internal and external interviewees questioned the link between the CI groups and Realdania's overall strategic objectives. Realdania's intent was to experiment with a novel approach in ways that are thematically aligned with its program areas, rather than either embracing CI around issues not traditionally targeted by the organization or wholeheartedly committing to it as the best way to fulfill pre-determined program objectives. Focusing the organization's CI work on "non-Realdania" issues would have made it clear to the internal audience that the focus was on learning, as well as showing external audiences why the organization only supported process and secretariat activities. Focusing CI on executing strategy, on the other hand, would have made it equally clear to stakeholders which expertise and resources Realdania could deliver in steering committees and for execution.

"Maybe we didn't work enough about when and how to do it (CI) before choosing the three programs."

"I think it would be a good idea for Realdania to conjoin their range of projects involving the built heritage in rural areas to see how these projects could support the efforts made in that CI group."

In reality, Realdania has not always played a neutral role in the steering committees. For example, it has suggested problem definitions when groups have been struggling, and it declined to support the first project identified by the *Inclusion for everyone* group. And Realdania is currently acting selectively as grant maker for *The countryside as a double resource* to pilot new land distribution processes, although strong lobbying by the chair of the initiative was required for Realdania to assume this role. Choosing the middle ground created ambiguity, if not outright confusion: would Realdania still support the work if the scope went beyond the built environment, which it did very quickly? Would Realdania in fact give grants to the groups beyond process funding? Should program officers really attend steering committee meetings as observers or active participants? Should they integrate insights from the groups into their program strategies?

"I think it is very important to make a clear distinction between the funder's roles as a funder and as a participant in the process. If Realdania as a funder is part of the steering committee, then they need to provide knowledge and expertise."

"I think what Realdania has done is very impressive. Before, they used a lot of money to build buildings. The way they have supported our CI group and the backbone structure is very noble. They have supported us with their communication capacity and they have also provided access to their large network, and that is very helpful."

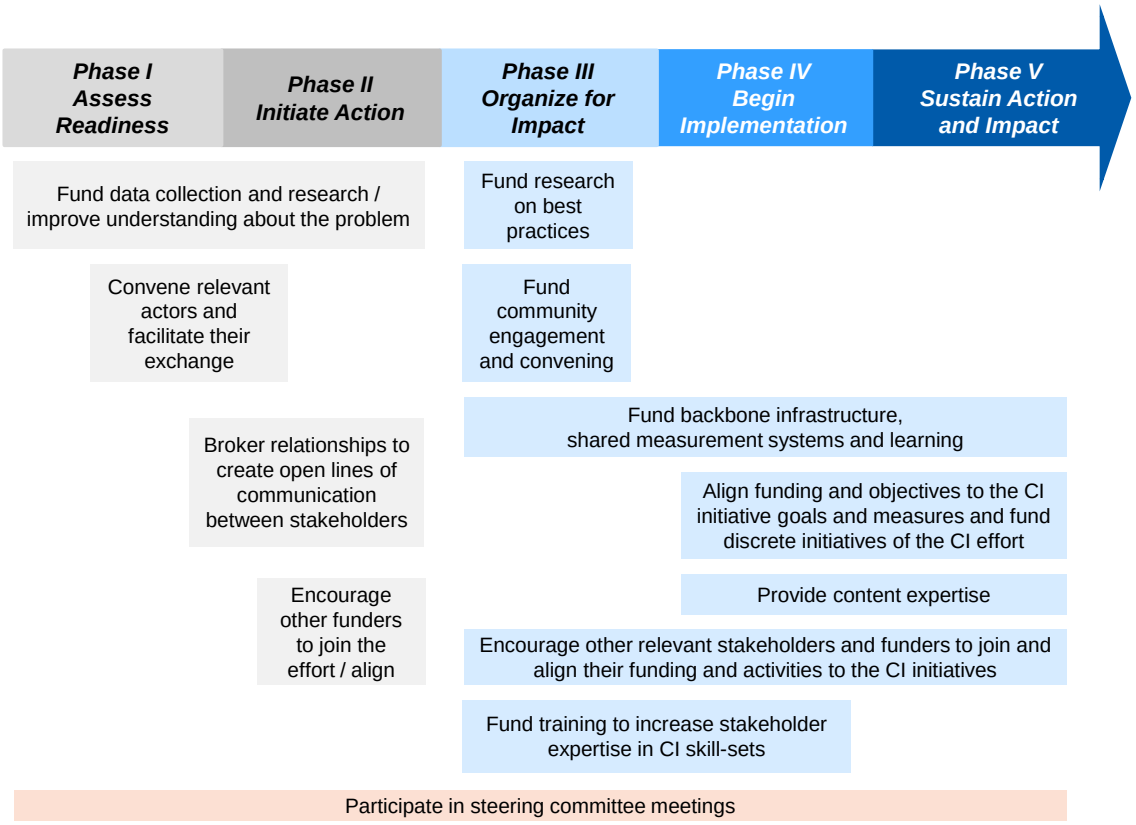
"Realdania should initiate the work but don't intervene too much – they should stay the rich uncle, bring the money, make sure we spend it responsibly and then wait for the results."

"We have a huge problem: we say that the CI initiatives are not Realdania but everybody else thinks it is the case. We have to be smarter in positioning ourselves especially in view of the expectations by the stakeholders that Realdania's involvement means that there will be automatic funding. We also need to learn how to express our opinion without influencing the co-creation."

Opportunity for Realdania:

When engaging in CI, funders need to demonstrate a high level of flexibility in order to provide support that drives progress. **While Realdania will always need to adjust its role with regard to emerging issues, initial planning about how each CI group relates to program area strategies would clarify intentions and allow for a more "eye-to-eye" participation within the steering committee.**

Realdania has imposed unnecessary rigor on its role in the CI groups. It could instead assume various roles based on the progress of each initiative and their evolving process support needs, as well as emerging grant-making opportunities that align well with its strategy. As depicted below, funders can take different roles within the CI process: convener and mobilizer, content expert, funder of the process and activities, capacity builder, policy advocate, community expert, or mission-related investor.



4. KEY INSIGHTS FOR REALDANIA AS A LEADER OF SYSTEMS CHANGE

A. Suggested next steps for CI at Realdania

While CI is clearly part of Realdania's overall strategy, the experimentation with the three groups has happened mostly on the margin of Realdania's program areas. As outlined in Theme 5, this created confusion among both Realdania staff and participating stakeholders. At this stage, Realdania has no coherent framework to guide the organization's decision making on how to integrate the CI projects into its overall portfolio or what to fund once each project has been launched.

Another issue that emerged from the interviews is Realdania's need for targeted internal capacity building to better support the CI groups. There is an acknowledgement that the skillset required for CI differs from the one that Realdania has traditionally developed for its program areas and grant making.

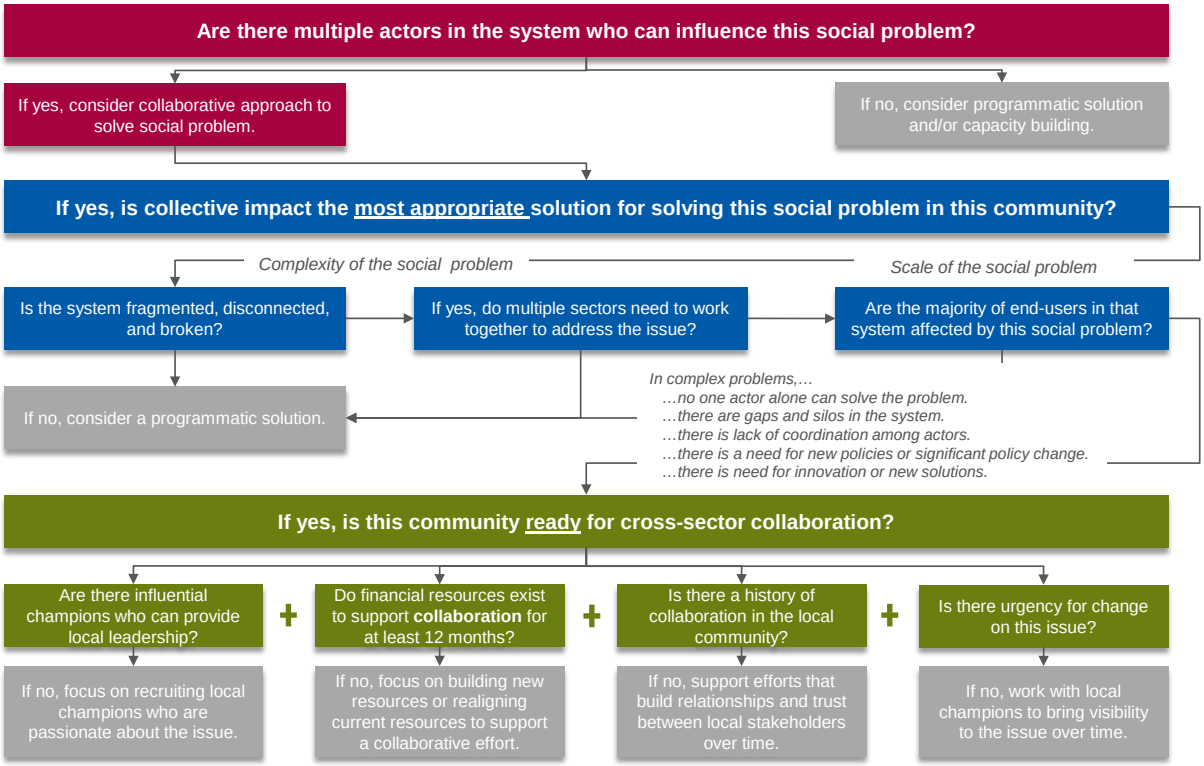
> *"Each time we made a strategy, we fitted our own development into the strategy. This time, we were ahead of where we were in our capacity development. And now we are behind and we have to learn up to achieve the strategy."*
>
> *"We have overestimated our own capacities and that Realdania as an organization might not be ready to accept what this new tool means for the way we are working. This was reflected in our difficulties to formulate a specific problem that we want to solve."*

Opportunity for Realdania:

i. Assess which problems require CI and invest in adaptive skillsets

There is a large set of approaches for funders, from grant funding and resourcing proven solutions to leading systems change with CI. The choice of the right approach is often guided by the nature of the problem. It is not unusual for funders to apply a portfolio of different approaches to reach their various strategic objectives.

Not every problem requires CI. Complicated problems often demand cross-sector collaboration, but not necessarily with the same level of investments in process and adaptive leadership as more complex problems. In the future, once Realdania has clearly defined the social problem that it wants to target and has set specific objectives for the change it wants to create, it could apply the type of decision tree illustrated below to understand if the problem requires CI or a different approach.



Realdania has an opportunity to more systematically plan where and how to apply CI within the context of its overall strategy. This should also lead to greater clarity on how and in what form Realdania contributes to the CI process.

Different philanthropic approaches involve very different skillsets. Traditional grant making requires a high degree of technical knowledge, project management, and planning skills, in order to assess the viability of grant proposals and manage their implementation. Leading systems change with the CI toolkit, on the other hand, demands more adaptive strengths. The characteristics of the latter are often counterintuitive for people who have worked on traditional grant making for most of their careers:

From	To
The idea that technical solutions exist and just need to be applied	The acknowledgement that solutions emerge from the process
The conviction that content expertise is the key to success	The realization that the context often primes content, and that expertise on how to navigate the context is equally important
The expectation that there will be one solution to a problem	The acceptance that the problem will be solved by a portfolio of solutions that are mutually reinforcing
The expectation that success has to be credited to one's own actions or organization	The understanding that success needs to be credited to the initiative as a whole

Realdania has the opportunity to identify where technical and adaptive strengths are needed among its staff and elaborate how to align and develop these strengths within it organization.

ii. Develop an internal playbook for CI

Besides the five themes mentioned earlier, there is a significant amount of practical guidance that Realdania can provide to its program staff involved in CI and also use for internal capacity building. **Realdania has the opportunity to develop an internal guidebook for engaging in CI, elaborating on the five themes mentioned in this document as well as the topic of evaluating CI.** Building on the lessons learned from the three CI groups and other CI initiatives, the guidebook can provide a detailed manual for each stage of a CI effort, including recommendations for program staff based on different role options as a funder. These recommendations could be directly applied to the process of fine-tuning investments in existing CI groups.

iii. Invest in developmental evaluation for the three CI groups

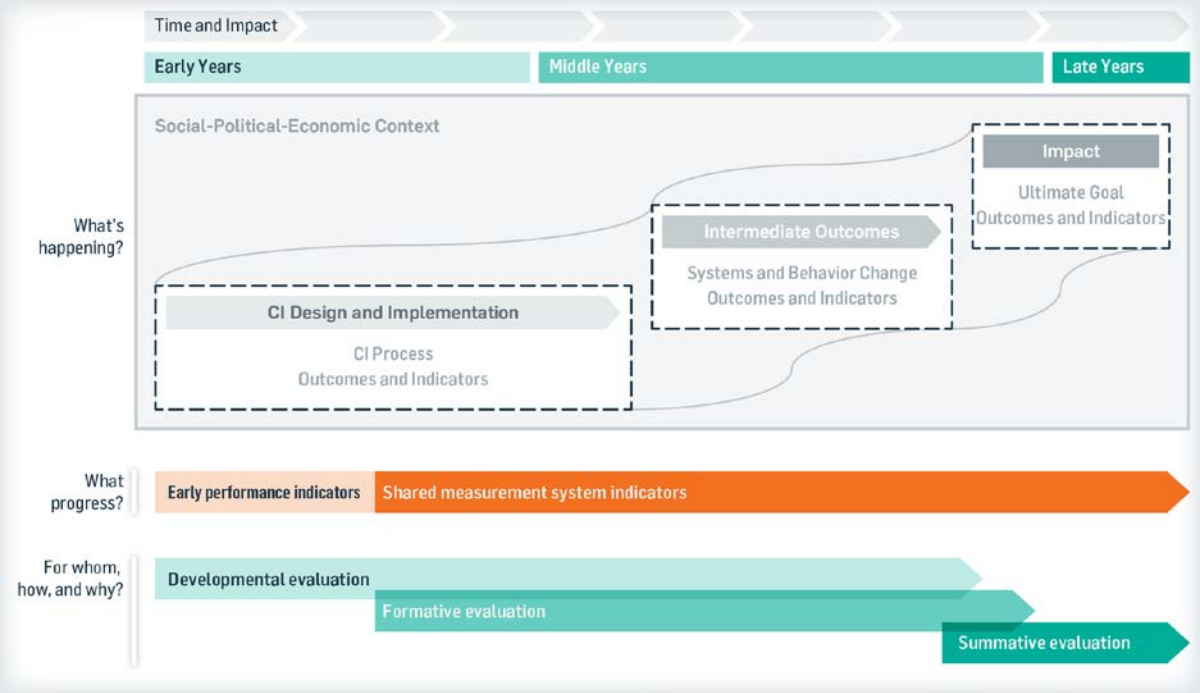
A particular aspect that this strategic review has mentioned only briefly is the importance of continuous learning in CI and the different ways in which funders can support this process. The illustration below shows how CI initiatives typically evolve over time and what evaluation and learning should focus on, as well as what type of evaluation should be applied.

Different evaluation methods are appropriate for the different phases of a CI initiative. Realdania can play an important role in funding and guiding learning processes by introducing developmental evaluation, which will nurture the spirit of trial, error, and adaptation that is at the core of social innovation and ultimately systems change. This is particularly important in the early years of an initiative.

What is developmental evaluation?

Developmental evaluation informs and supports innovative and adaptive development in complex dynamic environments. Developmental evaluation brings to innovation and adaptation the processes of asking evaluative questions, applying evaluation logic, and gathering and reporting evaluative data to support project, program, product, and/or organizational development with timely feedback. (Patton, 2011a)

See also "Evaluating Social Innovation" by Hallie Preskill and Tanya Bear, 2012



When a social change effort requires major disruptions to a current system, developmental evaluation focuses on how small innovations can lead to more significant changes to the larger system. Evaluators track and collect information on emergent patterns, relationships, feedback loops, and energy as the initiative is designed and implemented. Understanding how the various systems interact, adapt and change in response to the environment is critical to supporting larger scale implementation of a social innovation.

Especially for the three CI groups going forward, Realdania has the opportunity to include developmental evaluation into its portfolio of targeted process support.

iv. Invest in a cross-sector learning platform for CI

As funders in Denmark and across Europe are experimenting with CI as a toolkit for systems change within their respective local contexts, there is an opportunity for a more structured exchange on the lessons learned. Realdania has clearly positioned itself as the leader of the CI approach in Denmark and would therefore be well positioned to spearhead such an investment.

Meaningfully supporting CI requires long-term engagement and more adaptive resource allocation from funders. Realdania will only be able to meaningfully support a limited number of CI efforts. **As many other societal issues in Denmark will also require CI, Realdania has the opportunity to create the resources that will help other funders and actors better understand both, the implications of investing in CI and the sequence of steps that are required to make progress.** Such an exchange platform could also provide the opportunity for funders to pool funding for CI efforts on specific problems, and for actors and local champions to approach potential funders for their support.

5. LIST OF POTENTIAL NEXT STEPS FOR CI GROUPS

The following outlines a number of potential next steps for each CI group, building on the interviews with stakeholders and staff. It needs to be underlined again that these suggestions do not result from a thorough evaluation of the initiatives, but from FSG's experience with CI globally. **Realdania has the opportunity to carefully recalibrate its investments along the five themes and the more general strategic recommendations mentioned above to ensure that its support drives progress.**

- For the CI group ***The countryside as a double resource***, Realdania has the opportunity to adjust its role based on a clarification of how the CI group relates to its strategy. We believe that there is a potential to consider mainstreaming grants for projects emerging from this initiative (Theme 5) as Realdania gains unique insights into grant funding opportunities. With regard to process support, the initiative will require increased support to ensure sufficient backbone support for the local initiatives (Theme 4). We would suggest that the establishment of local backbones is necessary. Furthermore, the initiative needs to strengthen its common agenda and ensure shared measurement and continuous learning (Theme 3), ideally including developmental evaluation.
- The ***Build heritage in rural areas*** group has accomplished an important step by agreeing on a common framework for change. As a next step, it will be important to clarify the goal, scope and the desired outcomes of the group (Theme 3). As the group moves to the local level to test the framework of change, we believe it will be important to rethink the composition of the steering committee to better reflect the problem focus and the different geographies where the group will operate (Theme 2). It will most likely be necessary to adapt the backbone structure to fit the local engagement process (Theme 4).
- Defining a way forward for ***Inclusion for everyone*** demands as a first step an assessment of the relevance of this CI group to Realdania's strategy. Clarification on this point will allow understanding whether or not it makes more sense to continue the initiative, or to relaunch it (i.e., with a focus on the elderly in line with the program area *Space for everyone*). As for the currently-emerging scope of the CI group, Realdania should assess whether it requires a CI process or more of a strategic alliance or joint program. In general, it seems important to clarify the goal, scope, and desired outcomes of the group (Theme 1 and 3) and then rethink the composition of the steering committee to better reflect the targeted problem and potentially the geographic focus (Theme 2).

6. APPENDIX

A. Documents reviewed

Collective Impact at Realdania

1. Realdania*, Collective Impact*, Copenhagen: Realdania (2015)
2. "Collective Impact at Realdania – Evaluation: Core themes and questions"
3. Memo: "Memorandum on ideas for the development of Collective Impact at Realdania"
4. Mid-term evaluation: "Mid-term focusing on steering committee composition"
5. Mid-term evaluation: "The overall picture of partner satisfaction"
6. Realdania, *Realdania: Development and Change*
7. "The Transverse Secretariat – Collective Impact"
8. www.collectiveimpact.dk

The Countryside as a Double Resource

1. Agenda for first meeting of Environmental Plans Working Group
2. Agenda for second meeting of Environmental Plans Working Group
3. Agenda for third meeting of Environmental Plans working Group
4. Agenda for first meeting of Land Consolidation Working Group
5. Agenda for second meeting of Land Consolidation Working Group
6. Agenda for third meeting of Land Consolidation Working Group
7. Agenda for fourth meeting of Land Consolidation Working Group
8. Agenda for fifth meeting of Land Consolidation Working Group
9. "Better use of open country: How do we exploit the full value to society of the countryside?" (Realdania handout)
10. Board Meeting Agenda, 24 November 2014
11. Board Meeting Agenda, 2 February 2015
12. Board Meeting Agenda, 26 March 2015
13. Board Meeting Agenda, 10 September 2015
14. Board Meeting Agenda, 3 December 2015
15. Board Meeting Study Tour Agenda, 4 June 2015
16. "Evaluation of Collective Impact working method used in the development of common solutions for 'The countryside as a double resource'"
17. Initiative Terms of Reference
18. Letter: "Denmark can take better advantage of the positive incentives in the EU's common agricultural policy"
19. Letter: "Land consolidation can provide a better framework for nature and farming"
20. "Points for the evaluation of the working group on agreement-based land consolidation"
21. "Project presentation: Better opportunities for nature in the agricultural landscape"
22. "Project presentation on land consolidation"
23. Seminar Agenda, "How do we utilize the full value to society of the countryside through land consolidation," 9 December 2015

Built Heritage in Rural Areas

1. Agenda for study trip to Hjørring, 20 April 2015
2. Board Meeting Agenda, 2 October 2014
3. Board Meeting Agenda, 19 January 2015
4. Board Meeting Agenda, 22 June 2015
5. Board Meeting Agenda, 7 September 2015
6. Board Meeting Agenda, 30 November 2015

7. Comments from Birthe Luel
8. Initiative Terms of Reference
9. Memo: "Collective impact – additional funding"
10. Mid-term evaluation: "CI built heritage in rural areas"
11. "Project plan model 24 November 2015"
12. Realdania, *Screening of built heritage in rural areas,* Copenhagen: Realdania (2015)
13. "Built heritage in rural areas: Prioritization and development of cultural environments in two municipalities"

Inclusion for Everyone

1. Board Meeting Agenda, 21 January 2015
2. Board Meeting Agenda, 26 February 2015
3. Board Meeting Agenda, 29 April 2015
4. Board Meeting Agenda, 17 June 2015
5. Board Meeting Agenda, 11 August 2015
6. Board Meeting Agenda, 3 November 2015
7. Board Meeting Agenda, 26 January 2016
8. Initiative Terms of Reference
9. Memo: "Proposal for a forward focus for Collective Impact Inclusion for Everyone"
10. Memo: "Status of preliminary analyses of the focus areas Sundholm neighborhood and Inequality in Health in Kalundborg Municipality and Vordingborg Municipality"
11. Oxford Research, *Gaining input from Collective Impact Inclusion for Everyone*, Copenhagen: Oxford Research (2015).
12. "Overview of meetings and milestone plan for the work of the Collective Impact Inclusion for Everyone"

B. List of interviews

Interviewee Name	Position
Anette Laigaard	CEO of Social Services, Copenhagen Municipality
Anker Madsen	Head of Department of Politics, Danish Outdoor Council
Anne Skovbro	Executive Director of Philanthropy, Realdania
Astrid Bruus Thomsen	Head of Program, Cities for People, Realdania
Birgitte Lundblad	Head of Department of Urban Renewal and Development, Ministry for Immigration, Integration, and Housing
Bjarne Hansen	Consultant, Organic Denmark
Bo Fisker	Project Manager, Danish Gymnastics and Sports Associations
Christian Andersen	Head of Program, Living Built Heritage, Realdania
Dorthe Eberhardt Søndergaard	Managing Director, Ministry of Health
Eske Groes	Chief Advisor, KL – Local Government Denmark
Gøsta Knudsen	Chairman, Built Heritage in Rural Areas
Hans Peter Svendler	Former Executive Director of Philanthropy, Realdania
Helga Grønnegaard	Head of Secretariat, The Countryside as a Double Resource
Helle Lassen	Member, KTC – Association of Municipal Engineering
Henrik Mahncke	Head of Analysis, Realdania
Jann Sjursen	Chairman, Council for Socially Marginalized People
Jørn Jespersen	Chairman, The Countryside as a Double Resource
Karsten Wandall	Project Manager, Vejle Municipality
Keld Andersen	Head of Department of Agriculture and Water, KL – Local Government Denmark

Interviewee Name	Position
Kirsten Bjerg	Development Consultant, Norddjurs Municipality
Lars Brinch Thygesen	Environmental Consultant, Danish Sport Fishing Federation
Lars Hvidtfeldt	Vice Chairman, Danish Agriculture and Food Council
Lennie Clausen	Head of Program, Innovation in Construction, Realdania
Marianne Fisker	Forest and Landscape Engineer, Jammerbugt Municipality
Mette Margarethe Elf	Head of Secretariat, Collective Impact
Mia Sabine Berle	Town Planner, Skive Municipality
Michael Lauenborg	Chief Advisor, Agency for Culture and Palaces
Nina Eg Hansen	Managing Director, Ministry of Social Affairs and the Interior
Per Schulze	Head of Program, Space for Everyone, Realdania
Peter Hee	Chairman, National Association for Landscape and Building Culture
Rie Søgaard	Head of Secretariat, Built Heritage in Rural Areas
Steen Kjær Jensen	Vice Chairman, National Association of Villages in Denmark
Stig Langvad	Chairman, Inclusion for Everyone
Stine Lea Jacobi	Head of Program, Denmark – Land of Opportunities
Sven Koefoed-Hansen	Director, Næstved Municipality
Tanja Kaiser	Project Manager, Ringkøbing-Skjern Municipality
Thyge Nygaard	Agricultural Policy Officer, Danish Society for Nature Conservation
Trine Eide	Chief Planner, Danish Agriculture and Food Council