

THE CHEN YET-SEN FAMILY FOUNDATION

# CHINA GRANT-MAKING PROGRAM REVIEW

LESSONS LEARNED AND RECOMMENDATIONS FOR THE FUTURE OF CYSFF GRANT-  
MAKING PROGRAM IN MAINLAND CHINA

## EXECUTIVE SUMMARY

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This report presents four sets of key findings and proposes four recommendations based on a two-month review of the Grant-making Program of the Chen Yet-Sen Family Foundation (CYSFF) in mainland China. The program review seeks to learn from the project experience, challenges, needs and perspectives of six former Shanghai-based grantees of the Foundation, and to help inform and shape the future Grant-making Program in the mainland. Specifically, the thematic scope of the review was confined to childhood reading and capacity building of non-profit organizations. With regard to the research methodology, the program review adopted an inductive approach using qualitative research methods, which encompassed semi-structured interviews, review of different types of secondary data as well as observation of some project activities. In particular, the data collected and analyzed from the interviews of the six grantee participants as well as the CYSFF Executive Team have been critical to this study.

### **KEY FINDINGS OF THE PROGRAM REVIEW (SECTION 2)**

#### **1. Grantees' Knowledge of CYSFF "Happy Reading" and "Free Voluntary Reading" Concepts and Related Findings (Section 2.1)**

It was found that the grantee participants had different extent of knowledge of the CYSFF concepts of "Happy Reading" and "Free Voluntary Reading". In general, that extent appeared to positively correlate with the extent to which they participated in relevant CYSFF events and interacted with CYSFF personnel. In addition, it was found that even for those grantees that were unfamiliar or less familiar with the CYSFF concepts, they shared similar beliefs and ideas as the Foundation.

The findings led to the conclusion that there were proven factors within the control of the Foundation that could potentially enhance grantees' knowledge of the CYSFF concepts and align their missions and visions with those of the Foundation more closely. The factors included the rigorous initial grant-making process to identify like-minded grantees, and subsequent CYSFF influence and support in the forms of active interaction with grantees and engagement of grantees in CYSFF events and activities.

## **2. Grantees and Project Relevance, Sustainability and Effectiveness: Consideration and Practice (Section 2.2)**

Two key findings have been identified in regard to how “relevance”, “sustainability” and “effectiveness” were considered and put into practice by the grantees in their projects. First, the review found that the grantees progressively considered the three development concepts in their projects with increasing depth. This could be attributable to the accumulation of project experience, lessons learned and resources as the grantees developed from the start-up stage to the growing stage (Section 2.2.1). Secondly, based on the analyzed data, all the grantees put the three development concepts into practice in one way or another. Moreover, relevance and effectiveness appeared to be most and least evident in actual practice respectively (Section 2.2.2).

In the report, the findings relating to each of the three development concepts in actual practice are also elaborated.

### **(1) Relevance in Actual Practice (Section 2.2.2.1)**

All the grantee participants seemed to have translated their understanding of relevance and its importance into action to a certain extent. Among others, this was demonstrated by conducting formal or informal needs assessment; building child-friendly and developmentally appropriate reading or library resources; and adapting approaches to suit local contexts and needs.

### **(2) Sustainability in Actual Practice (Section 2.2.2.2)**

Despite facing significant challenges, there were still some commendable attempts to promote project sustainability in actual practice by the grantees, albeit less evident compared to the case of project relevance. Several good ideas and practices in various aspects of sustainability, notably technical and operational sustainability, are presented in the report.

### **(3) Effectiveness in Actual Practice (Section 2.2.2.3)**

For the CSYFF Grant-making Program, effectiveness was probably the least evident in actual practice. This was demonstrated by the lack of adequate and effective project monitoring and evaluation (M&E) by the grantees, which undermined

evidence-based understanding of the extent of effectiveness and even impact of the grant projects.

### **3. Extent of Contribution by CYSFF (Section 2.3)**

The program review identified three notable areas of contribution by the Foundation, as perceived by the grantees: seed or early stage funds, flexible grant-making, and knowledge sharing and capacity building. Compared to the first two areas that were perceived by all the grantees as significant contributions by the Foundation, the last aspect was considered an important contribution by only some of the grantees.

#### **(1) Seed or Early Stage Funds (Section 2.3.1)**

All the grantee participants unanimously stated that the CYSFF grants had provided them valuable seed or early-stage funds for their organizations and projects during a time when gaining initial funds was a real challenge for start-ups without discernible accomplishments and recognition. With those seed or early-stage funds, their organizations and projects had the possibility to start and grow.

#### **(2) Flexible Grant-Making (Section 2.3.2)**

Another significant CYSFF contribution was its flexible grant-making approach, which provided the grantees time for trial and error. This indirectly contributed to the growth of the grantees' organizations and projects. Furthermore, the flexible approach was found to encourage the cultivation of an entrepreneurial and innovative spirit among the grantees, thereby indirectly contributing to the growth of social entrepreneurs. Despite the beneficial effects of the flexible grant-making approach, being too laissez-faire could undermine accountability and may inadvertently convey to the grantees wrong messages such as the unimportance of accountability and project M&E.

#### **(3) Knowledge Sharing and Capacity Building (Section 2.3.3)**

In comparison to initial funds and flexible grant-making, knowledge sharing and capacity building were perceived by the grantees as less of a CYSFF contribution to their organizations and projects. With regard to the CYSFF knowledge sharing events, the extent the grantees perceived the events as beneficial to them

correlated positively with the extent to which the grantees obtained the opportunities to participate in the events. In the case of the CYSFF IEC resources and materials, the grantees did not seem to regard them as particularly beneficial to them.

#### **4. Grantees' Challenges, Gaps and Needs (Section 2.4)**

The challenges faced by the grantees, the gaps in their projects and their needs are categorized into the following four areas:

(1) Project Quality and Effectiveness: Technical Aspect (Project Management) (Section 2.4.1)

The inadequacy of project M&E, including related plans, systems, tools and actual implementation, was and still is an apparent gap in project management among the grantee participants. Among other reasons, the inadequacy could be due to limited M&E knowledge, capacity and resources. The inadequacy and the importance of M&E are increasingly recognized by all the grantees as well as the Foundation. All the grantees voiced their needs for technical assistance in M&E in an effort to enhance their project quality and effectiveness. Another area of technical assistance requested was efficient and effective project management.

(2) Project Quality and Effectiveness: Technical Aspect (Reading and Library Development) (Section 2.4.2)

The grantees also expressed their needs for support relating to childhood reading and library development. Such needs include more opportunities to participate in relevant knowledge sharing events to learn from and network with key experts or specialists in childhood reading and library development, and to engage with other peer organizations promoting childhood reading. In addition, technical assistance in adapting and localizing effective reading approaches and models to suit rural contexts was also raised.

(3) Societal Mindset about "Happy Reading" (Section 2.4.3)

To change the deep-seated resistance to "happy reading" for children in the Chinese society is a formidable undertaking, especially for grassroots organizations

with limited influence and resources. In view of the small circle of NPOs in mainland China that are dedicated to “happy reading” or even childhood reading in general, bigger players such as CYSFF was urged to help widen the NPO circle and advocate greater change in societal mindset about “happy reading”.

(4) Organizational Growth and Sustainability (Section 2.4.4)

Several of the grantees faced the issues of high staff turnover rate; uncertainty in continued funding for sustaining organizational operation and project implementation; and lack of capacity in NPO building and operation. Such issues, if not adequately addressed, could hinder grantees’ organizational growth and sustainability.

**KEY RECOMMENDATIONS OF THE PROGRAM REVIEW (SECTION 3)**

**1. “Engaged” Grant-Maker with Two Key Functions of Grant-Making and Grantee Capacity Building (Section 3.1)**

It is strongly recommended that the Foundation continues to play the role of an “engaged” grant-maker in mainland China with the two key functions of grant-making and capacity-building of grantees.

For the grant-making function, two recommendations regarding its scope and approach are proposed.

(1) Scope of the Grant-making (Section 3.1.1.1)

The Foundation is strongly encouraged to retain its existing scope, which is reasonably broad and inclusive, and focus predominantly on childhood reading in its mainland Grant Program.

(2) Approach of Grant-Making (Section 3.1.1.2)

Before awarding grants, it is recommended that the Foundation continues to adopt a rigorous process of identifying like-minded grantees. After grants are awarded and when grantees implement their projects, it is advisable to retain some degree of flexibility in grant-making. A fine balance needs to be struck between rigor and flexibility in the grant-making approach, which should not compromise accountability and dampen social entrepreneurial spirit. To achieve that fine

balance, it is proposed that the Foundation conducts a more in-depth review of its grant-making function and consider how to factor in more effective M&E within its grant-making *framework*.

For the capacity-building function, the Foundation is recommended to devote its efforts on the following three key areas:

- (1) provide support to build the technical capacity of grantees in childhood reading and library development;
- (2) provide support to build the capacity of grantees in project M&E and other aspects of project management; and
- (3) provide support to build the capacity of grantees in NPO building and operation.

## **2. Development and Improvement of Monitoring and Evaluation (Section 3.2)**

In view of the inadequacy of M&E in both the grant-making and the capacity-building functions, coupled with the importance of M&E, four recommendations are proposed for improving and strengthening M&E for both the Foundation and the grantees.

- (1) develop and strengthen the M&E component of the grant-making function;
- (2) develop and strengthen the M&E component of the capacity-building function (i.e. provide support to grantees' capacity-building in project M&E);
- (3) mobilize diverse and relevant stakeholders to build M&E collaboratively; and
- (4) strike a balance between M&E and social entrepreneurship.

## **3. Stronger Link between Grant-Making Program and Special Program (Section 3.3)**

In light of the mutually beneficial relationship between the CYSFF mainland Grant-making Program and its Special Program, most notably the Hefei Stone Soup Reading Program, strengthening the link between the two programs is also highly recommended.

Several strategies to forge the stronger link between the two programs are suggested. They include consolidating the Stone Soup Program to become a model and a resource center for the Grant-making Program; and encouraging existing or new partners of the Special Program to become CYSFF grantees.

#### **4. Suggested Next Steps for Mainland Grant-Making Program (Section 3.4)**

Three categories of next steps are suggested for the Grant-making Program and they are listed below.

(1) Strategic Planning for the Future Mainland Grant-Making Program and Revamp of the Grant-Making and Capacity-Building Functions

*1.1 Discuss and determine the future of the mainland Grant-making Program*

*1.2 Develop a strategic plan for the Grant-making Program, including the grant-making function and the capacity-building function*

*1.3 Review and revamp the grant-making and the capacity-building functions*

(2) Review and Revamp of the M&E Components of the Two Key Functions

*2.1 Mobilize diverse, relevant stakeholders and form a task force to review and revamp M&E collaboratively*

*2.2 Review each of the M&E components of the two key functions*

*2.3 Develop and implement action plans to revamp the two components*

(3) Stronger Link between Grant-Making Program and Hefei Stone Soup Reading Program

*3.1 Take into consideration the link between the Grant-Making Program and the Hefei Stone Soup Reading Program in the Stone Soup Program review*

*3.2 Develop and implement action plan to forge the stronger link between the Grant-making Program and the Hefei Stone Soup Reading Program*