

OCTOBER 2010



MEASUREMENT AND EVALUATION IN THE ISRAELI NON-PROFIT SECTOR

Prepared by an International Visiting Committee

Committee Members

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The experts listed here participated in this Committee in their private professional capacity. Organisational affiliations are provided for background purposes only.

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WHY MEASURE?

In May 2010 a four-member Visiting Committee on Measurement and Evaluation set out to understand the possibilities in Israel's Third Sector with respect to measuring results. We spent an incredible week meeting with key actors in the sector, including Government and non-profit leaders, philanthropic funders, and evaluation specialists. In our short time, the Visiting Committee began to develop a picture of how the sector's approach to measurement and evaluation was emerging and potential for accelerating that progress.

Implicit in our mission was the notion that there is value in measurement and evaluation. But is that value self-evident?



Measurement and evaluation done well helps leaders and practitioners make choices: to choose effective practices over less effective ones; to test assumptions about what works and why; and to inform course correction.

Indeed, we argue that there is real value in measurement and evaluation. Measurement and evaluation done well helps leaders and practitioners make choices: to choose effective practices over less effective ones; to test assumptions about what works and why; and to inform course correction. Measurement and evaluation, done well, supports better management of programs and organisations. It allows funders and non-profit leaders to make more sound resource allocation decisions. The problem is that measurement and evaluation are not always done well.

During our time in Israel, and in our respective fields, we have encountered measurement sceptics. These measurement sceptics are not crazy people. They tend to be people who have tried measurement and evaluation in the past and have not found it useful, timely, or worth the cost. They have

perhaps been dissatisfied with the quality. Sometimes, they are people who have not tried to use data in a serious way but have experienced the value of intuition in making good choices and therefore trust their intuition. Or, they are simply moved more by values, stories and sentimentality than by data.

In this paper, we welcome all comers – measurement sceptics and measurement missionaries – from non-profits, philanthropy and Government, because we all have a passion for improving society, which is, after all, why we are engaged in this work. We believe that intuition, values AND data all have a role to play in decision making. Scepticism, after all, is at the heart of good measurement, so by constructively expressing their legitimate questions, forcing us to clarify our thinking and assumptions, measurement sceptics may in fact help the sector do better measurement, not just for measurement sake, but to inform decisions and actions.

Fundamentally, we embrace ‘Why measure?’ as a critically important question to pose whenever undertaking a measurement and evaluation effort – large or small. What will you do differently if you have the data that result from the measurement? What decisions or actions will the data inform? These are the threshold questions to ask of any measurement effort. Clarity on measurement’s purpose is the first step in making measurement right-sized, relevant, and useful to those trying to solve tough social problems.

It has been an honour and a privilege for the members of this Voluntary Visiting Committee to offer this contribution. Thank you for the opportunity.

Fay Twersky
Paul Brest
Martin Brookes
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INTRODUCTION

The Visiting Committee

OVERVIEW AND PURPOSE

In the spring of 2010, Yad Hanadiv (the Rothschild Foundation) convened an International Visiting Committee on Measurement and Evaluation in Israel. Yad Hanadiv asked this Committee to identify strengths, challenges and opportunities for improving Israel's Third Sector with respect to measurement and evaluation of results. This is the report from that visit. The first half of the report identifies issues and the second half offers ideas for improvement. The intended audience is the sector as a whole, as the issues we identify and the ideas we offer have relevance to a range of actors in the non-profit, philanthropic and governmental spheres.

A research assistant was hired to conduct in-depth interviews with over 60 stakeholders in order to provide the Committee members with rich background on key players and evaluation practices in the sector. The Committee spent a week in Israel meeting with dozens of key leaders in the sector, including Government officials, philanthropic and non-profit leaders, and evaluation professionals. We asked all who we met to share their experiences measuring results – both the good and the bad – as well as their aspirations for how measurement and evaluation might add value to their work. We sought to learn about and understand:

- how non-profit organisations (NPOs) and funders craft their strategies for change and describe their need for and use of data to

inform their strategic and management decisions, organisational development efforts, advocacy and/or funding decisions;

- the challenges and obstacles faced by various actors in trying to do good measurement and in using data to inform practice and decisions;
- those cases where measurement and evaluation are being woven into the fabric of organisational life – and to understand the key factors for their relative success;
- the practical, day-to-day realities associated with measurement and evaluation capacity – including the funding available to support measurement efforts, the professionals who provide technical support and guidance, and the tools of data collection, analysis and reporting;
- for those who expressed true measurement scepticism, we wanted to understand the root of their scepticism, the experiences and perspectives that helped to shape that point of view.

For this undertaking, the Committee used a broad definition of the terms ‘measurement and evaluation’. This is in part due to the fact there is no commonly agreed upon taxonomy for measurement terms in the field and the Committee had no ambition to create one and wade into the measurement taxonomy fray for this visit. But also, and more importantly, the Committee intended to take a broad view of the measurement interests and practices in Israel’s Third Sector. We were interested in short-term measurement of performance – for instance, how do non-profit organisations and governmental or philanthropic funders track the activities, services, numbers and types of people reached, and document any short-term observable changes? This is often referred to in the field as ‘performance measurement’ or ‘performance monitoring’. We were also interested in longer-term, more rigorous measurement efforts that attempt to provide a judgment about the relative success or merit of a given program or approach. This end of the spectrum is often referred to as ‘evaluation’ or ‘evaluation studies’ in the field. Across the board, we were interested in both quantitative data collection efforts and qualitative ones.

In reality, there is not always an agreed upon bright line to define where one kind of measurement or evaluation ends and another begins, yet there is clear value in applying different kinds of methods to address data and information requirements at different stages of an organisational, program or initiative life cycle.* There is a pressing need in the Third Sector generally, including practice in the US and the UK, to develop a uniform measurement taxonomy, but for the purpose of this paper, and to stay within the scope of the possible for this Visiting Committee, we use the terms ‘measurement’ and ‘evaluation’ interchangeably.

CAVEAT

The Visiting Committee benefitted from a landscaping of current measurement practices and capabilities that Yad Hanadiv commissioned to inform the visit. The landscaping provided important background information and helped to ground and focus the week’s information gathering, deliberations and idea generation for improvement. The individuals we met throughout the week were incredibly candid, thoughtful and generous with their time. We learned a tremendous amount in a short period. Still, we recognize the limitations of our knowledge and observations.

We filtered all that we learned through our own professional lenses and experiences and no doubt, there are nuances we missed and issues unexplored. We each come to this Committee with a set of formative experiences and perspectives on measurement and evaluation – in the US and the UK, working in local and global contexts, sitting in seats of Government, philanthropy, non-profit organisations and for-profit businesses. And what we know collectively is that no one has quite ‘figured out’ the measurement puzzle in the Third Sector. There is a constellation of important emerging efforts across the globe, substantive progress being made and good attention being paid to the challenges of measurement in the social sector generally, but at present there is no

* The measurement taxonomy question is further complicated by such terms as ‘formative evaluation’ and ‘process evaluation’ which describe evaluation approaches that largely use the techniques of performance measurement.

one right answer, no one perfect approach or set of approaches to solve the sector's measurement needs. With that caveat, we offer this report and set of ideas as a modest contribution to the existing dialogue and measurement efforts already underway in Israel.

KEY FINDINGS

Eight issues observed by the Committee

1 ENTHUSIASM FOR MEASUREMENT AND EVALUATION

By and large, we encountered great enthusiasm and interest in results measurement in Israel's Third Sector. This was evident in organisations of all stripes, large and small, governmental and non-governmental, service, educational and environmental, Jewish and Arab, and so forth. We saw practitioners and policy makers alike grappling with essential questions about how to right-size and improve their measurement efforts – to increase their confidence in results and to support what really works. The enthusiasm wasn't uniform and no doubt, we met with those who were more likely to be at the enthusiastic end of the continuum of interest, but still, the level of interest and sophisticated questioning was considerable and impressive. That enthusiasm to measure and to constructively use data for decision making is a key foundational building block for tackling all other challenges.

2 INADEQUATE EMPHASIS ON ACTIONABLE MEASUREMENT

The single most important reason for disappointment with measurement and evaluation to date is a lack of emphasis on measurement that is actionable – and by actionable, we mean measurement that is designed with action or decisions in mind.

This issue is multi-dimensional. The first dimension concerns a lack of clarity on the purpose of measurement. There are many different ways to describe purpose but we break it into three simple distinct categories:

- **Accountability** – Reporting on what was done with the resources provided
- **Informing practice** – Gathering data to inform decisions in closer to real time, to support ongoing adjustment and adaptation
- **Informing the field** – Systematically studying what works to solve a social problem and sharing that knowledge broadly

Although these purposes can be related, they are nevertheless distinct, and typically, the depth of capacity and technical skill required increases for each level. We encountered many NPOs, funders, and even some evaluators that did not distinguish among these purposes. What a funder might need to know for stewardship and accountability is likely different from what a program director might need to know regarding effective program implementation or a policy maker might need to know about how to best allocate limited public resources. Take for example, a tutoring program in reading. For accountability, a funder might ask, ‘Did this tutoring program reach the 500 children it aimed to reach? How many hours of tutoring were provided?’ For informing practice, an organisational director might ask, ‘Which tutoring site performed the best with respect to serving vulnerable children? Who are our most successful tutors with respect to improving reading scores?’ For informing the field, a policy maker might ask, ‘Is tutoring an effective method of raising reading levels among vulnerable children and if so, what are the key replicable success factors? Are other methods more effective at raising reading scores?’ These different purposes would lead to different methods of data collection, analysis and use.

Lack of clarity regarding the purpose of measurement often causes confusion and a mismatch of expectations. In Israel’s Third Sector, as also is manifest in the US and the UK, this dynamic is related to other dimensions of measurement and evaluation practice that can make measurement less actionable:



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- **Unrealistic time pressure from public and private funders to produce data quickly** – resulting in poor quality data and low utility of the information. This was described as especially acute with various Government ministries.
- **Lack of focus** – some organisations try to measure too much and do not take sufficient time to clarify what they need to know, in what time frame, and how they will apply the answers once they have them. We saw numerous organisations spending time and resources collecting a lot of data but overwhelmed by the quantity which then inhibited their capacity to analyze and use the data.
- **Ceremonial evaluations** – where data are requested by funders, delivered by practitioners, blessed by both sides, but not used because purpose isn't clear or isn't shared.

3 **LINKING MEASUREMENT TO STRATEGY**

Clear goals and strategies for achieving them are necessary preconditions for measurement and evaluation. The goals describe what success would look like and the strategies outline the paths to success. A primary purpose of measurement and evaluation is to help an organisation know whether it is on the path to achieving its goals so it can make course corrections when actual performance deviates from the plan.

Although strategy is not a luxury, the process of strategic planning requires a significant investment of resources as well as organisational courage. Many organisations we met had not been able to devote the necessary resources to clearly define their strategy and therefore found it difficult to measure their outputs (what happened – e.g., provided tutoring to 100 economically disadvantaged 4th graders) and even more so, their outcomes (what changed – e.g., a corresponding 25% increase in reading comprehension among 4th graders receiving the tutoring).

However, we did find a few NPOs that went through the process of strategic planning to clarify their theory of change and identify measures to track progress. These organisations stand out as having a good sense of direction and are implementing measurement tools to periodically check



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whether they are on track to achieving their mission. We found relatively fewer funders engaged in systematic measurement efforts although there is considerable interest.

4 INSUFFICIENT FUNDING FOR STRATEGY AND MEASUREMENT

It requires money, time, energy, and other resources to design and implement strategies and measurement systems and to conduct measurement and evaluation of progress. The organisation must invest professional staff's time to plan, collect and analyze data; purchase and customize technology and tools for measurement; and often hire external measurement and evaluation consultants. For these reasons, and because strategy, measurement and evaluation are so essential to an organisation's success, we support treating them as an independent, separate line item in the organisation's budget plan, quite similar to office rent.

Nevertheless, many funders are reluctant to pay for strategy or measurement, let alone provide the unrestricted, general operating support that can support these core functions. Many funders short-sightedly support only the direct expenses of programs, and do not understand that these 'indirect' or 'overhead' costs are necessary to make the programs effective. A funder's objective should not be to minimize costs but to maximize impact – and in order to maximize impact, organisations need appropriate overhead support.



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5 IN SEARCH OF A COMMON LANGUAGE

Every field of practice tends to create a particular jargon used by practitioners to convey ideas efficiently and save the effort of repeatedly explaining what they mean. This can speed up discussion and, ultimately, progress. Yet we found practitioners and funders in the Israeli Third Sector were often confused by the inconsistency and ambiguity associated with measurement jargon. For example, people interchangeably use words such as 'impact', 'outcomes', 'results' and 'effectiveness' without a shared or nuanced understanding of what they are describing.



...the lack of a common language makes it difficult for stakeholders to communicate effectively when initiating measurement or evaluation efforts and reporting results.

Measurement and evaluation in the Third Sector is a young field generally and especially so in Israel. Vagueness and confusion about language is a common feature of a young field of practice. Even so, it has real costs and adverse consequences.

Most obviously, the lack of a common language makes it difficult for stakeholders to communicate effectively when initiating measurement or evaluation efforts and reporting results. There is a lot of meaning lost in translation. The shorthand of jargon ends up adding confusion rather than efficiency. This adds time to the effort and cost required to make any progress. It also reinforces scepticism for some people as to the merit of measurement or evaluation.

A common language or measurement taxonomy would speed up progress and clarify what can be gained from different kinds of measurement for different purposes across different stages of an organisation's or initiatives' life cycle. But it cannot be imposed externally. It must be developed with input and understanding from across the sector.

6 SHALLOW EVALUATION CAPACITY

We heard many complaints about the overall quality of evaluation studies, mostly those conducted by external evaluation consultants and institutes. Complaints came from evaluators themselves as well as from NPOs and others. Some of these problems are reinforced by the lack of a common language, but, the central challenge seems to be a lack of measurement and evaluation capacity generally. This issue has several different dimensions:

- **Ease of sourcing.** As many NPOs and funders told us, it can be difficult to source relevant evaluation experts. Often it comes down to personal contact or hearsay only; there is a significant lack of information for those wanting to commission an evaluation. Searching for vetted evaluators with relevant experience in the issue area being evaluated can slow down the evaluation process. In turn, using a consultant that is not suitable for the job can lead to disappointment.



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- **Poor technical quality.** Many stakeholders do not have confidence in the technical quality of the evaluation and data collection efforts in the sector. They are not confident that the measurement techniques are sound or that they are measuring what is meaningful. They do not generally derive great insight from the data collected and analyzed. Yet, they recognize that technical skills are needed and regret the lack of capacity.

‘Measurement is complicated. We don’t know how to do it.’ – *Funder*

‘We need help writing down our assumptions to test if there is a link between outcomes and impact.’ – *NPO executive*

- **Inadequate focus on producing useful reports.** There is a general impression that evaluators in Israel prepare lengthy, poorly written documents lacking crisp summaries. The reports often contain quantitative analyses that are too technical or come too late to be useful for managers and funders.
- **Insufficient education and training on measurement and evaluation.** We found current academic training programs for evaluators to be light on core methodological practices and unattractive to graduate students. We also did not hear about any non-academic training program to help evaluators develop their capacities and support ongoing professional skill development. Similarly, there is little to no preparation for managers on how to be good consumers of measurement and evaluation efforts. Those commissioning data collection and analysis often do not know what to ask for, how to work with an external evaluator and/or how to use the results.
- **Lack of access to good data.** Evaluators explain that the quality of their analysis is affected by the quality of data to which they have access. Sometimes, organisations ask them to analyze data of very poor quality or inadequate breadth. Another difficulty arises when there is a need to get external data, mainly from the public sector, critical to determining outcomes. Grades of students in elementary schools or the hourly cost of a social worker are examples of data which are available in public databases but not transparent to the public or to evaluators. Without such data, evaluating progress of

intervention programs in education or quantifying the public savings of a service delivery organisation is difficult if not impossible to do.

- **Limited technology use.** While data collection and analysis can be managed manually, technology can significantly facilitate the storage, collection, analysis, reporting and use of data. Technology can streamline processes of analysis and reporting and enforce validation and standardization to improve data quality. We saw some good examples of technology use, however, these cases are not representative of the sector overall and are mostly found in large, national organisations. While there are off-the-shelf software products for customer relationship management (CRM) or performance management software products developed for non-profit sectors overseas, it seems that affordable, localized and easy to customize systems for data collection and measurement are missing both at the non-profit and Government levels in Israel.

7 **ORGANISATIONAL CULTURE**

We identified several cultural factors that discourage organisations from embracing evaluative thinking and incorporating it in their daily activities. These factors include:

- **Little evidence based decision making.** Measurement and evaluation can help organisations improve practice by understanding what works and what does not, and inform funders so that they can invest resources in programs that achieve results. A point of agreement among non-profits, foundations and Government officials we spoke with was that there were few systems in place that used evaluative data to either improve practice, or make investment decisions. One evaluator told us that, ‘No program is closed based on outcomes.’
- **A bias towards intuitive thinking driven by passion and relationships, as opposed to reasoning and analysis that is based on facts.** People enter the non-profit sector because of their passion. One non-profit leader summarized much of the sceptical critique of measurement



‘No program is closed based on outcomes.’

that we heard, stating that ‘I don’t need to measure what we do – I see the positive results every day’.

- **A concern that measurement may stifle passion and compassion,** leading funders and practitioners to dismiss efforts to measure outputs and outcomes because ‘you take the soul out of our work when you try to measure it.’
- **Scepticism that social programs’ results are measurable.** Some indicated that the complexity of interventions by multiple institutions and actors makes it impossible to isolate the key factors that have created specific results.
- **Concern about costs** – Many expressed concern that because it can take a long time for results to materialize, the costs of measurement can be too great for an organisation to assume on its own.
- **Competing organisational priorities and ‘fire fighting’, causing a focus on urgent issues at the expense of strategy and infrastructure.** In the context of limited resources and unanticipated emergencies, non-profits have little time or resources to invest in developing theories of change, metrics, and systems for capturing data on results.
- **Fear that there will be ‘winners and losers’ as a result of evaluation and measurement,** causing organisations to perceive all measurement as threatening to their ability to raise funds and undermining their legitimacy.

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‘I don’t need to measure what we do – I see the positive results every day.’

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‘...you take the soul out of our work when you try to measure it.’

There were also some factors that encouraged organisations to embrace evaluation:

- **Benefits of measurement and evaluation to program improvement.** Several non-profits indicated that access to outcome data had helped them to improve their programs, better serving clients, and improving their own internal allocation of financial and human resources. One NPO leader said, ‘It is good for us to learn. It should not be by intuition. We should have systems, processes to track and check assumptions.’ An evaluator stressed the need for ‘evidence-based learning.’ Another non-profit described an example of learning from measurement of results that a program was not achieving the



'It is good for us to learn. It should not be by intuition. We should have systems, processes to track and check assumptions.'

desired result, and thus changed their training model. Program improvement, they said, was a prerequisite to measuring the impact of the program on changing peoples' lives.

- **Increasing interest among funders, NPOs, and Government in evaluation for both accountability and increasing impact.** Many people were grappling with questions like, 'What are we accomplishing? What do we intend to accomplish? How can we measure to get better at what we do and invest well?'

8 THE ISRAELI CONTEXT

In many respects, the current state of measurement and evaluation practices in Israel's Third Sector is similar to that of the US or the UK. The US and the UK have more evaluation capacity, infrastructure and tools, but fundamentally the sectors face similar challenges and opportunities. Still, we noted several unique characteristics that create an extra challenge for the Israeli Third Sector:

- **Different funder motivation.** A large portion of philanthropic funding originates from overseas Jewish funders, whose motivation to donate is driven by an emotional connection to the Jewish state. Overseas funders generally have limited staff on the ground in Israel, with modest resources to focus on working with grantees to measure results. With recent business success, philanthropy by Israelis and Israeli companies is beginning to grow. Several of them expressed more of an appetite for and capacity to assist NPOs with measurement of results. These new philanthropists are business oriented, strategic and see themselves as metrics and results focused.
- **Political fluctuations and geopolitical realities** make long-term planning and policy setting more challenging than in many other parts of the world. Priorities shift as national Government leadership changes, with implications for expectations of NPOs. Additionally, crises and emergencies that result from warfare and violence cause NPOs and funders to redirect resources, alter priorities, and divert attention from consistent strategies and consistent results measurement.

- **Small country.** The country's small size and the communal feeling of 'everyone knows each other' causes people to question the need to evaluate performance and report the results. There is a strong sense that intuition can substitute for objective assessment, given the intimacy and consistency of relationships; although objective assessment could make 'objective' investment decisions more palatable in the context of close personal relationships between funders and NPOs.
- **Resource constraints** and the relatively small number of players in each field of social practice limit the number of evaluation studies and data available, and make it more difficult to source professional evaluators and form interest groups. Many of the NPOs are small in size and do not have anything close to dedicated resources to measure results.

IDEAS FOR IMPROVEMENT

Three sets of ideas for accelerating the progress of measurement and evaluation in Israel

The Committee identified three sets of ideas for accelerating the progress of measurement and evaluation in Israel based on the needs and opportunities we observed: 1) creation of measurement ‘bright spots’; 2) improving evaluation capacity; and 3) developing and improving measurement tools and technology. These are not formal recommendations because we do not presume to know enough about the sector and the country to recommend a set of answers. Rather, they are ideas for improvement we offer, based on our visit, observations, and perspectives. Each idea has its merits and in no way are we suggesting that the sector seek to execute all of these ideas. There needs to be a dialogue about the ideas, their relative likelihood of success, estimated benefits, level of readiness, and interest. Each idea would need to be further elaborated, planned and resourced.

1 CREATE ‘BRIGHT SPOTS’

Instead of trying to tackle the whole challenge of improving the field of evaluation and measurement in Israel with one grand national initiative, we think it may be more effective at this point in the sector’s development to create what we call measurement ‘bright spots’.* Bright

* We borrow the term from *Switch – How to Change Things When Change Is Hard*, a book written by Chip and Dan Heath.

spots are shining examples of measurement done well – from design, to implementation to data use. The bright spots can then serve as a guide and inspiration for others seeking to more effectively measure results and use data to guide practice. Below we offer a few possibilities for bright spots:

- **Shared measurement demonstration**

The sector is ripe for a shared measurement demonstration, where a group of non-profit organisations, along with their relevant public and private funders, work together to define and commit to common measures in their field. As a first case, we would recommend starting with a social service area where measures are commonly known and the measurement is much easier than say, advocacy. The group participating in the demonstration would systematically collect and report on data. The data would be stored and shared on a common technology platform and results can be aggregated and also analyzed in various ways over time to support learning and improvement in the field.

- **Expand evaluation capacity building pilots**

There are several evaluation capacity building initiatives currently underway in Israel. These efforts, while nascent, seemed to be getting good traction, producing useful data and motivating participants to incorporate measurement into ongoing decision making. Such pilots may serve as early bright spots. It is worth continuing to support and expand these pilots and documenting the experiences as case studies for others to learn from.

- **Establish a fund to support measurement and evaluation**

A funder or group of funders could develop a dedicated fund to finance measurement and evaluation activities. The purpose of the fund would be to support non-profit organisations that are ready to engage in strategic measurement efforts but lack the funding required. Such a fund should have clear criteria for participation and offer a choice of vetted evaluation consultants from which organisations can select to help support the technical aspects of their measurement efforts. These efforts should be tracked and documented because they too might offer bright spots from which others can learn. In addition to its tangible results, philanthropic support for such a fund would signal

others about the importance that funders place on measurement and evaluation.

- **Engage existing funder networks**

As a supplement to any of the ‘bright spot’ ideas above, we believe there is value in continuously engaging with funder networks to share the learning about these demonstrations and pilots. There are several formal and informal funder networks based in Israel and abroad, comprised of funders who provide devoted support to Israel. Engaging the funders in a deliberate learning process would help them develop a more informed approach to funding meaningful measurement and evaluation, and in the long run will also help the Israeli Third Sector be more results oriented.

2 IMPROVE EVALUATION CAPACITY

The issue of evaluation capacity was a recurring theme throughout our visit, underscoring the need for a greater number of highly skilled evaluation professionals. There are many different ways to address this issue and below we offer both short-term and long-term suggestions for increasing both the supply of skilled evaluators and the number of managers, funders, and board members who effectively use data for decision making.

- **Education and training for evaluators and managers**

One way to increase overall professional evaluation capacity in the short-term is to further develop the skills and abilities of the existing community of professional evaluators in Israel. Given the limited utility of a general, one shot training workshop on a subject like this, such a capacity building effort would be more effective if run as a kind of seminar, customized to circumstances and capacities of the existing evaluation professionals.

Another way to stimulate better measurement and evaluation in the Third Sector is to train managers on how to best manage evaluations and evaluation contractors to get the most out of their measurement. Similarly, it may be useful to train funders and/or board members on how to use data for decision making. We caution, however,

that driving the demand side of better measurement without also addressing the supply side of better evaluation capacity could lead to frustration and more scepticism about measurement.

- **Establish communities of practice**

‘Community of Practice’ describes a group of people who share an interest, a craft, and/or a profession; through the process of sharing information and experiences the members learn from each other, and have an opportunity to develop themselves personally and professionally.* Communities of Practice have proven to be useful in both the private and public sectors in the US and the UK as rich professional learning and development vehicles. They may offer similar value in the Israeli context. In particular, there may be value in developing communities of practice among:

- non-profit leaders and managers who are grappling with how to use measurement and evaluation to be more effective;
- funders who are want to be more effective in their funding initiatives and want to benefit from a collegial environment to discuss how they commission and use evaluative data to inform their work

Communities of practice regarding measurement and evaluation can be organised in a specific field, such as child abuse services, primary education or the environment. Or, they can be organised across fields, for example by a group of non-profits in a region that are focused on improving their measurement practices. Either approach has its benefits. The focused approach provides more specificity in measures, tools and research on best practice in a field. The general approach allows for more cross-fertilization of ideas and perhaps more creativity in how to tackle various measurement challenges.

- **Establish an academic-related centre of evaluation excellence**

Current academic training for evaluators in Israel is offered through a small number of higher education institutions that shape their academic curriculum around particular subject matter, such as education or social work.

* Etienne Wenger, *Cultivating Communities of Practice*, Harvard Business School Press, 2002.

When our committee met with an academic roundtable, one of the participants offered a ‘dream’ that involved the establishment of an interdisciplinary academic program to train evaluators and help develop and mature the evaluation profession in Israel. We think that dream is compelling as part of a long-term effort to improve evaluation capacity in the country, and it may be worth exploring the possibility of a national, independent centre of evaluation excellence by a consortium of several academic institutions. Such a centre of excellence could develop high-quality cross-disciplinary evaluation research, best practices tools and standards. It could be financed by philanthropists as well as by contracted research and consulting projects and training/education fees.

- **Create a group of funders committed to organisational effectiveness**
Another longer-term solution to improve evaluation capacity in the sector includes the creation of an infrastructure organisation of funders who are interested in supporting their grantees’ effectiveness and who see measurement as a key tool to achieve greater effectiveness. Such an organisation, potentially modelled on a successful organisation in the US,* can serve as a generative network that informs funders, shapes funding initiatives with well designed measurement efforts and can accelerate the development of constructive and sustainable measurement practices.

3 DEVELOP AND IMPROVE TOOLS AND TECHNOLOGY

Many Third Sector actors recognize that measurement involves technical skills and know-how which need to be cultivated over time. It may be possible to accelerate the progress of measurement in the sector, however, by developing shared tools and technology in service of using data for decision making at multiple levels.

* GEO (Grantmakers for Effective Organizations), www.geofunders.org.

- **Develop a shared language for measurement and evaluation in the sector**

As mentioned throughout this report, there is a threshold need to develop a common language for measurement terms in Israel's Third Sector. This will increase general fluency and comfort with measurement and evaluation. It can draw upon various glossaries and taxonomies developed in other contexts but can be made culturally and language appropriate to the Israeli context.

- **Create an online repository for measurement tools, data and evaluation reports**

An online repository of measurement tools, evaluation reports and basic reference data can benefit all stakeholders in the sector. It can be a common source for:

- identifying best practices (what works and why);
- identifying lessons learned (what doesn't work and why not);
- sharing good approaches and methods of measurement, including common indicators, analysis techniques and common ways of reporting data.

Such a repository can reduce the element of 'recreating the wheel' that often happens in the Third Sector. It can help funders and grantees more quickly develop shared understandings regarding targets of change and strategic approaches to achieving change.

There are interesting efforts like this currently under development in the US from which to learn. The success of such efforts depends on three critical features: 1) incentives for transparency and sharing of tools, data and reports; 2) a governing group to 'moderate' and keep the site current; and 3) a plan for sustainability.

- **Improve technological solutions for data collection and use**

There are many different technology tools in use in Israel's Third Sector. Some organisations build custom databases for their specific needs. Others use off-the-shelf software to track activities, and store and aggregate common information. And others analyze data manually or with rudimentary spreadsheets. Most of these solutions are inefficient and costly. In the future, dedicated technology platforms

can help organisations, large and small, to collect better data at lower cost and higher value. Technology platforms can be built to efficiently collect high quality data from multiple, disconnected locations, in a common format that preserves data integrity and allows for flexible analysis and reporting. Examples of this have emerged both within Israel and globally in recent years. To enable the adoption and usage of technology for measurement, some of these platforms must be made more accessible and relevant to practitioners by supporting the Hebrew language and right-to-left orientation, pricing the packages affordably and being easily customizable to accommodate the specific needs of organisations and programs. Such a platform might be built as part of a 'bright spot' measurement demonstration mentioned above. All such platforms will require the development of at least some common language.

A Word to NPOs...

Many of the above ideas have direct application for public or private funding initiatives although most would require and benefit from the direct involvement of the NPO community. But what are some practical ideas for an NPO leader interested in measurement and evaluation to do on his/her own, without direct leadership from the funding community?

We offer three thoughts:

1 Start small.

- Start by measuring a few things well, like who you serve, the intensity of time spent on certain efforts and one or two meaningful outcomes (changes).
- Test your assumptions. Ask your staff or volunteers to write down what they think the results will be. Then spend time looking at the data you gathered before too much time goes by and compare what happened with what your staff or volunteers thought would happen. Talk about what it means. What is the difference between what happened and your assumptions about what would happen?

- Use the data for decision making. Think critically about whether and how to adjust course. Be open about what you learned and how you are adapting as a result. This simple cycle can quickly improve the quality of your data and your decision making.

- 2 Get together with your colleagues in a field and collectively decide on a limited set of the most important variables to measure in your work and why. Then you collectively can get ahead of the data demand curve and effectively lead the measurement in a way that is meaningful to practice rather than being led by others less connected to the work.

- 3 In your next funding proposal, include a line item for measurement and evaluation, at least 5% of your total grant. Even simple measurement takes time and dedicated resources.

FINAL THOUGHTS

A time to innovate

Israel's Third Sector is charting a path towards greater effectiveness. Many non-profit, philanthropic and Government leaders are asking themselves and each other the hard questions: How do we solve important and sometimes entrenched social problems? How can we sustainably improve the quality and performance of our social systems? How can we more effectively help the most vulnerable people in our society to improve the quality of their lives? How can we most effectively stretch the impact of every charitable dollar or euro or shekel invested in social change?

Measurement and evaluation offer essential tools for answering these questions. But like most tools, one does not just pick it up and automatically know how to use it well. It takes time, practice, adjustment and then a process of making it your own. Israel has a unique opportunity to adapt and innovate rapidly in this area because of its relatively small size and the presence of non-profit representatives ready to step up as leaders in the area of measurement.

It seems time for Israel's Third Sector to take innovative and calculated risks in the area of measurement and evaluation. Create some bright spots. Be prepared for some failure. Work together across types – measurement sceptic and measurement missionary – and across lines – NPO, funder and Government – to measure, learn, adjust, improve and together, make change.

Members of the International Visiting Committee

Fay Twersky (Chair) until recently served as the Director of Impact Planning and Improvement at the Bill and Melinda Gates Foundation and was with the foundation from 2006–2010. She led a team that supports all three program areas (Global Health, Global Development and the United States Program) and their management teams as they develop strategies for impact and measure short- and long-term results. Fay was also responsible for developing common processes for strategy development and common frameworks for measurement as well as leading special cross-program initiatives. Prior to joining the foundation, Fay was the founding principal of BTW Consultants informing change, a firm in California that consults with non-profits and philanthropic organisations. Earlier, Fay was a senior research consultant for 10 years, first with the Centre for Applied Local Research and then with Harder & Company Community Research. Fay received a Master's Degree in city planning from the Massachusetts Institute of Technology and a double Bachelor's Degree with high honours in Rhetoric and Middle Eastern Studies from the University of California at Berkeley. She has written many monographs, book chapters, and papers on applied evaluation and performance measurement. In 1996, she co-edited the book *New Social Entrepreneurs: The Success, Challenge and Lessons of Non-Profit Enterprise Creation*, which helped launch the field of social entrepreneurship. Fay is currently serving as a senior advisor to Yad Hanadiv on issues of strategy and measurement.

Paul Brest is the President of the William and Flora Hewlett Foundation in Menlo Park, California. He received an AB from Swarthmore College in 1962 and an LLB from Harvard Law School in 1965. He taught at Stanford Law School from 1969 to 1999, serving as Dean for the last twelve of those years. Paul is co-author of *Processes of Constitutional Decisionmaking* (5th ed. 2007), *Money Well Spent: A Strategic Plan for Smart Philanthropy* (2008), and *Problem Solving, Decision Making, and Professional Judgment* (2010). He teaches a course on Judgment and Decision Making in the Public Policy Program at Stanford University.

Martin Brookes was appointed Chief Executive of New Philanthropy Capital (UK) in April 2008, having previously held the position of Director of Research at NPC. Martin is an avid believer in making the market for charitable giving more efficient by measuring charity impact and ensuring that money flows to the charities that use it best. He argues that scrutiny, analysis and assessment of charities are not just desirable – they are essential. Martin is a respected commentator on philanthropy and charity effectiveness. In 2009, Martin co-founded a new charity, Pro Bono Economics, which pairs charities with economists. Prior to joining NPC, Martin was a senior economist at Goldman Sachs International from 1994 to 2001 and, before that, an economist at the Bank of England. Martin sits on the UK Economic and Social Research Council.

Carla Javits is the President of REDF. As President, Carla sets REDF's strategy in partnership with the Board of Directors and oversees its operations. Under her leadership, REDF helps to create and grow 'double bottom line' enterprises that earn income while employing people with high barriers. She also oversees REDF's efforts to build the field by broadly sharing the results of its extensive, multi-year effort to measure outcomes that demonstrate the effectiveness of social enterprise in helping people with histories of incarceration, homelessness, and/or limited education to successfully retain employment. Prior to joining REDF, Carla was with the Corporation for Supportive Housing (CSH) for fifteen years, leading it for the last six. She has also worked as a policy and budget analyst for the State of California and as Director of Policy

and Planning for the San Francisco Department of Social Services. Carla serves on the Board of Directors for The Philanthropic Initiative, and the Bay Area's regional grantmakers association, Northern California Grantmakers. She is on the advisory panel for the American Human Development Project, and is a member of the Alliance for Effective Social Investing, and Enterprise Community's Northern California Leadership Council. She is on the Youth Council of San Francisco's Workforce Investment Board. She holds both a Masters of Public Policy and BA from the University of California, Berkeley, and an AA in Hotel and Restaurant Management from San Francisco City College.

APPENDIX B

Israelis Interviewed by the Committee

Peter Adler
Pratt Foundation

Ronit Amit
Gandy Foundation

Dr. Tal Arazi
Ministry of Welfare and Social Services

Duby Arbel
Midot

Libat Avishai
Van Leer Institute

Guy Avrutzky
Nova

Sarit Baich Moray
The National Insurance Institute

Tamara Barnea
JDC

Naama Bar-On
Organisational Consultant

Michal Beller
RAMA

Dr. Asher Ben-Arye
*Hebrew University
National Council for the Child*

Liat Ben Moshe
Midot

Sharon Ben-Shahar
Bank Leumi

Avinoam Ben-Yitzhak
Society for the Protection of Nature

Badria Biromi-Kadalf
*LINK Environmental Protection
Organisation in the Galilee*

Ravid Bogair
Israel Venture Network

Bonnie Boxer
Goldman Fund

Nili Broyer
Beit Noam

Jacob Burak
Evergreen, Midot

Dr. Erik Cohen
School of Education, Bar-Ilan University

Yael Cohen-Paran
Israel Energy Forum

Rula Deeb
Kayan Feminist Organisation

Elisheva Derer
Prime Minister's Office

Shlomit De-Vries
Ted Arison Family Foundation

Arie Dobov <i>JDC</i>	Haia Jamsky <i>Oran Foundation</i>
Dafna Dor <i>A Different Lesson</i>	Jean Judes <i>Beit Issie Shapiro</i>
Tova Dorfman <i>Steinhardt Foundation</i>	Prof Moshe Justman <i>Department of Economics Ben-Gurion University</i>
Asher Elias <i>Tech-Career, Computer Training for Ethiopian Israelis</i>	Dr. Israel Katz <i>ZOFNAT</i>
Amal Elsana Alhjooj <i>Negev Institute for Strategies of Peace and Development</i>	Yaniv Komemi <i>Du-Et Institute</i>
Alan Feld <i>Vintage Investment Partners</i>	Tammy Krispin <i>KESHER</i>
Tsachi Fine <i>Ministry of Welfare and Social Services</i>	Dov Lautman <i>Former President of the Manufacturers Association of Israel</i>
Elisheva Flamm-Oren <i>NY Federation</i>	Michal Lester Levy <i>Penni and Stephen Weinberg Center of Lay Leadership</i>
Prof. Nehemia Fridland <i>Tel Aviv-Yaffo Academic College</i>	Benny Levin <i>Israel Venture Network</i>
Prof Yizhak Friedman <i>Henrietta Szold Institute</i>	Iris London <i>Steinmetz Foundation</i>
Don Futterman <i>Moriah Fund</i>	Fathi Marshood <i>Shatil</i>
Tamar Galai-Gat <i>Clare Israel Foundation</i>	Dr. Gila Melech <i>Consultant</i>
David Gappell <i>Schusterman Foundation – Israel</i>	Ayala Miller <i>Teva Pharmaceutical Industries Ltd</i>
Anat Goldstein <i>Maala, Business for Social Responsibility</i>	Brenda Morgenstein <i>National Insurance Institute</i>
Chava Haber <i>Friends of the Earth – Israel</i>	Rakefet Mossek <i>Matan</i>
Prof. Jack Habib <i>Myers-JDC-Brookdale Institute</i>	Avi Naor <i>Or Yarok Association, Oran Foundation</i>
Ali Haider <i>Sikkuy</i>	Shelly Natan <i>Elem</i>
Abeer Hazboun <i>Meet</i>	Micky Nevo <i>Ma'ase Center</i>
Talia Horev <i>Matan</i>	Gila Noam <i>San Francisco Jewish Community Federation</i>
Sharon Hurvitz <i>A Different Lesson</i>	Liora Paskal <i>Avi-Chai Foundation</i>

Nahman Plotnitzky <i>MILBAT</i>	Svetlana Shancar <i>Elem</i>
Sagit Porat <i>Life & Environment</i>	Efrat Shaprut <i>Elem</i>
Ehud Praver <i>Policy Planning Division Prime Minister's Office</i>	Shelly Sharon <i>Consultant</i>
Hana Primak <i>Ashalim</i>	Gabi Shochat <i>Ministry of Finance</i>
Hedva Radovanitz <i>New Israel Fund</i>	Vivian Silver <i>Negev Institute for Strategies of Peace and Development</i>
Fran Ran <i>Adam Teva V'Din Israel Union for Environmental Defence</i>	Inbal Sivan <i>Bank Leumi</i>
Guy Ravid <i>Midot</i>	Dr. Nancy Streichman <i>Shatil</i>
Mosi Raz <i>Life and Environment The Israeli Union of Environmental NGOs</i>	Rami Sulimani <i>Ashalim</i>
Ohad Reifen <i>Ministry of Finance</i>	Safaa Tamish <i>Arab Forum of Sexuality</i>
Orli Ronen-Rotem <i>Heschel Centre for Environmental Learning and Leadership</i>	Galit Toledano-Harris <i>Youth Renewal Fund</i>
Dror Rotem <i>Eshel</i>	Yossi Vardi <i>High-tech Entrepreneur</i>
Tali Rozov <i>Rashi Foundation</i>	Mark Waysman <i>Centre for Evaluation of Human Services</i>
Yekutiel Sabah <i>Ministry of Welfare and Social Services</i>	Gil Ya'akov <i>Green Course – Students for the Environment</i>
Galit Sagie <i>JDC Israel</i>	Sigal Yaniv Feller <i>Green Environment Fund</i>
Anat Saragusti <i>Agenda</i>	Yaron Yavelberg <i>Du-El Institute</i>
Gali Sembira <i>Sheatufim</i>	Naor Yerushalmi <i>Life and Environment The Israeli Union of Environmental NGOs</i>
Dr. Rita Sever <i>Consultant</i>	
Neria Shachor <i>Karev Fund</i>	
Yael Shaked Bergman <i>MILBAT</i>	
Sigal Shelach <i>JDC – TEVET</i>	

