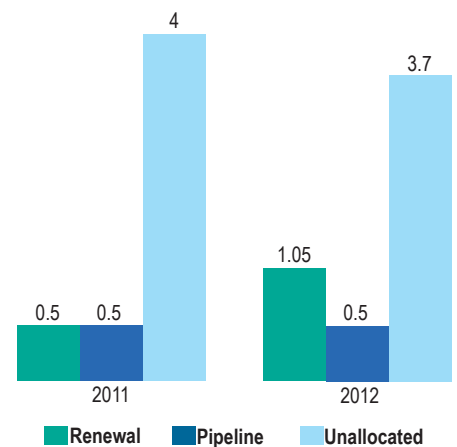
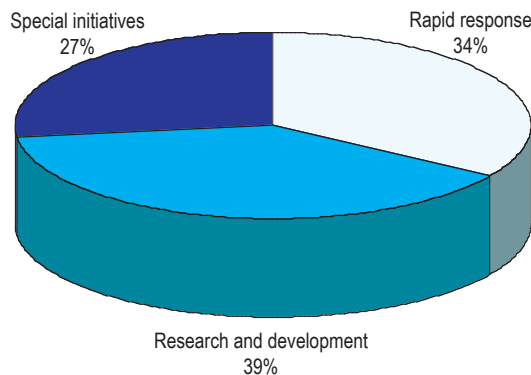
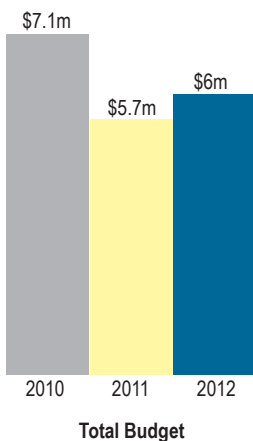


Strategic Opportunities Fund

The Strategic Opportunities Fund is intentionally structured to be a flexible fund that provides U.S. Programs with the capability to respond in a timely manner to unforeseen events that impact communities of concern and issues of critical relevance to the Open Society Institute and U.S. Programs; to serve as a learning laboratory where new ideas or new lenses can be explored and valuable lessons learned that can serve to enhance U.S. Programs' collective grantmaking strategies; and to cultivate and develop new approaches or initiatives that grow out of the two core functions of the fund and that have a built-in timeframe.

Goals	2010	2011	2012
Rapid response Respond in a timely manner to unforeseen opportunities or challenges that represent core issues of concern to U.S. Programs and that provide a window of opportunity to make an impact.	\$1	\$1.5	\$2
Research and development Prioritize strategy development in select areas that are ripe for new ideas and approaches and that are not already part of U.S. Programs' core interest areas or programs.	\$2	\$2	\$2
Special initiatives Selectively support time-limited initiatives that address new developments or may grow out of rapid response or research and development grantmaking.	\$3.4	\$1.5	\$1.25
Grantmaking:	\$6.4	\$5	\$5.25
Program Development:	\$0.7	\$0.7	\$0.7
Total Budget:	\$7.1	\$5.7	\$6



Strategic Opportunities Fund in Context: 2010-2012

The External Climate for Reform

The Strategic Opportunities Fund navigates an external climate with no shortage of relevant needs – from catastrophic natural disasters to man-made crises – and, often, a shortage of funders who are able to respond nimbly and effectively. In its rapid-response work, SOF aims to provide targeted, strategic assistance where it is most needed and where it overlaps most with core U.S. Programs priorities. This rapid-response work is directly impacted by the political climate and addresses the aftermath of everything from new laws to major U.S. Supreme Court rulings. SOF’s research and development projects and special initiatives often arise in response to external circumstances, such as the 2010 Census, and are often partnerships with other U.S. Programs funds, other funders, and multiple grantees. Some of this work identifies emerging trends in the field – such as the role arts and culture play in social change – for further exploration and development. While SOF works on several distinct tracks, external developments inform and guide a great deal of its efforts.

Supporting the Field

SOF is not a thematic fund, but its initiatives often support fields that U.S. Programs is deeply engaged in, such as the No Child Left Behind advocacy, which aims to dismantle the “school-to-prison pipeline.” Looking forward, the Technical Assistance Initiative is a major effort to strengthen organizational capacity in fields where U.S. Programs has deep investments. This initiative (a collaboration with U.S. Programs’ Grantmaking Operations unit) will put grantees across the country on much stronger footing in terms of how they handle their finances and operations, particularly during continued instability in the economy. On a broader level, SOF provides discrete and targeted funding that often helps launch or jumpstart new approaches to issues that can ultimately become incorporated in other U.S. Programs and the fields they support.

Collaborating with Other U.S. Programs

In carrying out its functions, SOF leads and collaborates with other funds on strategy development to design short-term initiatives that advance U.S. Programs’ mission. For example, SOF worked with the Criminal Justice Fund, OSI-Baltimore, and the Campaign for Black Male Achievement to help build public will for school reform that includes dismantling the “school-to-prison pipeline.” SOF also continues working with the Transparency and Integrity Fund on a research and development effort around transparency and open governance in New Orleans. On two key initiatives that will have cross-fund implications over the next two years – the role of arts and culture in social change and place-based grantmaking – SOF is working with multiple funds and campaigns to identify partners and models.

Strategic Opportunities and Open Society

SOF embodies all of OSI’s core values because the Fund’s work cuts across every issue area. By dedicating resources to unanticipated needs and longer-term research and development, SOF positions U.S. Programs to respond to core threats to open society. When disasters happen and some people are left on the margins, SOF steps in to help grantees who are best positioned to have an impact. At the same time, SOF is able to help develop new solutions to familiar threats to open society and to spark innovation that leads to real progress on core OSI values.

Variations from 2010 to 2011-12

Shift in Overall Grantmaking Budget

SOF’s total grantmaking budget is reduced because the Technical Assistance Initiative required more funding up-front (the first phase of the project, in 2010, required much greater investment). Funding in New Orleans and the Gulf Region (apart from the work related to arts and culture) will move to the new State Strategies budget line starting in 2011. As a result, SOF will actually have more funds available for grantmaking in its priority areas over the next two years.

Increase in Rapid Response Funds

Given the high demand for rapid response funding each year, there is a need to increase the rapid response allocation gradually in 2011 and 2012.

Decrease for Special Initiatives

In 2011, the Special Initiatives budget will be reduced by \$1.9 million because the second and third phases of the Technical Assistance Initiative are less costly than the first. We anticipate launching a new initiative in 2012, when the Technical Assistance Initiative is complete. The nature of that initiative will be determined in 2011. Going forward, there will be limited new special initiatives that grow out of research and development, and they will not be geographically-focused (in order to complement, rather than duplicate, the new state strategies effort).

Goals	Lead Grantees	2010 Accomplishments and Program-Development Activities
<p>Rapid response</p>	<ul style="list-style-type: none"> • Fund for New Citizens • Equal Justice Initiative • Committee for Economic Development 	<ul style="list-style-type: none"> • Responded to the legal-services needs of Haitians in New York City following the earthquake in Haiti. • Seized timely opportunity to advance efforts challenging life-without-parole sentences for juveniles following the recent U.S. Supreme Court victory. • Engaged corporate leaders in critical response to U.S. Supreme Court ruling in <i>Citizens United</i> case on campaign contributions.
<p>Research and development</p>	<ul style="list-style-type: none"> • New Orleans Coalition on Open Governance • Animating Democracy (Americans for the Arts) • Ashe Cultural Arts Center • Culture Project • Sweet Home New Orleans 	<ul style="list-style-type: none"> • Supported work across multiple priority issues in New Orleans and the Gulf Region. • Explored the role of arts and culture in supporting social change, in New Orleans and more broadly. • Formed a coalition of advocates in New Orleans that developed a transparency agenda that the newly elected mayor adopted.
<p>Special initiatives</p>	<p>Census 2010 project:</p> <ul style="list-style-type: none"> • Public Interest Projects • The New York Community Trust • National Congress of American Indians Fund • MALDEF <p>No Child Left Behind:</p> <ul style="list-style-type: none"> • The Advancement Project • Juvenile Law Center • NAACP Legal Defense Fund • Forum for Education and Democracy • FairTest <p>Technical Assistance Initiative:</p> <ul style="list-style-type: none"> • The Nonprofit Finance Fund 	<ul style="list-style-type: none"> • Completed a special initiative, in conjunction with the Democracy and Power Fund, to ensure that hard-to-reach populations were counted in the 2010 Census. The populations included immigrants, displaced Gulf Region residents, and people affected by the housing crisis. • Supported efforts to build public awareness and educate policy-makers to ensure the reauthorization of Elementary and Secondary Education Act (formerly No Child Left Behind) does not reinforce the “school-to-prison pipeline” and addresses the learning and academic needs of all children in an equitable manner. • Laid the groundwork for the Technical Assistance Initiative, an innovative program that will support a cohort of U.S. Programs grantees in strengthening their financial viability and navigating an altered economic landscape. The Nonprofit Finance Fund will help provide critical assistance and financial messaging guidance to 40 grantees nationwide.

Continuing Challenges

Forecasting rapid-response needs is nearly impossible, and large disasters and developments that merit rapid-response funding often have greater needs than our capacity can satisfy.

2011-12 Forecast

Strategies

- Collaborate across funds and with the field to identify needs and respond effectively
- Develop and institutionalize a documentation process to capture lessons learned from rapid-response grants, and provide a best-practices framework

Impact

- Unexpected opportunities and challenges funded to advance core priorities and mission of U.S. Programs
- Best practices developed to help guide and strengthen rapid-response funding

Balancing the need to conduct in-depth research and development while also ensuring that staff can operate nimbly is a challenge. It can also be difficult, amid a high volume of work, to ensure that lessons learned are captured and disseminated and that they inform ongoing grantmaking.

- Explore strategies to ensure transparency, oversight, and documentation related to the BP oil disaster
- Conduct the final research and development phase of arts and culture initiative; capture lessons learned to support the infusion of effective models into other U.S. Programs
- Develop new research and development initiatives in consultation with other funds and campaigns

- Efforts to bring openness and accountability around the oil disaster funded and successful
- Lessons learned from concentrated place-based grantmaking exported to enhance broader U.S. Programs strategy
- Models developed for using arts and culture to advance social change

The impact of short-term initiatives is often hard to assess, and there is insufficient opportunity to gain expertise and depth of knowledge that can be drawn from long-term investments. Short-term rapid-response initiatives have limited impact when there is a severe societal crisis which might instead require a fundamental shift in approach.

- Identify the most effective research and development strategies that advance U.S. Programs' goals and that can be integrated into the longer-term grantmaking of U.S. Programs
- Support discrete initiatives that advance multiple priorities and complement ongoing work in other funds and campaigns
- Continue Technical Assistance Initiative through 2011, selecting a strong cross-section of grantees who can most benefit from assistance

- Time-limited initiatives substantially advance U.S. Programs' long-term goals
- Greater financial management and administrative capacity among a wide range of U.S. Programs grantees that enables them to deliver on their missions