RESOURCING SOCIAL MOVEMENTS: HOW DO WE SHIFT THE POWER?
Acknowledgements

The report stems from our efforts on reimagining the funding landscape and shifting the power in favour of the communities we support. As a Community Foundation ourselves, we have undertaken research on understanding funding for LGBTIAQ+ issues in India, by facilitating conversations with INGO funders, as well as corporate bodies (through their Corporate Social Responsibility support). Additionally, we have organised convenings of Community Foundations in India and initiated collaborations among organisations dedicated to transforming the traditional top-down approach to philanthropy. All of these we have one in partnership with other organisations.

This study specifically focuses on support that extends beyond narrow project related funding, exploring the value of this support, and the underlying factors contributing to its limited availability. It has been the coming together of many people that has made this study possible.

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The funder-grantee relationship has been traditionally viewed as a largely transactional one. It is seen as financial in nature, limited to project timelines and bound by strict terms and clear-cut deliverables. Nevertheless, this view has always been contested by some community organisations, NGOs, committed funders and scholars in the field. They have pushed for expanding this relationship through providing more non-monetary assistance and flexible, largely unrestricted funding to grantees.

As a Community Foundation that has been working in this space for over a decade, we have witnessed and benefitted from a range of support that funders have offered us over the years. Unfortunately, we have also seen the other side – of funding practices that are narrow and target-driven in their approach. Multiple studies have reported on how nonprofits globally are struggling to cover indirect costs and are unable to function at their best due to a lack of non-project funding.

The COVID-19 pandemic and the government response to it had disastrous and debilitating impacts on those at the margins. However, it brought about some immediate shift in the ways in which the funders responded. During this period, citizens and nonprofits played a crucial role in mitigating the crises accentuated by the pandemic and the states' lacking response to it, while unsure of their survival themselves. Many funders too stepped up and made vital changes in their existing strategies and processes. They were more open to listening to their grantees and extended the kinds of support that affected communities and grassroots organisations needed the most. This support came in various forms – immediate relief, quicker disbursement of funds, capacity building, flexibility in project deliverables and deadlines, and the repurposing of funds for non-project activities such as for relief and core organisational expenses.

Our research idea stems from the above experience of the COVID-19 pandemic. While the pandemic upended the world as we knew it and deepened existing inequalities, it also opened up newer pathways of support between funders and grantees. New practices, away from the prevalent systems of grantmaking, were introduced. There have also been other pulls and reasons apart from the pandemic for these changes, which we wish to look at. Our aim is to examine the existing systems, and to explore alternative and creative ways of collaboration that are emerging between funders and their grantees (such as knowledge, networks, trust, etc.) We are interested in exploring the question,

“What does non-project support look like? What possibilities does it open up? What are the factors and reasons why organisations adopt this (or do not)? What does all of this mean to different actors - INGOs, Community Foundations and CBOs?”

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1 See examples such as the Funding Exchange project in the 1970s, and more recent ones such as the Trust Based Philanthropy project
2 See https://www.bridgespan.org/about-us/for-the-media/bridgespan-research-highlights-sharp-divide-in-how
3 A 2020 report by the CEP studying U.S. based foundations noted how a majority of foundations were being more flexible and responsive during the pandemic. See: http://cep.org/wp-content/uploads/2020/12/CEP_Foundations-Respond-to-Crisis_Toward-Greater-Flexibility-and-Responsiveness_2020-1.pdf
Philanthropic Funding in India

Civil society organisations have played a significant role from the beginning in India’s nation-building. From the welfare and relief-focused voluntary organisations set up in the 20th century pre-independence to today’s non-profit and social impact sector, India’s civil society organisations have undergone tremendous changes (Asian Development Bank, 2023). The sector has expanded a lot in the last few decades- an exercise undertaken by the CBI in 2015 found that there exist over 3.1 million (31 lakh) registered NGOs spread across the country (Anand, Indian Express). Funding for the sector, however, has not increased to these levels. The Dasra and Bain & Company’s India philanthropy report has outlined how despite social sector funding in India having grown substantially over the last five years, it accounts for around only 9.6% of our GDP compared to the 13% that is required for achieving our Sustainable Development Goals (SDGs) (Dasra and Bain & Company, Inc., 2023).

Private philanthropic capital in India is made up of mainly foreign giving, CSR and corporate trusts, family philanthropy (Ultra High Net Worth Individuals or UHNIs, High Networth Individuals or HNIs and affluent individuals), and retail giving - i.e., funding raised from individual donors such as crowdfunding. CSR funding has had steady growth over the years, although work needs to be done in ensuring that the majority of it is not just limited to certain geographical regions as it happens to be currently. It is projected to grow even further and become the biggest section. (Dasra and Bain & Company, Inc., 2023)

One of the main factors impeding the growth of the philanthropy and social funding sector in India alongside regulatory constraints is the lack of a good eco-system or philanthropic infrastructure, and funders need to invest in the same. Building a good eco-system means working towards credible and comprehensive data on funders and NGOs, access to well-researched insights and strategic advice, funding capacity building of non-profits and “greater transparency and standardisation of impact metrics” (Dasra & Bain & Company, 2022). Ingrid Srinath, the director of the Centre for Social Impact and Philanthropy (CSIP) notes that the lack of credible data on the sector caused great trouble in pandemic relief and aid efforts, both in terms of resource allocation and advocacy against regulatory constraints. It has also hindered the undertaking of any all-encompassing research regarding the scale, composition and impact of philanthropy in India over time (Centre for Social Impact and Philanthropy, Ashoka University, 2021a). Nonetheless, there have been efforts to fill in these gaps.

In the past few decades, a number of consultancies have sprung up that offer their services mainly or exclusively to players in the philanthropy sector such as NGOs, foundations and corporates. Some examples of these are Sattva Consulting, Dasra, Goodera and Bridgespan India. They not only work on specific solutions for clients but also produce publicly available data and studies on the sector. Another aspect that has recently been the site of focus is the “support ecosystem”. In their report on the Indian philanthropy support ecosystem, the CSIP defined it as consisting of “organisations and individuals that provide critical, core services to the social impact and philanthropy sectors” (Centre for Social Impact and Philanthropy, Ashoka University, 2019, p.13). The support ecosystem, which is aimed at helping NGOs and foundations with practices such as capacity building, fundraising and sector governance has the potential of being extremely useful.

Currently, however, it is stuck in a cycle of being both underdeveloped and underutilised. The main reason for this as suggested by the report is that most of the non-profit sector has been operating on survival mode – a catch-22 situation wherein they are unable to utilise these “support ecosystem” services even though it is what they need to be able to improve and thrive. Thus, more organisational development funding needs to be given to non-profits for accessing them, and resources need to be dedicated to developing such services too (Centre for Social Impact and Philanthropy, Ashoka University, 2019). In recent years following the pandemic, there have come up initiatives within the country and support for capacity building and organisational strengthening,
such as the GROW\textsuperscript{4} fund, the Rebuild India fund\textsuperscript{5}, and the Pay-What-It-Takes initiative\textsuperscript{6}.

**On FCRA and Regulatory Barriers**

India has had a pattern over the last few years of increasingly stringent and complex regulations being imposed on the nonprofit sector when it comes to funding. There are restrictions on the types of funding that can be received and who can give out certain types of funding - for example, high net worth individuals can give out funds for building reserves to NGOs but charitable trusts cannot do the same (Venkatachalam et al., 2021).

Over a quarter of 312 NGOs surveyed in a 2021 study by CSIP said they rely on foreign funders (Centre for Social Impact and Philanthropy, Ashoka University, 2021b). It is then concerning to note that the contribution of private foreign giving to overall giving in India has shrunk from 21% in 2015 to 14% in 2021 (Dasra and Bain & Company, 2021). Regulations such as the Foreign Contribution (Regulation) Act, commonly referred to as the FCRA, have come to be a bureaucratic barrier in many ways for non-profit work. The act imposes a number of constraints on the receiving and usage of foreign funds, even to those NGOs which have received clearance.

The provision regarding the curbing of sub-granting of funds effectively cuts off larger NGOs from collaborating with and providing funds to grassroots level NGOs, who require it the most and are the ones doing the work on-field. Similarly, the 20% cap on usage of funds for administrative expenses also hampers non-profits as many require funds for capacity-building and organisational strengthening, without which projects cannot be effectively implemented (Bhatnagar, 2020). These amendments were introduced in 2020, a time when NPOs were already under great strife because of the COVID-19 pandemic. 35% of NPO respondents when asked about the FCRA 2020 amendments stated that they felt it would have a negative impact on their organisations (Centre for Social Impact and Philanthropy, Ashoka University, 2021b).

The strict CSR compliance rules have also been an impediment, as under them CSR funding which has not been utilised or allocated to a specific project must be given back to the corporates, to be shifted to government funds (Centre for Asian Philanthropy and Society, 2022). A large amount of time, effort and resources are required for compliance and evidence gathering, something that only larger non-profits can afford to fulfil.

Another point to note is also the complexity of these laws and regulations, which make them hard to understand for many NGOs. The “Doing Good Index 2022”, a report by the Centre for Asian Philanthropy and Society, in its section on social sector regulations across Asian countries reported that 75% of NGOs in India surveyed mentioned finding these frameworks hard to understand. This may lead to issues with compliance that ultimately impacts their operations and funding (Centre for Asian Philanthropy and Society, 2022).

**COVID-19 and civil society organisations**

The March 2020 pandemic upheaved the world, causing widespread loss of lives, crippling livelihoods, disrupting education, straining health systems, and spawning unforeseen and unprecedented challenges. It also deeply affected the civil society and philanthropy sector. NGOs across the world and especially in countries like India had to stretched themselves and step up to respond to various crises all the while unsure of their own survival. Globally and in India, civil society and funders swiftly mobilised to address the pandemic’s impact. In India, NGOs played a pivotal role, partnering with healthcare centres, supplying medical equipment, establishing oxygen plants, rallying funds and resources, and aiding communities through the challenges of both the first and second waves. (Anand, 2021). Most funders also directed their funding to these issues- 52 percent of annual CSR funding was directed to COVID-19 response work (Sattva, 2020).
Recognising the impact that the pandemic and its repercussions wrought on the world and in the NGO and philanthropy sector specifically, various studies were undertaken both globally and in India to map the same. A series of surveys undertaken by CAF America from March to December 2020 polling over 800 organisations worldwide, spanning 152 countries found that the biggest concern for the upcoming year was reduced financial contributions. Over 90 percent of organisations across surveys reported being negatively impacted by the pandemic (CAF America, 2021a). They also carried out a follow-up survey a year later in April 2021, wherein more than two-thirds of 496 organisations reported a rise in pandemic-related challenges. The findings also showed the resilience displayed by them, as over 64% mentioned feeling “confident in their ability to operate indefinitely under current conditions”. A similar number also spoke about adapting to the situation, reworking operations and bringing in new services and/or programs (COVID-19 Reports, Charities Aid Foundation America, April 2021b).

A study carried out by the Ashoka Centre for Social Impact and Philanthropy in 2020 on the impact of COVID-19 on Indian NPOs showed that more than 7 out of 10 organisations reported being directly involved in pandemic relief work, and 63 percent said that the demand for their services had increased (Centre for Social Impact and Philanthropy, Ashoka University, 2021). More than three-fifths of the 312 respondents mentioned that the pandemic had negatively affected their regular program funding and operations, with 21% having less than 3 months of funding. Small organisations faced the most challenges regarding both program operations and mobilising funding (Centre for Social Impact and Philanthropy, Ashoka University, 2021).

The pandemic also brought about extensive changes in the practices of both funders and non-profits. NGOs in India adapted to blended models (online, telephonic and offline) however certain areas and populations were greatly disadvantaged by this, due to limited access to the internet, lack of coverage in some areas and levels of digital literacy (Centre for Social Impact and Philanthropy, Ashoka University, 2021). Responding to the challenges outlined above, funders worldwide shifted their funding and grant-making practices to be more accommodating – offering grant-extensions, flexible funding, and covering overhead costs (COVID-19 Reports, Charities Aid Foundation America, April 2021).

Around this time, a giving pledge was launched by the Council for Foundations titled “A Call to Action: Philanthropy’s Commitment During COVID-19” (“call to action: Philanthropy’s commitment during COVID-19,” 2022). It asked its signatories (over 800 foundations) to commit to practices such as giving or changing grants to be as unrestricted as possible, regularly communicating with, listening to and amplifying the voices of grantees, and reducing the asking of monitoring and evaluation related demands from them (“call to action: Philanthropy’s commitment during COVID-19,” 2022).

A survey of foundations across the U.S. undertaken by the Centre for Effective Philanthropy in July-August 2020 found that almost all of the foundation leaders reported “loosening or eliminating restrictions on existing grants, making new grants as unrestricted as possible, and reducing what is asked of grantees” across program areas (Orensten & Buteau, 2020). For more than half of those surveyed, these were new practices that they had begun implementing during the pandemic. The responses by the foundations leaders also affirmed what has been noted in other studies- that the crises brought about by the pandemic drove them to rethink their funding, grant-making and administrative processes and to work towards supporting their grantees in whatever ways they could. The most significant findings from the report were that foundations said they are now less concentrated on formal processes and are paying more heed to developing and maintaining strong relationships with their grantees, and are also more aware of the power dynamics that exist between them. On the other hand, most of the foundations did not increase their provision for multi-year grants, unrestricted and otherwise. (Orensten & Buteau, 2020).

What is even more significant, however, is that a follow-up report by the CEP in 2021 found that a large number of respondents were carrying on with many of the changes that were introduced during the pandemic - such as simplifying processes and increasing the amount of unrestricted support provided to grantees - with 21% saying that they had continued with all of the changes they had made (Buteau et al., 2021).
Beyond Project Funding and the Funder-Grantee Relationship

For the most part of the recent history of non-profit funding, grants and funding have been provided in a restricted manner by funders - bound by agendas, timelines and project goals. However, in the last few years the discourse surrounding the relationships between grantees and funders, and their funding practices has begun to shift. There is now a consensus building amongst many big foundations and grant-giving institutions, seconded by research that support beyond project funding is imperative for strengthening and sustaining their grantee NPOs.

Support beyond project funding includes flexible funding alongside general operational support funding, funding for indirect costs i.e. costs such as rent, administrative expenses and non-program staff salaries, unrestricted grants, capacity building and organisational strengthening support. It is not restricted to financial support - non-monetary support also includes helping grantees with creating performance frameworks and metrics, reducing what is being asked from them in terms of application processes and reporting, and leveraging networking capital to help make introductions for grantees.

Need for Non-Project Funding

In order to understand the funding issues present in the sector deeper and work towards solutions, the Bridgespan India group undertook a financial analysis of 40 ‘relatively well-funded’ NGOs and a survey of 388 NGOs from multiple sectors. Their findings were similar to the studies they conducted in the U.S - that a large number of NGOs in both countries have a ‘chronic underfunding problem’. 83% of those surveyed reported difficulties in covering indirect costs, and only 18% reported investing adequately in organisational development despite it being crucial. Half of the respondents mentioned having no operating surplus for the last three years - with the number climbing higher for non-metro and rural based NGOs, and Dalit, Bahujan and Adivasi led NGOs (Venkatachalam et al., 2021). More than half of the NGOs also said they have “fewer than three months” of financial reserves.

Through their research, Bridgespan was able to pin project grants as being the main reason for this underfunding (Venkatachalam et al., 2021). Most funders offer program funding to their grantees, which does not cover indirect costs, capacity building and organisational strengthening expenses, and financial reserves - all of which are needed for an NGO to run properly and sustain itself. In collaboration with the Ford Foundation, Bridgespan came up with the Grantmaking Pyramid, which is a framework for both funders and grantees on how to build strong, sustainable nonprofits. NGOs need to start by building their foundational capabilities and work towards becoming financially resilient (have reserves), which will enable them to increase the scope, efficacy and impact of their programs (Venkatachalam et al., 2021). Funders thus need to give out more non-project funding to their grantees keeping this in mind.

The events of the COVID-19 pandemic also brought to light, more than ever, the importance of organisational resilience in terms of both finances and planning. A study carried out by Dasra in in April - October 2020 as part of their work with 250 NGOs on stress and resilience planning, showed that over 40% of those interviewed were “at low resilience, and at risk of financial and impact shutdown especially over 12 months after the lockdown”. They noted that the pandemic only aggravated the stress that was already present in NGOs, with one of the main drivers of it being receiving largely restricted funding and a lack of long term financial planning (Dasra, 2021).

Barriers to go Beyond Project Funding

Last year, the Bridgespan India group published a report as part of their Pay-What-It-Takes-India initiative, capturing the perspectives of 77 Indian funders regarding funding practices. They found that regulatory compliances and NGO practices were mentioned by them as being the biggest barriers to true cost funding. Similarly, more than half of the funders said that the biggest obstacle they faced when it comes to providing true-cost funding (i.e., including indirect costs, financial reserves and organisational development funding) is that NGOs are not able to properly explain why they need such funding (Venkatachalam et al., 2022). It is a dilemma most NGOs, especially smaller ones face - wherein they do not have the finances, time, staff and skills to be able to undertake the effort required to procure such funding, and are thus trapped in this cycle. Funders need to work towards bridging this gap
too - one example of such an effort is the one year learning grants provided by the Nilekani foundation, whose recipients learn to “build mutual trust and understanding about organisational development priorities” (Venkatachalam et al., 2022, p. 10).

**On Initiatives Pushing for Change in Philanthropy**

The last three years, pervaded by the pandemic, have witnessed momentous shifts in funding and engagement practices - and this is also because during this period, funders were listening more than before. As noted above, many funders relaxed restrictions on funding and reporting during the pandemic, and some have chosen to continue with these practices due to realising their importance for grantees. This period also sparked important dialogue on the need for such expansive support and relooking approaches towards funding, leading to important projects being launched such as the Rebuild India fund.

It is important to note that while such conversations are being mainstreamed currently, there have been and continue to be funders and activists across decades who paved the way, who advocated for and practised trust-based philanthropy centering the voices of those communities that they were supporting. In a 2017 report detailing the story and impact of The Funding Exchange, an extremely significant initiative that started with the vision of “change, not charity”, Lurie writes about the earliest “alternative community foundations” started by “activist-philanthropists” that aimed to support grassroots activism. They included the Vanguard foundation and the Haymarket People’s Fund, who were influenced by public foundations such as the Bread & Roses Community Fund and RESIST.

The Funding Exchange was a continuation of this work and was formed in 1979, a network of local funds by young activist donors and described as “a financial platform for social change by organizing people with wealth to give money for grantmaking that would be determined by community activists” (Lurie, 2017). The legacy of these early community foundations and funding initiatives is present in today’s community foundations and alternative funding initiatives.

Across the world, there are a number of funding initiatives and projects in the non-profit sector that have sprung up in the last few years that are redefining approaches towards philanthropy to work towards shifting power to organisations on the ground, deepen relationships between nonprofits and funders and provide more expansive support. The BUILD program, launched in 2016 by Ford Foundation is one of the largest such ongoing programs. Under this five-year program, the foundation provides its grantees with flexible, multi-year general operating support funding, along with “targeted organizational strengthening support”, tools to help organisations assess and better understand themselves and their needs, and opportunities for peer learning (Bisiaux et al., 2022).

Another such example is the Trust Based Philanthropy project, which is a 5 year “peer to peer funder initiative” started in 2020 whose vision is to re-envision the existing power dynamics and shift power to those on the ground. The project aims to do this through six grantmaking practices - provide multi-year, unrestricted funding, have funders do the homework about grantees, simplify the administrative processes (paperwork), gather and learn from feedback, communicate openly and transparently, and engage in adaptive, consistent non-monetary support (Trust-Based Philanthropy Project, 2023).
This research explores the dynamic nature of the relationship between a set of actors within the civil society space, the support ecosystem available to these organisations, and best practices in the provision of non-project as well as non-monetary assets and resources and their lasting impact on the social sector.

The analysis presented here draws directly from a small action research study on funding practices and is informed by voices in civil society who experience the fallout of such practices on their work. The research has been situated in the Indian context as philanthropic funding and support practices in the country have been underexplored and underdocumented, especially relating to non-project funding.

While the socio-political situations in India varies from that of other countries, we hope that the recommendations that emerge from our research can be applied across the civil society space globally. The report also aims to expand the horizon of philanthropic support and explore ‘new ways of deciding and doing’ (Manifesto for Change, #ShiftthePower). Overall, the idea was to point to current power asymmetries, and ways in which funders, community foundations and community based organisations are navigating this difficult and changing terrain.
In this report, 'non-project funding' refers to any funding that is flexible and is directed towards the organisation as a whole as opposed to funding for specific projects or with specific conditions. ‘Community-based Organisation’ will be used to refer to grassroots organisations that have arisen from specific needs and are working within specific communities towards their welfare. They are mostly membership based, often operate in a particular geographical region and are led by those who are directly affected by the issues they are working on. ‘Community Foundation’ refers to foundations whose leadership is close to the ground and the organisation’s work is driven by people from the community with which they work. They are often referred to as intermediary organisations, however these organisations go beyond that role and work to strengthen CBOs, collectives or federations. ‘International Non-governmental Organisation’ (INGO) is a non-profit organisation whose work spans across multiple countries. In our study, we have focused particularly on those INGOs that are directly or indirectly involved in funding other organisations.

Data collection in the form of semi-structured interviews took place over the course of 2 months. 21 interviews were conducted with representatives of community-based organisations (n=7), community foundations (n=7) and INGOs (n=7). Participating organisations were identified and selected based on existing relationships with the organisation as well as their willingness to contribute to the study. Interviews were recorded with the consent of the participating individuals. The interviews were transcribed and later coded using NVivo, a data analysis software that allowed the team to organise the interview responses into thematic categories for the purpose of qualitative data analysis. The analysis revealed key sources of funding; needs of civil society organisations vis-a-vis non-project funding and non-monetary assistance; funding practices; regulatory and fundraising challenges; as well as best practices in the sector.

Limitations

Due to the limited timeframe for the study, the sample size is small and not wholly representative of the full spectrum of the Indian social sector. The sample of funders we have interviewed in this study is limited to that of grantmaking International NGOs (private foundations and human rights funders), and thus does not cover perspectives of other funders such as CSR funding, governmental donors and bilateral aid agencies.

The participant sampling was based on convenience - we drew from those we know and those who were known to our networks. Furthermore, there were organisations that did not participate for a variety of issues – lack of time, lack of interest and also in some instances uncertainty over what this research would entail and fear that speaking out may result in strictures or action against them. We hope that the report will open the door to further research and provide a broader profile of the sector as well as the philanthropic ecosystem supporting it.
The following will discuss in detail the themes and findings that have emerged from the research in relation to grantee organisations, the types of support they have received as well as the ways in which they have benefitted from non-project and non-monetary support.

Civil society in India has always been at the frontlines of social change, pre- and post-independence. As the social sector in the country has become increasingly organised over the decades, going from voluntary groups doing relief work to registered organisations with specific mandates addressing a variety of social, economic and environmental issues, their needs have similarly evolved and grown.

Today, social work aimed at helping communities in need as well as to advance pertinent socio-political issues is largely dependent on the financial sustainability of organisations in the sector. “...When the fund officially ended, when it closed, there was no one, there was no one to support the community. And the dilemma and the collateral damage that was created by that fund was left to the community, within the community. And we were left to deal with it alone. There was no one.” This statement made by a CBO leader highlights not only the financial dependence that community organisations have on external funding, but also shows the nature of relationship between these organisations and the fallout of the drying up of funds.

Organisations that are working for social change require support that extends far beyond financial assistance for specific projects. A representative of another CBO noted that, “we need funds for practically everything, for staff salaries, for infrastructure, for having an office, for the rent that we need to pay for all the infrastructure charges, electricity, this, that.” A majority of the participants representing CBOs and community foundations expressed similar needs, which, to a great extent, are not taken cognisance of.

The philanthropic landscape from which the CBOs and CFs who participated in our study reported receiving funding primarily consists of private foundations, INGOs, private companies through CSR, and individual donors (Figure 1). A few organisations also collect a membership fee from their members to support themselves or receive funding from government bodies as well as academic
institutions. It is important to note that this list is not exhaustive and in some cases, includes past funding that has now been stopped for a multitude of reasons, which include change in priorities of the funder and completion of grant period. As a result, organisations often have to rely on mixed sources of funding to sustain their operations and project activities.

Considering the distinct natures and varied spheres occupied by these organisations, it is inevitable that their funding portfolios will also vary significantly.

Our research found that the community foundations with whom we spoke have access to a wider range of funding mechanisms with greater flexibility, while CBOs receive smaller grants from less diverse funders and are often reliant on individuals within their own networks, as well as funding from funders for emergencies such as the COVID-19 pandemic.

A majority of the participants belonging to both CBOs and CFs noted that the funding that they receive is predominantly linked to specific projects (see Figure 2), which disallows the use of the funds for other emergent needs of the organisation or to support institutional expenses. A few participants representing both CBOs and CFs also explained that projects are sometimes determined by the funder based on the funder's thematic priorities, which may not align with their own needs. However, due to a paucity of alternative funds, they are left with no choice but to accept the project. As one respondent from a CBO said, “The money that comes in must match my need, but if the money comes in for me to do something else, then it doesn’t further my program. But I still do it because it is supporting..."

Non-project and flexible funding, and non-monetary support

In addition to project funding, a few CBOs and Community Foundations have said that they have received core, flexible or unrestricted funding that can be used towards supporting their programmes, administrative expenses such as salaries and rent or other non-operating costs. In essence, it is funding that is given without predetermined conditions and can be used as the grantee sees fit within a broad mandate and programme. These funds are often solicited by organisations in need on an ad-hoc basis, or are received from funders, typically private foundations, who recognise that institutional needs must be met simultaneously to advance the programmatic work of their grantees. CSR funds, on the other hand, tend to be more restrictive, and the CSR funders “are unwilling to support administrative costs”, as noted by one CBO.

According to the participants of the study, flexible funds have been the most helpful in allowing organisations to establish and fulfil their priorities based on their own needs as well as the needs of the communities they work with. As one CBO explains, “general support matters more than project support.” It frees non-profit organisations from the restraints that they face when they have access only to narrow project-related financial resources, and gives them the opportunity to view their work in a more structured manner, with greater certainty that their needs, especially on the institutional side, will be met.
However, flexible funding, usually coming from one or two large funders, is complementary to the project funding that organisations typically receive and is often inadequate in covering all of their expenses. Organisations have also said that individual funding has also been very helpful in this regard, as “individuals give you less money, but a lot of individual money is strings-free.” (respondent from a Community Foundation). As a result of the lack of specificity associated with individual donations, sometimes received through crowdfunding, organisations are able to “give it to something that’s most in need.” Two organisations, both community foundations, also receive funding in the form of a fellowship as well as to support their corpus fund, the latter of which is an excellent investment opportunity for organisations that can be applied towards institutional funding at a later stage. However, the majority of funders are hesitant to support corpus building, as they are primarily focused on immediate outputs. Participants belonging to community foundations have expressed that non-project funding has also come in the form of funding for capacity-building and training in a few cases.

Moreover, most of the organisations that were included in the study expressed that they have, in the past or currently, benefitted from non-monetary support, both from funding organisations as well as individual supporters. This support, usually “coming for the community” has been in the form of material supplies such as health equipment, clothes; infrastructural support such as office space; volunteering in different areas of work including communication and outreach; training of staff on critical issues as well as organisational capacity-building through hand-holding and leadership training. Many grantees have also gained substantially from the networks to which their funders have introduced them. In times of need, some organisations have been able to lean on these networks for partnerships or additional funding.

Coupled with flexible funding, these resources have enabled organisations to develop long-term strategies and plan future activities, a departure from the hand-to-mouth approach that CBOs especially are forced to take due to lack of funding. With the help of unconditional grants, they are able to pay staff salaries, focus on strengthening the organisation and expand their networks. The communities with which they work are also able to benefit greatly, through expansion of community work and capacity-building.

Organisations agree that the availability of flexible and non-monetary support has been tremendously helpful as one participant has noted, “our activities have increased. If earlier there were two activities, now there are four.” This has also positively impacted the grantee-funder relationship as it reflects trust and that “the relationship with the funders begins with support and grows stronger over time.” However, this dynamic, built through sustained engagement has been made difficult by the COVID-19 pandemic and the travel restrictions that have come with it. As one INGO noted, “before the pandemic, that was very crucial to visit grantee partners, see their work, meet them in person, because I think that changes dynamics...that stopped and that made some relationships very difficult.”
Funding, Reporting and M&E challenges

Lack of Support for Administrative Expenses

Most of the CBO and Community Foundations interviewed noted that project funding comprises most of the funding that they receive, and is rarely flexible. “All of us who are working like crazy for making this world a better place, are we supposed to survive on love and fresh air? We don’t need money? We don’t have families? We don’t need to live a good life?” This statement encapsulates a major concern among civil society organisations today, which is the lack of support for administrative costs from funders. Consequently, organisations are struggling to pay staff salaries and sustain their work. CSR funding, especially, poses a range of challenges as it is inflexible, short-term and rarely supports institutional expenses. One participant explained that CSR funders “do not recognise the hidden, obviously not so hidden labour and effort that the organisation goes through in making sure that all the back end work and all the front end logistics is managed."

Misalignment of Templates and Timelines

Many funders have been known to prefer quick, scalable solutions with demonstrable evidence, with one CF noting about CSR funders that "many of them are very tech-driven and are looking for very quick scalable things that they can do". This causes difficulties to nonprofits when fundraising as social change, especially rights-based and justice-related work, is a slow, long process and requires years of commitment and sustained engagement from grassroots organisations.

With funding already limited, organisations are now required to spend weeks at a time on applications that use tedious and restrictive templates to receive funding that does not often match their needs. Participants have also highlighted that in many cases, they do not receive a response once an application has been submitted and feedback on a rejected application is never provided. “They think we are business houses with all those crazy tables they give us to fill up. And then at the end of it, you don’t even get a response from them”, said one CBO participant.

Reporting templates are similarly extensive, with even short-term funders requiring monthly reports. Another concern is that the metrics that are used to measure impact are rarely co-created with grantee partners and reflect a disengagement of funders from the work that is actually being carried out on the ground. “The language that they use, that you are expected to do this, you are expected to do that. That reeks of hierarchy, that reeks of superiority on their part. And then we come to all the technical requirements there that they want us to do. And it’s a shortcut for them. They don’t want to come, they don’t want to see, they don’t want to get their hands dirty, they don’t want to enter the communities where we are working..." said one CBO respondent. Language is also a barrier, as most applications and reporting is done in English, which automatically leaves many local organisations doing grassroots work at a disadvantage.

Lack of Coordination and Instability in Funding

A major cause for concern among NGOs is the lack of coordination between funding agencies, with many seeing themselves in silos and not as part of a support ecosystem that works in tandem with civil society: "there is a tendency to see things in a very myopic manner like this is what I’m funding and I’m only interested with that. There is no sense of the bigger picture." (INGO respondent). This can put a strain on organisations that are seeking funding as they are forced to be excessively malleable in order to present themselves differently or meet different criteria for different funders, all while doing critical work on the ground.

Many participants of the study also noted a pattern of inconsistencies in funding, especially relating
to the exit strategies of funders. It is often their thematic interests that persuade organisations to pursue a programmatic area or organisational approach. However, after a short period, funding is withdrawn, leaving many grantees with little support to carry forward the work that has begun. In some cases, funders are also unwilling to pivot when the grantee needs change. As a result, in the absence of matched funding, organisations are forced to discontinue projects or revise them entirely to align with new funder interests. Government funding is equally challenging, noted one CBO respondent, as it is understood to be very difficult to secure without political connections.

**Regulatory and Compliance Challenges**

In recent years, the regulatory landscape in the country has drastically changed, now allowing little to no flexibility to organisations in the social sector, who are under constant scrutiny and threat. As noted in a previous section, the recent amendments to the FCRA have put many CBOs and community foundations in a difficult position. Multiple organisations noted how difficult it has become to get the licence, including the large amount of paperwork involved, the time it takes, and the human resources required. Additionally, one CBO representative notes that funding agencies are finding it much more difficult to do what they were doing earlier because “now, if one organisation gets that money, it cannot be given to another organisation, they don’t give it at all… If we become their karyakartha, then they will support us”.

With sub-granting having been prohibited, many networks have been weakened as organisations are unable to provide monetary support to each other, which was previously a common practice within civil society - “we as an organisation, we may be compliant, but then we may be getting only money for a certain very narrow and very linear kind of a purpose. That is what my fear is with this new trend” (CF respondent). Instead, they have to develop co-programming arrangements or pursue newer funders to sustain themselves. Under the Act, administrative expenses are also to be capped at 20% of the total budget in any given year, which can be a challenge for smaller organisations that are not able to receive flexible funding. Moreover, FCRA audits are conducted in-person at the organisation’s office. For many organisations struggling to secure office space or working remotely, this acts as another hindrance. These challenges continue to create more bottlenecks for organisations that are already struggling to support their staff and manage operational expenses. In fact, one CF has also raised concerns regarding the longevity of smaller initiatives, which are unlikely to survive the new amendments.

In addition, the recent revisions in the Corporate Social Responsibility (CSR) rules have added barriers to organisations’ financial management. These changes stipulate that organisations must expend 100% of the CSR funds they receive from companies within the same financial year. There is no provision for carrying forward these funds to cover future expenses, which can create challenges in supporting forthcoming costs and causes to NGOs. Participants have noted that these changes and others have led CSR funders to become more rigid in their approach, requiring higher levels of due diligence and compliance from their grantees. These changes, in addition to forcing resource-scarce organisations to commit an inordinate amount of time to compliance, are also contributing to a drain on the bandwidth of leadership teams, which would otherwise go to the programmes that their organisations are running on the ground.

Another concern that has arisen from this regulatory landscape relates to privacy. With the government collecting data, organisations - especially those working with marginalised communities under threat - are worried that their work, and by extension the safety of their constituencies, could be compromised. As one CF participant notes, “data is the new oil and everybody is after it but we obviously cannot compromise communities”.

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Funders as Supporters

Philanthropy, in its truest form, centres communities in need. However, over the years, the philanthropic landscape has increasingly become populated by funders who see themselves as the arbiters of service, choosing what work deserves funding and which organisations require support.

The funding and support organisations (both INGOs and community foundations) that participated in this study view their role differently from these funders, as they see themselves as facilitators that make available resources that can be used for the social change and welfare of marginalised communities, without dictating what qualifies as such. They follow non-prescriptive models of funding that are based on trust and open channels of communication. "The strategy reflects the needs that we have surfaced from our grantee partners... it is not top-down at all" (INGO respondent). As members of civil society themselves, they recognise that non-profit organisations have different and evolving needs, and ensure that their grantmaking is based on a democratic, bottom-up system of needs assessment, which lends itself to a flexible strategy of giving. Notably, community foundations are burdened by their own lack of funding, which directly impacts their grantmaking. A few of them have also been forced to halt their funding for this reason as well as the restrictions imposed due to changes to FCRA regulations.

INGO respondents explained that they support organisations that are usually not reached or serviced by large, international funders. These organisations are typically smaller and often lack any registration or other formal governance structures, thereby making it difficult to access CSR or FCRA funding. In such cases, these funders are able to provide crucial funding in the form of core, flexible grants that support the organisation as a whole. For many smaller CBOs, these grants may also be the first funding they receive and help sustain the organisations in a variety of ways. While some organisations use the funding to meet expenses towards office rent and staff salaries, others utilise the grants to scale-up projects or provide additional support to the communities they work with. Project funds may also be separately provided, but the funder organisations explained that similar flexibility is provided to the organisation so as to allow a wide range of project activities.

Most grants are multi-year and provided for longer periods because funders recognise that "progress takes time" and these funds are not simply supporting the organisations but also helping them create enabling environments for the social changes to take root. One funder outlining the importance of multi-year support said - "...not just core-support, multi year is very important, why because most of our grantee partners are in just this constant crisis of applying for funding, and they can't plan ahead when they don't know if they have funding for four years .. I think multi-year commitments are very important for most organisations to know what their budget for next few years will look like."

The funders have noted that they understand that some grantees require more support than others, including at the application stage as well as with reporting and accounting. In such cases, a few funders provide one-on-one handholding support. Recognising that language may also act as a barrier, some participating funders from both CF and INGO groups also encourage potential grantees to submit applications in local languages and provide translation support. Funders are also stepping in in cases of crises to provide emergency funding to their existing grantees as well as other organisations requiring assistance.

In addition to funding, funders have said that they have established mechanisms to help organisations in other ways, which they call accompaniment. These include the provision of support in the form of networking opportunities and collaborative spaces for organisations doing similar thematic work; connecting grantees to other funders; skilling and capacity-building workshops based on specific needs that are identified by individual organisations or groups, and legal and financial consulting. One INGO respondent also spoke about organising learning trips as well as wellness retreats for grantee staff. Through these systems, both monetary as well as support-based, they have been helping
their grantees build organisational resilience. One funder summed up the impact of core funding as follows: “institutions, over time, are able to get resilient... Groups starting out as small collectives thought of by two people are becoming full-fledged organisations... because they could keep paying themselves and therefore they could keep strategizing more and more and doing some of the work which wasn’t giving them funds, but it allowed them to sustain themselves as activists.” Another agreed, “I’ve seen very small organisations, sort of one-person organisations now grow in strength and confidence and establish themselves, some of them becoming really major players in the field.” Similarly, one more funder noted how the core support helps grantee organisations build resilience: “you build your capacity to develop your fundraising functions, your leadership, your management structure.”

Despite this, there are many NGOs who’ve worked in the sector for decades that are without funding today, which, as one CBO participant noted, “...really shows a huge floodlight on what the funding agencies are doing and where is the money going.” This also speaks to the politics of funding, and the financial disparities that exist within civil society, wherein funds are not distributed based on grassroots need, but are directed towards issues that are more palatable and less “wrought with controversy”.

Grantees as Partners

Many of the organisations with which we spoke shed light on the unequal power at play and the power dynamics in the grantee-funder relationship – “we know money comes with attachments. Wherever money exists, it comes with some attachment or the other” (INGO respondent). While grantees provide resources in the form of knowledge and lived experience to the sector, their contribution is often overlooked, as the power usually rests with funders who support them monetarily. As a result, NGOs are often treated as beneficiaries and not as equal partners.

This asymmetry of power can also be seen in the requirements that donors have for funders, which do little to ease the systems to allow more actors into the sector. For example, one of the participating funders explained that INGOs and other grantmaking organisations that receive funding from governments or philanthropic foundations are required to comply with certain reporting standards. However, through the grants that they provide as funders, “they put the burden of reporting onto the last recipient of that grant, which would be a grassroots group”, as reporting is mistaken for accountability. However, for smaller organisations that are often in “crisis intervention” mode in an effort to sustain their activities, reporting requirements “sink all morale, actually, for the folks [in the organisation].”

Building Bridges

While some funders are largely bound by the conditionalities attached to the donations that they themselves receive, others have greater flexibility in their funding, and their leadership teams recognise this. The funder representatives with whom we spoke indicated that they have a greater risk appetite, and view their organisations’ role in the philanthropic ecosystem as supporting actors so as to “create the space for communities to come in front”. A representative of an INGO noted that they, “tend to support a lot of new things, things that do not have precedence. There is a lot of space for experimentation, pilots, and stuff like that”.

Moreover, while grantees often find themselves in a difficult position due to their financial situations, many funders included in this study have been more conscious of their role and have acknowledged that the onus of ensuring that the power imbalance is corrected must fall on those with more resources and greater capacity to use them, “because giving money in our society gives you a certain position of power, you have to be more conscious about that power”, as one CF representative noted. To build a mutually beneficial relationship, some funding organisations have taken on the responsibility of ensuring that funding is a democratic process, independent of external pressures and that the dynamic between a grantee and their support ecosystem remains equal, with all parties adding value “for the purpose of optimising the collective objective.” One INGO also noted the difficulties they face themselves with securing flexible funding for grantees - “it’s more and more difficult to get core flexible funding and we can only give core flexible funding if we have core flexible funding.”
The COVID-19 pandemic catalysed a fundamental change in the philanthropic ecosystem in India. While previous emergencies were largely viewed as isolated events affecting a localised population, the pandemic shifted that narrative. It touched everyone and everything. The pandemic and related government interventions (or lack thereof) impacted people differently, depending largely on their social location and health status. Civil society was suddenly thrust into the limelight and gained an exponential amount of visibility. The role of NGOs as support networks for marginalised communities became critical, more so than ever before. As a result, the funding for the sector also changed as noted by a participant representing a CF - “a lot of our donors, including Indian and abroad, both were willing to readjust the project deliverables at that time and say, ‘okay, you can use this money for currently COVID situation and ... change the objectives accordingly’.”

In fact, funders that were earlier reluctant to fund social justice work were now more willing to fund organisations carrying out such activities. Participants also noted a higher presence of pooled funds for the sector, which indicates that there was greater readiness to collaborate among funders. Crowdfunding also rose, with many small donors contributing to NGOs helping those in need. Individuals also made in-kind donations in the form of Personal Protective Equipment, oximeters, groceries, sanitary products, medicine etc. Many of the organisations interviewed mentioned that they also reached out to their personal networks in order to raise funds and were successful on many occasions. One CF leader mentioned that an increase in CSR funding came with its own challenges of increased regulatory requirements. In some cases, CFs served as a conduit between the funder and the community organisation or collective to ensure compliance.

The INGOs that participated in this study recognised the urgency of the situation and expressed an eagerness to support their grantees - “I think essentially, we opened our funds. Fundamentally we sort of opened it out and we said that whatever the FCRA norms allowed them to use it for, they were open. That was the first thing that we did for all our grantees. We said ‘use it as you deem best, whatever the proposals were’.” Some funders began specific funds to support post-pandemic recovery efforts for organisations, and others were able to onboard grantees that they were typically not mandated to support.

While most funders became more flexible in their approach, extending deadlines and allowing their grantees to repurpose the funds they had received, some continued to follow existing systems of grantmaking, with one CBO representative expressing that, “there was no flexibility. I had to submit the reports on time... There was no change. The only thing is... they have allowed us to buy food and then to distribute [it] to the community... But otherwise, almost all same.” According to another CBO leader, for some funding organisations that had eased processes during the pandemic, a return to normalcy brought with it a reversion to their earlier ways of giving, usually involving non-flexible and project funding.

In addition, the pandemic highlighted that support for emergency needs did not always translate into assistance for administrative expenses, with many CBOs and CFs feeling the strain internally. One CF respondent stated - “There were many people who we could not retain. Many good employees, our own colleagues have left because we could not support them, couldn’t provide them their salaries on time,... had only one project running.” As a result, while some organisations were able to expand their networks and receive adequate funding to sustain themselves and their projects, others had difficult choices to make regarding their futures.
While civil society faces a myriad of challenges today, the CFs and INGOs that participated in the study have outlined a few critical areas, which, with the help of flexible funding, could support NGOs and CBOs in securing their futures in the long-term.

Develop Strategic Plan

It has been suggested that it would be helpful for grantee organisations to periodically develop an institutional strategy, reassess their goals and objectives and create a roadmap that clearly reflects what the organisation wishes to do and how it aims to achieve those milestones - “the first thing is being clear as an organisation about who the organisation is, how it’s structured, and why it is needed.” Funders have also expressed that a clear plan can help the organisation understand where it needs to build capacities and what kind of support it requires at every stage. This also helps funders see themselves as “relevant with respect to the strategy” and be more open to funding such organisations.

Create MEL Framework and Documentation System

While many grantee organisations have expressed concerns regarding current reporting requirements, one INGO representative argues that impact measurement can be critical to organisations - “Actually, I really do believe that we must report. We must know what the impact of our work is”. They add that “if you know what you’re trying to achieve, then you’ll be able to assess where you’re going and how you’re moving.” Therefore, it is important that organisations develop an internal learning framework to measure the impact of their work. Such a tool can help organisations “see what’s going wrong, what’s not going, what can be ramped up.” Furthermore, developing systems in order to document outcomes and learnings can make funder reporting as well as external communications easier and faster during the project lifecycle. In fact, in addition to helping grantees “face funders and their questions”, regular communication and updates have helped funders stay involved with the organisations that they support. Developing a culture of reporting and the corresponding capabilities will also serve to enhance the strength of civil society organisations.

Build Internal Capacities

Many funders recognise that NGOs are doing critical advocacy work at the grassroots, but often lack the systems and processes to advocate for themselves. While core funding is not easily available to many small organisations, funders recommend that organisations first utilise flexible funding to build institutional capacities and assess the work that they’re undertaking in a more structured manner to ensure clear division of roles. As many grantee organisations have indicated financial accounting, fundraising and reporting are challenges, using core funds as well as funder assistance to strengthen these departments internally could prove advantageous in the long run.
Funding Practices in the Non-Profit Sector

10 Recommendations and Good Practices

Following is a discussion of the recommendations that have been identified by participants towards improving the support ecosystem in the country. Some exemplars of good practices and preferred approaches that have emerged from the interviews will also be outlined later.

Provide Flexibility in Funding

Philanthropy in India can only be effective in the long-term if the interests of funding organisations are aligned with those of non-profit organisations carrying out social work. In line with this objective, it is crucial for funders to acknowledge that the organisations they support can benefit significantly from having access to funding that is flexible in nature. This would grant them the liberty to determine how best to utilise the resources to suit their needs. One funder explained, "I feel like core funds allow you to envision your future more and secure your present a little bit." Funder organisations that were interviewed explained that they follow an open grant-making strategy wherein grantees decide the plan as well as the budget for the proposed work, and they are provided with the flexibility to modify the activities they wish to undertake as long as the changes are communicated to the funding team. Further, one funder stated that their organisation requires only an activity report at the end of the financial year and their grantees have the freedom to use the grant they've received as per their requirements without any additional approval. A consequence of this type of flexibility in funding also allows organisations to “think outside the box” and innovate, which can ultimately lead to progressive outcomes for the social sector.

Simplify Processes

Some funders have recognised the extraneous burden that is placed on applicants seeking funds as well as grantees reporting on their impact. To counter this, one INGO leader had this to say - "We also try and take on some burdens ourselves rather than passing all of them to our grantees." While they believe that documenting impacts or learnings is important, they also understand that many reporting templates are not conducive to work timelines as “impact is incremental.” They also require tedious efforts that are often well beyond the capabilities of many grassroots organisations. Funders have also begun to assess whether all the data that is collected from their grantees is relevant to them and whether their own teams have the capabilities to parse through extensive forms. An outcome of this assessment has been simpler forms with fewer questions in clearer language that can be easily understood, and helping to bridge any potential gaps.

A CF leader explained their hand-holding process as follows - "So every project has a person attached to that project who looks after the project throughout the time. There is one person from a program and there's an accounts person also attached who looks after helping. We do a lot of help in writing of reports, and doing the questioning and doing the figuring out how to write your financial reports. There's a lot that goes in there." One funder mentioned that one of the approaches they employ with reporting is “… to give the final report kind of format when you give the application. When you are asking for the application, it is around the same time that we also give the reporting format so they know what they need to report on.” Similarly, with proposal processes, another funder respondent mentioned how “…there have been times our grantee partners have submitted a budget for an event grant, or, travel grant, and we can really just use that budget as a proposal. So we've done that a lot more. So we've tried waiving proposals as much as we can altogether.”

It follows that a key step to ensuring that funds designated for social change work are having an impact is to simplify application processes and reporting requirements. This will allow new actors to participate in the calls for applications, reduce reporting burdens on organisations and at the same time allow grantees to understand the impact of their work and report their progress.
Create Opportunities for Collaboration

“If there are five funders, then they would produce five different kinds of reports for that. Now it is purely because the donors don’t speak to themselves and they want their own type of funder reports to be submitted.” While this has been a generally accepted practice, it can also be burdensome to organisations that are also short-staffed and lacking in resources. To reduce redundancies and ensure that organisations are utilising their time and energies efficiently, funders can collaborate and standardise application procedures and reporting templates.

The concept of philanthropic advocacy was also highlighted as a significant tool for shaping grantmaking practices. Some funders are actively and extensively employing this strategy in order to shape the philanthropic space. A representative of a community foundation recommended that funders also speak to organisations in the areas that they want to support in order to strengthen their grantmaking - “talk to more NGOs. They have to build their cohort and continuous interaction with them -- what is happening in the field, what's not happening, what are the challenges, where do they need to focus, how to bring those people who are in remote areas, they don’t have any space in our system.” This also creates opportunities for collaboration between different funders interested in funding similar thematic work.

Build Better Relationships

Non-profit organisations have expressed that their relationship with their funders often remains transactional due to a lack of trust. This lack of trust also boils down to funding practices and the support that is offered to organisations, which is a reflection of how funders view themselves within the support ecosystem. It can also mean short-terms project grants with limited flexibility that do not help organisations in sustaining themselves. “Overall the whole process of grant making... should be based on trust” (CBO respondent). In its absence, the grantee-funder relationship may remain strained and one that is based on compliance and not respect. “Trust can only be built with honest, open, transparent conversations.”

Many participants have expressed that power hierarchies also determine the relationship between a funder and their grantee, with one CBO representative explaining to funders that, “you are not the top of the hierarchy. Your money is important, but the money, where it goes, that those people, those communities are equally, if not more important.” To this end, funders must recognise these disparities and address them in their grantmaking approach to help create a more equal relationship built on trust. “Afterall we are supporting a movement at the end of the day.”

The rich discussions with the three varied sets of actors yielded some interesting good practices that can be useful for reflection. We have listed some of them to provoke greater discussions on these.

Good Practices of Funders:

1. Participatory grantmaking
   “we've decided... [to] shift our grant making from us making all grant making decisions to shift some of those decisions to the movement themselves... and have people within those movements decide who gets the funding, where does the funding go, how much funding does each organisation get.”

2. Flexibility in funding
   “We try to be as flexible within that because our main focus and principle is of core grants.”

3. Support for administrative expenses
   “Many of our grantees use all of our core funds only for paying their teams and providing bonuses or giving them health insurance. I think just that can do a lot for an institution over a period of time.”
4. **Simplified application processes and reporting templates**

“We are sometimes only asking five simple questions to our grantees instead of having them fill out the entire form. Because we’re also realising that when you have 800 active clients, most grants have 2 reports, one, an interim report in the middle of the year, and a final report. We don’t have the bandwidth to read those reports, so why should we ask all of these questions of our grantees? So we’ve trimmed down our reporting a lot more.”

5. **Handholding support to grantees during application cycle and grant period**

“So when all inquiries come in, one project officer responds to them who’s holding that program together, responds, answers questions, even helps applicants to apply. We don’t have a format, but you can write to us saying ‘help me apply’, and we’ll help you apply.”

“There’s a huge translation bureau that translates all of this for us because that’s how we enable projects coming to us, really from places where English is not spoken. And that really helps us go more grassroots, more interior and all of that... we do that only because we feel that that’s the only way we are going to the heartland of this country.”

6. **Capacity-building and training for grantees or accompaniment support**

“We do it in two ways. One is that we would build a certain amount of money in the grant itself. And the second is where [we] would hire a set of consultants, and those consultants will make the organisations go through a process of self assessment and... take them through a capacity journey. And in both cases... the accompaniment... is really, really critical.”

7. **Network-building and collaborations for grantees**

“We have organised collaborations, we have organised specifically learning trips, we have also organised national campaigns when the need has arisen, gathering together collectives of young people.”

8. **Honest and regular engagement with grantees**

“An active communication is quite useful and without trying to take too much of their time. So we also think about how to get information from folks, maybe through a survey rather than a call.”
**Good Practices of Grantees:**

1. **Roadmap outlining vision, objectives, and governance structures**
   "It was a... good jolt for us to become more planned, more organised, realise that we have to plan well in [advance]... We had to get our systems and processes in place, we had to get policies in place."
   
   "We are trying to look at a... building a vision of the organisation for the next 10 years so it's very interesting for us to be in this process and it's really helping out, so we have just started allocating, say, a day in a week to just sit together and to see where did we start, where are we, where have we reached, where can we go."

2. **Documentation and communication of impacts**
   "Grantee partners keep sending me updates of what they’re doing. I may not have time to follow-up or ask what you’re doing, but I think, just hearing about what work’s happening .. it’s good to know what grantees are doing"

3. **Building corpus fund**
   "We were very smart then... we did manage to get about [XX crores] over a period of time of corpus and we invested very well... And that money has grown to [...] today. And the interest that we get from that...supports about 40% of the work that we do."

4. **Building second line of leadership**
   "In the spirit of bringing fresh leadership into the scene... the leadership transition and the way it has happened, with a very slow and gradual process, with very gentle facilitation from outside organisations and really making it like a win-win situation for the founder as well as for the organisation."

5. **Crowdfunding**
   "Crowdfunding... is something that we only explored in 2020 through the pandemic... it was the first time, in fact, we put up fundraisers through various platforms like Give India, Ketto, Our Democracy and so on."
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<td>Venkatachalam, P., Yeh, D., Rastogi, S., Siddiqui, A., Gupta, K., Shekar, L., &amp; Thompson, R.</td>
<td>Bridging the Gap on Funding the True Costs of NGOs in India.</td>
<td>The Bridgespan Group. <a href="#">Link</a></td>
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