



INDIA
LEADERS
FOR
SOCIAL
SECTOR



THE ILSS FUNDRAISING CONFERENCE

JANUARY 10, 2020

KEY INSIGHTS ON FUNDRAISING FOR SOCIAL IMPACT



TATA TRUSTS





Anu Prasad

Founder - Director

India Leaders for Social Sector

When we started work on putting together the ILSS Fundraising

Conference – FRC 2020, we thought we had a fair idea that such a congregation would be quite useful and relevant for the Indian social sector. Long, repeated conversations with leaders in the sector had given us enough confidence that we were working on the right premise.

What we had not anticipated was the kind of interest that the event would generate. We had envisaged an event of a modest scale with participation by founders and fundraisers from social purpose organisations, mostly ILSS well-wishers.

On the morning of January 10, when the conference kicked off in Mumbai, we had a packed hall, with around 200 people, including participants and speakers. We knew then that through FRC 2020 we were addressing a felt need in our sector.

The day was filled with interesting discussions and perspectives on fundraising, including sharing of success stories and strategies that worked—or didn't—for organisations. Importantly, the conference also provided a context and a space for participants to bring up concerns around funding, fundraising and all the challenges in between. It brought together fundraising people from different organisations across the country, creating a sense of community. And we at ILSS are committed to strengthening these bonds over the coming months.

Soon after FRC 2020 concluded, we were flooded with requests—from participants as well as from those who could not attend the conference—to share our speakers' presentations for the sake of easy future reference. Rather than share just the presentations, we thought it might be useful to create an easy-to-use compilation of all that we heard and learned at the conference.

We hope the contents of the following pages provide you a flavour of FRC 2020, capturing the ideas, insights and conversations that went into making it a vibrant day of learning, sharing and connecting.

Keynote Address
Ashish Dhawan



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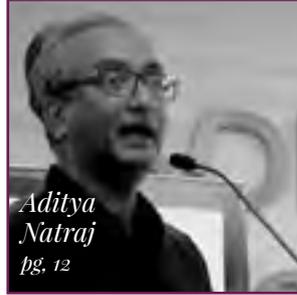


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Success Stories



Unlocking CSR



As part of the continued efforts by India Leaders for Social Sector (ILSS) to create opportunities for capacity building and knowledge sharing within the social sector, the first-ever annual ILSS Fundraising Conference – FRC 2020 was held in Mumbai on January 10, 2020. More than 180 participants from around 140 social purpose organisations attended the day-long conference that sought to create a platform for conversations around the challenges, opportunities and emerging ideas related to fundraising for social impact.

The inaugural edition of the ILSS Fundraising Conference was conducted in partnership with A.T.E. Chandra Foundation, Central Square Foundation and Tata Trusts. The conference saw speakers, panelists and an enthusiastic audience discuss a range of topics and questions related to how social purpose organisations are raising funds, the sources they are tapping into, how they can go about it more effectively, and managing donor and stakeholder relationships, among others.

SHARING SUCCESS STORIES

Listening to leaders of organisations who have built successful fundraising models share their stories of what worked and what didn't as their programmes and organisations scaled, a few things became clear: the need for focus, intentionality and a sound plan for fundraising; the importance of having a strategy at the heart of the fundraising efforts; the need for organisations to create a considered donor portfolio, build the ability to assess what kind of money is good for them, and also walk away from funding that is not aligned to their values, vision and mission. [\(See pages 11-17\).](#)

UNLOCKING CSR

The topic of corporate social responsibility (CSR) and the money that has started to come into the social sector over the last five years brought up questions and discussions related to maximising the potential of this source of funding; crafting the perfect pitch; building a relationship of mutual trust and respect; understanding the possibilities and limitations of CSR funding; developing an appreciation of the culture and compulsions of the funding organisation, and focusing on diligent measurement and reporting of impact. [\(See pages 18-21\).](#)



“The first-ever ILSS Fundraising Conference has set in motion an endeavour to strengthen the Indian social sector’s fundraising capacity.”

FRC 2020 AT A GLANCE

PARTICIPANTS: 180

ORGANISATIONS: 140

SPEAKERS: 24

PARTNERS:
A.T.E. CHANDRA FOUNDATION, CENTRAL SQUARE FOUNDATION,
TATA TRUSTS



GLIMPSES FROM FRC 2020

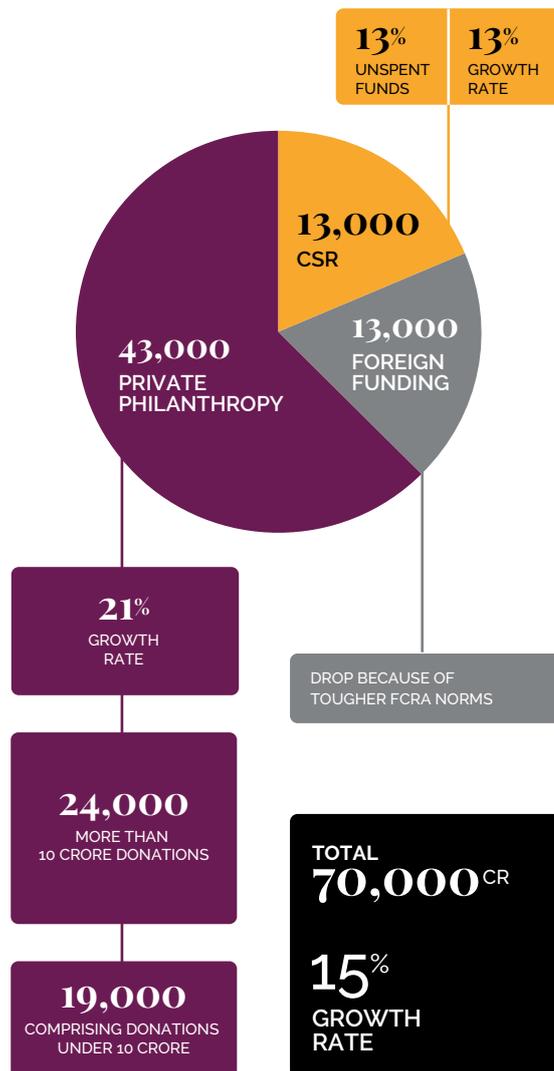
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PRIVATE FUNDS IN THE SOCIAL SECTOR [in ₹ CR]



SOURCE: THE INDIA PHILANTHROPY REPORT 2019

THE POWER OF RETAIL

A panel discussion on the status and potential of retail giving, perhaps the most undervalued of all forms of philanthropy, threw up interesting facts on how this form of funding can give flexibility and freedom like no other; how it is unquestioning and trusting; how it is willing to fund causes that big money will not back; how it is a great channel for advocacy and brand building, and what organisations can do to get the retail donor on board ([See pages 22-23](#)).

THE DONOR PERSPECTIVE

A donor panel, placed towards the end of the day's proceedings, provided an opportunity for participants to understand the factors that influence philanthropy, the values and philosophies that shape how different people and entities give, and some of the new directions in Indian philanthropy ([See pages 24-25](#)).

Envisioned as an annual event, the first-ever ILSS Fundraising Conference has set in motion an endeavour to strengthen our sector's fundraising capacity and create a platform for important conversations around philanthropy and build a network of people raising resources for social impact.



ASHISH DHAWAN

Founder & Chairman,
Central Square Foundation

When I started ChrysCapital, a private equity fund, 21 years ago, my core job was to invest capital, but I also had to do a lot of fundraising. I was not an expert and I remember the job involved a lot of hustling. My biggest lesson from those years is that while there are a lot of smart people who are good investors, they may not be able to build a business because they don't know how to fundraise. The ability to fundraise is a key attribute if you want to be an entrepreneur—it's fundamental to success in any business.

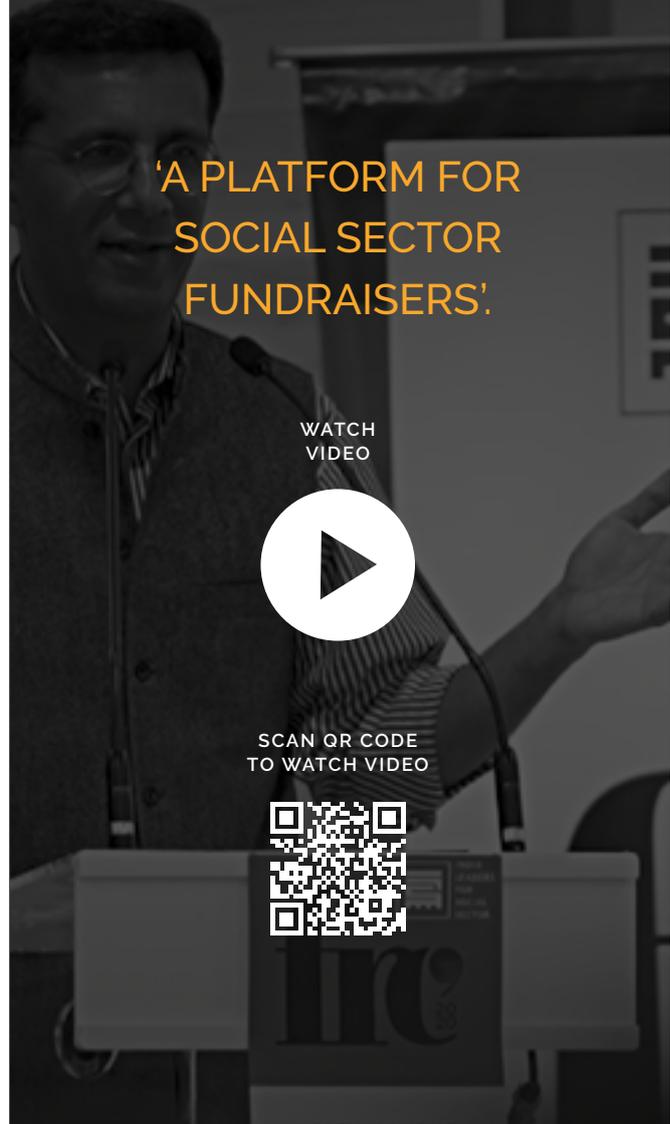
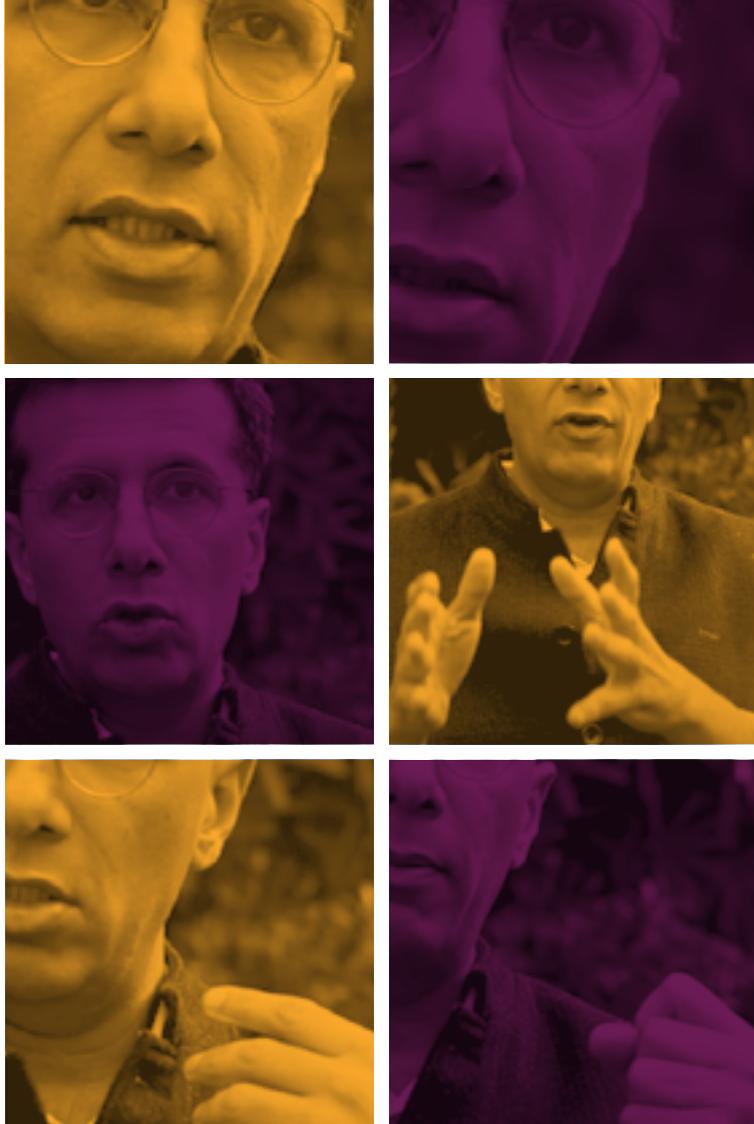
At Ashoka University, we realised early on that we needed a professional fundraising team to raise the kind of capital we needed. We also made a conscious decision to give the team a special place within the institution: the development team is the only one at Ashoka that reports directly into the board.



TIME TO INVEST IN FUNDRAISING

Indian organisations are yet to appreciate the role that fundraisers play. That is why it is important to have a platform like the ILSS Fundraising Conference to turn the spotlight on this critical area. The opportunity is there because the revenue pool is still small; if we have a skilled fundraising community, this revenue pool will grow much more rapidly.

Organisations need to realise that investing in fundraising talent has the fastest and highest return on investment because such people pay themselves back, many times over, within 12 months. Hence, it is important to view it as an investment and not as an expenditure. When you think about it as an investment, put it on the balance sheet and capitalise it, you start thinking about it differently.



'A PLATFORM FOR
SOCIAL SECTOR
FUNDRAISERS'

WATCH
VIDEO



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GIVE FUNDRAISERS THEIR DUE

Fundraising people are quite special and deserve a lot of respect. It's an extremely important skill to have. A fundraising person requires good communication skills and the ability to empathise with others to build lasting relationships. It's a profession where, globally, the turnover is very high, with a person in this role lasting an average only 14 months. There is high burnout because it's a sales job and there's less vertical movement.

Fundraisers need to be highly motivated and mission-driven to be successful. It's a highly exciting role too, because they get to be at the high table. They have access to trustees and get involved in the strategy, the mission and vision— in short, they become ambassadors for their organisation.

The time has come to take this profession more seriously. We need to think about their training and certification, building knowledge about fundraising and sharing it widely, and building a community of professionals. The truth is, if fundraising people leave, organisations will shut down. Therefore, it's time to elevate the role of fundraisers and give this profession the respect it deserves.

Edited excerpts from Ashish Dhawan's keynote address at FRC2020

Central Square Foundation (CSF) is on a mission to transform India's school education system towards improving the learning outcomes of children, especially from low-income communities. It partners with social impact organisations to bring innovative solutions in education and works with the government to drive scalable, sustainable and positive impact. CSF also collaborates with the private sector, non-profit organisations and other ecosystem stakeholders to build research and create effective proven tools around critical issues such as early learning, technology in education, classroom instruction methods and system governance.

“Organisations need to realise that investing in fundraising talent has the fastest and highest return on investment.”



DEVAL SANGHAVI

Co-founder,
Dasra



THE GIVING LANDSCAPE

- At around Rs 44,000 crore, individual giving, with a CAGR of 21 percent from 2014 to 2018, contributes 63 percent of the total private funding to India's social sector.
- India to witness the transfer of around Rs 90 lakh crore from one generation to the next in the coming decade. During the first half of this century, 8-10 times more wealth likely to be transferred to philanthropy than in the entire 20th century.
- Total number of dollar-millionaires in India as of 2018 stands at 3,43,000; 1,500 of them hold over \$100 million each.
- Growth in funding also driven by corporates, international agencies, global individual giving and foundations.
- While foreign funding has dipped, the likes of Gates Foundation and MSDf have significantly increased outlays to the Indian development sector.
- Indian NGOs have raised fair amounts internationally, from individuals and institutions as well as via global awards from the likes of Skoll Foundation, the Audacious Project, Co-Impact, and so on.
- CSR, which has invested around Rs 12,000 crore into the sector since 2013, will need another 5-7 years to start being active, focused and mature givers.

FUNDRAISING TIPS

- Founders must spend 50-60 percent of their time fundraising.
- A highly detailed five-year fundraising plan is critical to allow donors to make longer-term financial commitments and also give time and expertise.
- Engage your funders as mentors and as partners.
- Enhance transparency and honesty in your relationship with donors through regular reporting.

Dasra was founded in 1999 on the premise that supporting non-profits in their growth will scale their impact on the vulnerable lives they serve. Beginning with incubating NGOs and enabling them to scale, this theory of change continues to thrive at Dasra 20 years on. It now encompasses strengthening leading NGOs, magnifying philanthropists' impact and enabling government to better serve communities.

“Donors are not mere cheque writers. They have the same path, same journey, and the same social impact you are trying to create. Treat them as partners.”



INGRID SRINATH

Director,
Centre for Social Impact and
Philanthropy, Ashoka University

“Every cost in your organisation can become a product for fundraising”

THE PERFECT DONOR PORTFOLIO – AND HOW TO BUILD IT

- The dream donor—who funds institutional costs, is patient and flexible, understands how change happens, operates from a position of mutual respect—is almost a mythical creature, an alicorn.
- Fundraisers have the power to construct the mythical alicorn by creating a donor portfolio that offers the best ingredients needed by an organisation.
- To create the perfect donor portfolio, you need to first get an understanding of what you're looking for, be it patient money, long-term commitment, institution building, flexibility, trust, autonomy or help with brand building.

HOW TO CHOOSE THE RIGHT DONOR TO MATCH YOUR NEEDS



	LONG-TERM	PATIENT	INSTITUTION BUILDING	FLEXIBLE	TRUSTING	AUTONOMY	BRAND/ CAUSE AWARENESS	COST
RETAIL DONOR	✗	✓	✗		✓	✓	✓	✓
HNI	✓	✓	✓	✓			✗	✓
CORPORATE	✗	✗		✗	✗	✓	✓	✓
PRIVATE FOUNDATION - INDIAN	✓	✓	✓			✗		✓
PRIVATE FOUNDATION - INTERNATIONAL	✓	✓	✓			✗		✓
GOVERNMENT/ INTER-GOVERNMENTAL	✗	✗	✗	✗	✗	✗	✗	
EARNED INCOME	✓	✓	✓	✓	✓	✓	✓	✗

- As you start approaching corporates or international donors, it is critical to focus on building your brand. In addition to a great product or programme, you also need to have a great story. The donor who allows you to raise awareness of your cause or brand is disproportionately valuable.
- Retail and HNI donors are the most valuable because they are patient and give a lot of flexibility and freedom.
- Every time you make a retail ask, you're also building your brand and awareness for your cause.
- When you consider a donor, it is important to look at the numbers carefully. A high-cost, flexible funding might be better than a huge funding (from government or CSR, for example) that comes with constraints on investing in organisation building, advocacy, etc.
- A smart fundraiser has the ability to configure almost every expense to a different donor segment. Rather than feel overwhelmed by the fundraising target, they must look at the figure as something that they can disaggregate and recombine with some clever thinking and perspective.

Ashoka University's Centre for Social Impact and Philanthropy envisions robust and resilient philanthropic and social impact sectors, recognised for their contribution to India's economic, social, political, and cultural vitality. It seeks to achieve this by informing sector strategy and debate through credible, accessible data and knowledge; facilitating development of coherence, norms, vision, voice and collaboration by convening platforms and networks; raising sector ambition, sustainability and talent availability through capacity and leadership inputs; and enhancing sector credibility by driving evidence-based discourse, sector norms around transparency, and accountability standards.



SAFEENA HUSAIN

Founder & Executive Director,
Educate Girls

FUNDRAISING FACTS

- Portfolio of 30 funders, over 90 percent being multi-year funding; most donors committed for five years or more.
- Anchor donor contributes to 30-50 percent of annual budget.
- Need for funds doubles every 1.5 years to match rapid scaling.
- Five-year strategy, created three years ahead of execution, fuels fundraising plan; 50-80 percent of funds committed before strategy is ready for implementation.
- Conscious focus on funding that is strategic, flexible and mission aligned.
- Lean fundraising function, with 5-member team.
- Strict control on investment in donor acquisition; cost of fundraising is less than 1 percent of annual budget.
- Stringent guidelines around fundraising and gift acceptance to avoid mission drift.
- Focus on donor relationship management rather than new business development.
- Deliberate decision to divorce strategy from money by not having funders on the board.

FUNDRAISING TIPS

- Finding the right first donor is critical, because that influences the kind of funding that follows.
- Ensure existing donor relationships are managed well.
- Follow your strategy, not the funding.

“Educate Girls is a product of smart, strategic, flexible, multi-year, patient capital backed by a small group of funders.”

Educate Girls works in more than 17,000 villages in Rajasthan and Madhya Pradesh to improve access to primary education for children, especially young girls.

It leverages the government's existing investment in schools and engages with a huge base of community volunteers to identify, enrol and retain out-of-school girls and improve foundational skills in literacy and numeracy for both girls and boys.

Educate Girls recently piloted the world's first Development Impact Bond, a pay-for-success contract where the funder only paid for successful results, i.e., girls enrolled in school and learning gains achieved. In April 2019 it became the first Asian organisation to be named an Audacious Project, with the aim of enrolling around 1.6 million out-of-school girls in 35,000 villages into the school system over five years.



ADITYA NATRAJ

Founder & CEO,
Kaivalya Education Foundation &
Piramal School of Leadership

FUNDRAISING FACTS

- Portfolio of 17 funders, with Piramal Foundation as anchor funder and risk investor.
- Prefers working with donors who are committed to the cause of education and count Kaivalya among their top priority investments.
- Strongly believes funders need to be assured of the outcome of their investment, not the methodology.
- Sharp focus on building internal leadership capable of achieving committed outcomes.
- Invests in independent, external monitoring and evaluation
- Four-member team manages relationship with funders, almost acting on the latter's behalf vis-à-vis the programme and commitment to outcomes.
- Allows funder to hold the agenda for the programme and see the outcome as their legacy.
- Looks to funders to bring in wealth (for innovation/risk), wisdom (strategic input, succession planning) and work (brand, network, systems).
- Everyone in the organisation is equipped to be a fundraiser.

FUNDRAISING TIPS

- Execute. Execute. Execute. Your fundraising is as good as your programme execution.
- Adopt the "legacy outsourcing" approach, whereby you are just implementing a programme and achieving outcomes on the donor's behalf.
- Build an outcome-focused culture where every team member can be a fundraiser.

Kaivalya Education Foundation (KEF) supports large-scale systemic changes in India's public education systems through leadership development of state, district and school leaders. It works with 10,000+ education leaders across 14 states in India, directly affecting the lives of 5 million children across 50,000+ schools. KEF also runs the Gandhi Fellowship programme, a two-year, full-time programme to train young people in leading social change.

Remember, money will ultimately go to the lowest cost, highest value-added, most scalable model.

SHRIDHAR VENKAT

CEO,
The Akshaya Patra Foundation

FUNDRAISING FACTS

- Public-private partnership model sees government and Akshaya Patra sharing the cost of running the mid-day meal programme for schools.
- For 2019-20, government to contribute Rs 300 crore and Akshaya Patra to raise Rs 300 crore to serve 1.8 million children.
- Akshaya Patra raises 80 percent of its funding from corporate donors and a small number of foundations and trusts, while the rest comes from individual donors.
- Large donor base with 98 percent individuals and 2 percent corporates; 99.99 percent of individual donors contribute less than Rs 5 lakh each.
- Plans to consciously increase the contribution from retail donors over five years.
- Fundraising team of 70 people.
- Cost of fundraising is a competitive 7 percent.
- Strong donor relationship management, including reporting, satisfaction surveys and engagement activity; 90 percent retention over 15 years.

FUNDRAISING TIPS

- Ensure complete transparency in financial reporting.
- Keep a strict eye on the fundraising cost.
- Make sure you keep the fundraising team motivated at all times.

The Akshaya Patra Foundation strives to eliminate classroom hunger by implementing the mid-day meal scheme in the government and government-aided schools. Starting with 1,500 children in five schools in 2000, Akshaya Patra now leverages technology to serve 1.8 million children in 16,856 schools across 12 states and two Union territories of India. It has built strong partnership with the Government of India and various state governments as well as corporates and individual donors over the years.

“Don't go to the donor only when you need money, go to them when you don't need any money and build your relationship with them.”



SHAVETA SHARMA KUKREJA

Managing Director,
Central Square Foundation

FUNDRAISING FACTS

- CSF was set up with the personal funds of Ashish Dhawan in 2012; around 2018 it started bringing on strategic funding partners for critical input and value-add on strategy and approach.
- In 2018 became the first education non-profit to be funded by Bill & Melinda Gates Foundation outside of the US; received support from Google.org to co-fund the India Content Accelerator Program.
- In 2019, the Lawrence Ellison Foundation came on board to support its work in Gujarat on foundational learning and numeracy.
- Shift from a single domestic funder (and founder) model to a core group of international and strategic funders helped strengthen CSF's programmatic, governance and financial processes.
- Set up Internal Investment Committee to approve proposals; defined internal decision-making process for key projects and partnerships.
- Formalised accountability for results from leadership team; sharpened focus on key metrics.
- Revamped the finance function, including appointing a CFO, streamlining processes, delegating financial responsibilities, and establishing firm budgetary control.
- Created well-defined procurement process; strengthened internal and external compliance and audit.

FUNDRAISING TIPS

- Make sure you have upfront alignment with the funding partner, make them a part of the learning journey and look for strategic rather than programmatic engagement.
- Build internal leadership capacity to manage your funders.
- Remember to take on great accountability for the impact you create.

Central Square Foundation (CSF) is on a mission to transform India's school education system towards improving the learning outcomes of children, especially from low-income communities. It funds and partners with social impact organisations to bring innovative solutions in education and works with the government to drive scalable, sustainable and positive impact on student learning outcomes. CSF also collaborates with other non-profits and stakeholders in the ecosystem to build research and create effective proven tools around CSF's strategic priorities of foundational literacy and numeracy, Ed-Tech and quality learning in affordable private schools.

“Look beyond a reporting relationship with the funder and involve them in the ‘learning process’ to build greater trust and transparency.”

VENKATESAM ESHWARA

VP-Development
Ashoka University



FUNDRAISING FACTS

- Institution funded completely by collective philanthropy and CSR; no government funding.
- Around Rs 1,350 crore raised from 135 founder-donors from India, Hong Kong, Singapore, the UK and the US.
- Target of raising USD 1 billion by Year 2032-33 to fund scaling up plans.
- Over the last one-and-a-half years, money ranging from Rs 5 lakh to Rs 50 lakh being raised for scholarships to create an additional reserve.
- Fundraising team of 13 members who approach the task as a sales job and maintain a powerful selling engine.
- Diligent and daily attention to cashflow ingrained as a practice within the team; important to maintain 3-4 months of reserves at any point of time.
- Donors, supporters and staff double up as ambassadors and fundraisers for Ashoka.
- Confident that India has enough wealth, individual and corporate, to serve every kind of need; accessing this wealth calls for customised strategies, persistence, determination, and relentless, rigorous engagement through various communication channels.

FUNDRAISING TIPS

- Make a habit of keeping a close watch on your cashflow situation.
- Develop the ability to say 'No' to funding that can potentially compromise your organisation's governance and value system.
- Non-profits are mission- and values-driven; the more the donor sees that commitment, the more they will support you in the future.

Ashoka University, set up as a not-profit in 2014, is India's pioneering liberal arts university. Ashoka aims to help students become well-rounded individuals who can think critically about issues from multiple perspectives, communicate effectively and become leaders with a commitment to public service. The University campus in Sonapat, Haryana, is currently home to 1400 students from 28 states in India as well as 17 other countries.

“Fundraising is hard and relentless, and it will take the best effort of everyone in the organisation to go and raise that money.”



ATUL SATIJA

Founder & CEO,
The Nudge Foundation
& GiveIndia

FUNDRAISING FACTS

- Donor portfolio includes 10 foundations, 35 CSR partners, 20 HNIs and philanthropists, and a couple of government partnerships.
- Seven-member team manages fundraising function; cost of fundraising is around 1.5 percent.
- Differentiates between risk money and unrestricted funding; built early interventions on risk money from HNIs and UHNIs ready to take a bet on innovative programmes and risk failure.
- Donor portfolio has evolved to reflect Nudge's growth; UHNIs continue to give risk money for new programmes, while programmatic funding comes largely from CSR and some from foundations.
- Believes in the "support spiral" approach, whereby early stage money is received on the basis of trust and faith in the character of the team, which in turn must prove its capabilities and build a culture of sharing impact indicators, starting with output measures and evolving into outcome measures.
- Leverages donors, board members and supporters to build goodwill and develop testimonials, which act as valuable, effective fundraising assets.
- Strong commitment to organisation's purpose helps walk away from funding that can compromise values or mission.

FUNDRAISING TIPS

- Never take a potential donor's 'No' as final; look beyond that refusal to work on creating better understanding of your work.
- Don't shy away from authentic marketing and messaging about your work to grow your support base.
- Showcase your work on the ground to donors to create stronger appreciation and support for your organisation.

The Nudge Foundation, set up in 2015, focuses on sustainable poverty alleviation by building a strong 360-degree life, learning and economic foundation for underprivileged youth in residential "Gurukuls", along with lifelong support system. The Nudge Foundation is a collective initiative of some of India's best leaders and entrepreneurs, with a dream to see a poverty-free India within our generation.

“No matter how much conversation we do on fundraising, we should never lose sight of why we exist and what we're trying to do.”

MATTHEW SPACIE

Founder,
Magic Bus



FUNDRAISING FACTS

- Around 80 percent of funding from CSR and the rest from retail givers, HNIs and foundations.
- Organisation structured to suit CSR, including having account managers to manage donors.
- Every corporate donor given access to an online system with real-time data of the programme.
- Realised five years ago that it was producing different outcomes for different donors; decided to refocus on three key impacts to avoid mission creep.
- Conducted an exercise to help articulate key manifestations in a language that funders could relate to.
- Defining manifestations helped gain clarity on strategy as well as on what to say 'No' to, both in terms of the programme and fundraising.
- Customised messaging around impact to communicate with different donor groups.
- With an eye on sustainability, Magic Bus monetises placement of youth it skills and makes employable.
- Scale-up plans to impact 2.5 million children will require bringing institutional funders on board—and a different fundraising strategy.
- Consciously moving towards channels that enable non-founder fundraising.

FUNDRAISING TIPS

- Carefully choose what and how you want to talk about your programme; package it in a manner that makes it relevant and accessible to potential donors.
- Be deliberate about your choice of funds—the balance between restricted and unrestricted funding must match your growth plans, pace and the kind of organisation you're trying to run.
- If you are unable to get money from big institutions—most organisations don't—then consider retail funding, because it allows you a strong inflow of money. Organisations are increasingly going to the lowest denominator vision.

Founded in 1999, Magic Bus equips children and young people in the of 12-18-year age group with the skills and knowledge they need to grow up and move out of poverty. Magic Bus has so far transformed the lives of one million children and young people, with 5,500 young leaders from the community trained to mentor and deliver the organisation's sports activity-based sessions to children across 798 schools. Its 42 livelihood centres across the country have so far trained 10,000 young people and placed 7000 in jobs in the organised sector.

Start thinking of how you can monetise what do you do well. That will be make you truly sustainable.



SRIKRISHNA SRIDHAR MURTHY

Founder & CEO,
Sattva Consulting

THE CSR OPPORTUNITY

- It is a good time to be a non-profit in India, given the growth in funding avenues, evolving ecosystem and supportive environment, in terms of the CSR law and focus on compliance thereof.
- Education, healthcare and rural development top the list of areas favoured by CSR donors.
- The CSR ecosystem is evolving faster than non-profit ecosystem, in terms of focus on tangible outcomes and impact, vision for systemic level change and impact at scale.
- Funding and fundraising have both become data-oriented processes; leveraging of technology is commonplace.
- Decision making by non-profits has the potential to become completely data-led since they have access to resources (e.g., India Data Insights by Sattva) that provide data to help narrow down on potential CSR donors.

EFFECTIVE WAYS TO TAP INTO CSR

Being outcome oriented: Have clarity on what you want to do, how to grow and scale, short- and long-term outcomes. Corporates are increasingly looking at outcome-oriented programmes, not one-off projects.

Build the right capabilities: Fundraising is a strategic issue. It needs investment of time and thought as well as a sound plan. It is important to understand the impact ecosystem and where you are located within it to be able to map your contribution and partnerships.

Think long term: Build strong partnerships with funders, going beyond transactional or operational. Corporates often co-create programmes with the non-profits, so be partners rather than mere implementers.

Sattva is a mission-driven consulting organisation focused on solving critical socio-economic problems globally through solutions that are effective, practical, scalable and sustainable. Sattva partners with diverse stakeholders, such as corporations, philanthropists, foundations and social organisations, to achieve their social impact goals effectively and maximise the return on social investment. It offers end-to-end support covering research, strategy consulting, implementation, programme management, impact assessment, social audit, talent solutions and more.

“Your relationship with your funders must go beyond being transactional or operational—be committed to building strong partnerships.”



SHYAAM SUBRAMANIAN

Chief Program Officer,
Teach for India

BUILDING A CSR DONOR PORTFOLIO

- Within just 10 years, TFI has grown its budget from Rs 3 crore to Rs 70 crore.
- Donor portfolio now comprises 70 percent CSR, 23 percent foundations, and 6 percent individuals and trusts.
- Well-defined and structured fundraising function, with city fundraising teams reporting into national fundraising director.
- Team comprises people from banking, finance and consulting backgrounds.
- Team spends 80 percent of its time managing existing donor relationships; the remaining 20 percent is dedicated to new acquisitions.
- Technology and data play enabling role in fundraising; Salesforce forms backbone of the function.
- Consciously builds partnerships beyond just funding with donors, in the spirit of co-creation.

“It is important to ask the donor how you can help them, because nobody really asks them.”

TIPS TO CRACK THE CSR CHALLENGE

- The path to CSR fundraising has the following steps: Find (potential CSR donors); Qualify (check the company's fit with your work and organisation); Pursue and, finally, Engage and Convert.
- The 4 Cs—Care, Character, Connection and Capacity—are critical for donor identification, stewardship, engagement and retention.
- It is important to ask the donor how you can help them, because nobody really asks them.
- Manage your operational and fundraising costs.
- Communicating impact and data are core to building trust and confidence.
- Invest in conducting third-party audits of your work.

Teach for India (TFI) was set up in 2009 to address the inequity in the Indian education system by building leadership for the education sector. The TFI Fellowship program provides an opportunity to India's brightest and most promising individuals to serve as full-time teachers to children from low-income communities in some of the nation's most under-resourced schools and, in the process, begin to cultivate the knowledge, skills, and mindsets necessary to attain positions of leadership in the education system and identify their role in building a larger movement for equity in education.



ZIAA LALKAKA

Head,
HT Parekh Foundation

THE CSR DONOR'S CHECKLIST FOR PARTNERSHIPS

- Good governance and impeccable track record.
- Experienced, efficient management and team.
- Demonstrated ability to implement programmes.
- Diligent, good quality reporting.
- Sound knowledge and deep insights.
- Open and honest communication—and this must necessarily be a commitment on the CSR side as well.
- Conscious investment in building a strong second line of leadership.

HOW CSR CAN BUILD SUCCESSFUL PARTNERSHIPS

- Acknowledge and accept that scale is not for everybody.
- Ensure focus on enabling your partner to build sustainability.
- Engage with your partner for long-term solutions; short-term, 'band-aid' solutions are ineffective.
- While quantitative evaluations and assessments are important, understand that qualitative assessments are equally important in the development space.

The HT Parekh Foundation was established by the Housing Development Finance Corporation Limited (HDFC) in 2012 to 'undertake, pursue and be concerned with the welfare, betterment and advancement of society as a whole, irrespective of religion, race, community, caste, gender, language or social status'. The Foundation works across a range of social interventions and development initiatives across India. A significant portion of HDFC's CSR commitments are implemented through the HT Parekh Foundation.

“Organisations in the social sector need to look at ways to be more collaborative; they need to talk to each other regularly. They should also document their learnings.”

THE CURRENT CSR PICTURE

- Decent compliance with CSR law, but there's still room for improvement.
- Between 2014-15 and 2017-18, companies reported actual spends to the tune of 68 percent of the total CSR prescribed amount of Rs 77,222 crore.
- NGO partnerships are the most favoured way of executing CSR commitment, with 52 percent companies opting to work with implementing partners.
- Less than 50 percent NGOs surveyed have received CSR funds; 66 percent of these NGOs are in the sub-Rs 1 crore revenue category.
- Corporates are moving away from merely cheque-writing to funding flagship programmes, thus committing longer-term financial and strategic support, taking more ownership and enabling innovation in return for greater compliance to corporate processes and reporting.
- Service delivery organisations for communities are still the most popular among CSR donors.

KEY CHALLENGES TO ACCESSING CSR FUNDS

- Lack of information about CSR opportunities.
- Lack of understanding about CSR requirements.
- Geographic location.
- Lack of trust on the company's part.
- Lack of systems and processes demanded by CSR.
- Mismatch between programme and CSR focus area.

KEY CHALLENGES TO EXECUTING CSR PROGRAMMES

- Lack of long-term commitment.
- Lack of understanding about social issues and solutions.
- Disproportionate focus on reach.
- Excessive reporting and monitoring processes.
- Demand to scale too quickly.

EFFECTIVE WAYS TO TAP INTO CSR

- Understand the CSR law
- Ask yourself if CSR funding is the right fit for you; there are pros and cons depending on stage and maturity of your organisation and programme.
- Understand the company, its vision-mission, its CSR focus, and compatibility with your own organisation.
- Understand layers of decision-making in the company.
- Pitch your story well: make sure you answer what's in it for the company.
- Prepare CSR-friendly, customised, jargon-free proposal.
- Be patient, be willing to follow up regularly.



PRIYA NAIK

Founder & CEO,
Samhita

“Ask if CSR funding is the right fit for you; there are pros and cons depending on your organisation and programme.”

Samhita is a social enterprise that collaborates with companies to develop impactful corporate social responsibility (CSR) initiatives. Its focus areas include CSR strategy, programme design and sector research. Its CSR consulting practice has worked with leading companies across India to shape their social good strategies, facilitate programme implementation, and assess on-the-ground impact of initiatives. Samhita also works with international and domestic donor agencies and foundations to facilitate multi-stakeholder platforms around critical social issues.



What role can the retail donor play in enabling social impact? Is this funding source adequately leveraged by social purpose organisations? How can organisations become more effective at building the retail donor base?

A panel comprising Pushpa Aman Singh, CEO of Guidestar India, Atul Satija, Founder & CEO of The Nudge Foundation and Give India, Jayant Rastogi, Global CEO of Magic Bus, and Sundeep Talwar, Chief Marketing Officer of Akshaya Patra Foundation, delved into these and other questions at FRC 2020. The discussion was moderated by Srikrishna Sridhar Murthy, CEO & Founder of Sattva.

UNDERSTANDING THE RETAIL DONOR

- The retail donor, who represents *samaj* (of the *samaj-sarkar-bazaar* axis whose role is critical in social change) is an under-valued, less understood asset in the social sector's fundraising portfolio.
- Everyday giving in India contributed around Rs 34,000 crore in 2017 to community, religion, disaster relief and charity.¹
- Convenience, urgency, community and impact are the primary triggers for giving.²
- Retail giving is largely emotional giving.
- Key barriers to retail giving include lack of understanding about where and how to give to social purpose organisations and lack of engagement with these organisations.³



From Left to Right

Srikrishna Sridhar Murthy, Jayant Rastogi, Pushpa Aman Singh, Sundeep Talwar and Atul Satija discuss the potential of retail donors as a powerful funding source.

WHY YOU MUST TAKE RETAIL SERIOUSLY

- Largely untapped source of funding for social impact.
- Retail funding comes with a great deal of trust, freedom and flexibility.
- Retail funding allows organisations to reduce dependency on government and markets for their funding; it helps them have a greater voice.
- Retail donors and their sheer numbers provide organisations a great opportunity to build their brands and create awareness for their cause.
- Managed effectively, retail donors can contribute to as much as 40-50 percent of an organisation's funding requirements.
- It is one of the cheapest sources of funding.
- New platforms and payment channels for giving have resulted in a steady decline in the cost of retail fundraising.
- Technology allows easy integration of various giving interfaces and tools such as websites, telecalling, QR codes, Bill Pay, loyalty points, and so on.

TIPS FOR MORE EFFECTIVE RETAIL FUNDRAISING

- Consistent, accessible communication is important.
- Maintain and analyse donor information to gain better understanding of donor behaviour.
- Focus on relationship management to ensure loyalty to your brand and cause.
- Put in place a clear plan, strategy, targets and measurement for retail fundraising.
- Allocate some of your institutional funding to build the retail piece.
- Make sure you know, record and use all your touch points with the retail donor.

“Every growing organisation should actively pursue the retail donor for reliable, no-agenda, no-strings attached funding that is critical for retaining samaj’s independent voice vis-a-vis sarkar and bazaar.”

SOURCE:
1, 2, 3. SOURCE: Everyday Giving in India Report 2019





What do donors want? What do they look for before they decide to support an organisation, a cause or a programme? What are the factors and considerations that influence their decision to give or not give?

The last session of FRC 2020, a panel discussion featuring Archana Chandra of A.T.E. Chandra Foundation, Ashish Dhawan, Founder & Chairman of Central Square Foundation, Anand Swaminathan, CEO of Azim Premji Philanthropic Initiatives, and Shireen Vakil, Head of Policy and Advocacy at Tata Trusts, sought to answer some of these questions. The discussion was moderated by Pritha Venkatachalam, Partner at Bridgespan India.

WHAT DO DONORS EXPECT?

- Commitment to building sustainability within organisations and towards creating deep and long-term impact.
- A relationship of mutual trust, respect and partnership with the organisation.
- Organisations led by leaders with character, capability and clarity on intended impact.

WHAT ARE THEY ARE DOING DIFFERENTLY?

- Some foundations have a high appetite for risk, demonstrating a willingness to fund underserved causes and projects that many other donors may not be keen to support.
- Moving towards philanthropy with multiplier effect, for e.g., capacity building, leadership development, ecosystem building.
- Supporting organisations working in the space of rights, identity, justice, constitutional rights, the arts, etc.
- Interest in big picture change and in organisations that seek to create systemic change.
- Expect high social return on investment—maximum impact with the most efficient use of funds.
- Growing willingness to identify gaps in the sector that others are not looking to fund.
- Giving decisions are becoming increasingly data driven.



From Left to Right
Pritha Venkatachalam,
Ashish Dhawan, Archana
Chandra, Shireen Vakil and
Anand Swaminathan discuss
the factors that influence
donors and their giving.

THE ONE CHANGE THAT DONORS WISH TO SEE



**ANAND
SWAMINATHAN**

“A commitment to building stronger organisations, creating succession and capacity.”



**ARCHANA
CHANDRA**

“Every person working in the social sector becoming retail donors themselves.”



ASHISH DHAWAN

“Greater certainty around government rules and policies.”



**SHIREEN
VAKIL**

“The ability to document stories of impact to allow donors access to information that can help them think longer term.”



Closing Remarks

It has always bothered some of us that, despite having worked for so long in the social sector, we haven't made a bigger dent. I think a big reason for this is the fact that the social sector has been starved of capital. Therefore, the importance of FRC 2020 lies in figuring out how to demystify that need and what we really need to do to address that.

Organisations often don't realise that when they invest in fundraising capabilities, they derive probably the highest return on that investment. A lot of organisations approach us [A.T.E. Chandra Foundation] for funding their programmes; while that is something we could consider from time to time, we realised there is a limit to how much we could actually fund. It dawned on us that if we instead donated the same amount for hiring a fundraising person, that person could easily help the organisation raise 10-20 times or even more annually than what they might have received in funding from us.

From a value point of view, that was clearly the best investment we could make. Over the years we have funded fundraising persons at organisations such as Olympic Gold Quest, Vidhi, and more. These people have paid for themselves in huge multiples of the donations we made. So, I would request all of you, whether donors or NGO leaders, to think hard about investing in the right fundraising person.

Besides hiring the right people in fundraising, it is also about what else you do to equip the organisation to be successful in this important function. Today, at FRC 2020, a lot of interesting ideas came up that I am going to take away. Not all ideas may be applicable to your organisations—you should decide what is the right mix of ideas for you.

I think we are in many ways entering a golden age of the social sector in India. For all the gloom that is out there, I feel optimistic. Unlike before we now have more predictable flow of CSR money with about Rs 18-20,000 crore coming into the sector, which is very valuable. You may not always like some of the people you deal with, but you must appreciate that they are also learning about the sector.



AMIT CHANDRA

A.T.E. Chandra Foundation
Chairman,
Bain Capital India

“I think we are in many ways entering a golden age of the social sector in India. For all the gloom that is out there, I feel optimistic.”

'THE TIMING
COULDN'T BE
BETTER'

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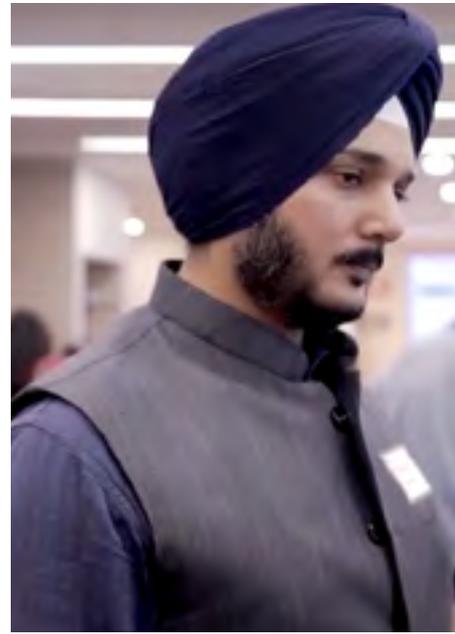
We also have much greater flows of high net worth/ ultra-high net worth capital flowing into the sector. Many of the people who are donating to large organisations and building large institutions are very different from the traditional set of donors— they are professionals coming out of consulting firms, banks and private equity firms, or are entrepreneurs. Many of them donate on a scale that could match some of our billionaires and are far more engaged donors who give both money and time.

Another thing that I am excited about is technology. This is going to really make things much easier for the social sector to raise valuable and unrestricted money from retail donors.

Building great organisations in the social sector requires building great capacity. Some of the capacity building work that we do at our foundation has taught us that fundraising capacity is like supplying blood, without which the body is unable to function. But when you go out and tell your fundraising story, there are other things that you need to do, including M&E, talent management, communications, and so on. So please focus on these a lot more. Also, we do need to come together and have a lot more of these learning opportunities so that we all grow together.

Edited excerpts from Amit Chandra's closing remarks at FRC 2020

A.T.E. Chandra Foundation manages the philanthropic capital of A.T.E. Enterprises and Archana and Amit Chandra. It works closely with leading Indian and global players in the social sector space in pursuing its objective of creating a more equitable, inclusive society. ATECF supports various projects and initiatives in two core verticals: rural transformation and sector capacity building.







INDIA LEADERS FOR SOCIAL SECTOR

India Leaders for Social Sector (ILSS) was set up in September 2017 with the aim of creating a learning and leadership development organisation that will help build leadership capacity for India's social sector.

We held the first edition of our flagship ILSS Leadership Program in January 2018 to offer senior leaders from diverse backgrounds a deeper understanding of the social sector and how they can engage more meaningfully with the task of achieving India's development goals. The program also serves as a learning platform for leaders in the social sector by offering opportunities to gain multiple perspectives, tune into emerging discussions in development leadership and update their knowledge.

We are now building a portfolio of learning programs—including a fundraising program—specially designed to help social sector professionals acquire new skills and knowledge.

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