

# Domestic institutional philanthropy in India

## Charting a course post COVID-19

SEP 2020



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### About this study

Domestic institutional philanthropy from CSRs, corporate foundations and family foundations, has grown to play a critical role in India's journey towards sustainable and equitable development. Apart from an overall growth in funding, domestic foundations have developed valuable non-financial assets and there are increasing examples of successful pilots adopted for scale by government institutions, and a shift towards needs-based, outcomes-driven approaches. This study takes a deep-dive into evolutions and patterns in strategies, programmes and collaborations of domestic foundations in four sectors: **Agricultural Livelihoods, Water and Sanitation, Women's Empowerment and Digital Financial Inclusion, and Health Systems and Delivery.**

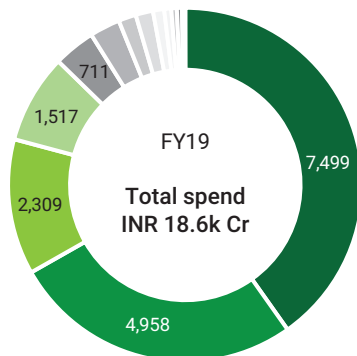
### What is a Domestic Foundation?

Based on origin and vehicles of funding, domestic institutional funding for social good can be categorised as CSRs, corporate foundations (CFs), family foundations (FFs) and independent foundations (IFs). The term 'Domestic Foundation' (DF) is used to encapsulate all these sub categories.

#### Pre-COVID CSR Funding FY19

**67%** Funds went to education and livelihoods, healthcare, nutrition, water and sanitation

This poses a significant scarcity of funds for sectors like rural development, environment, etc.

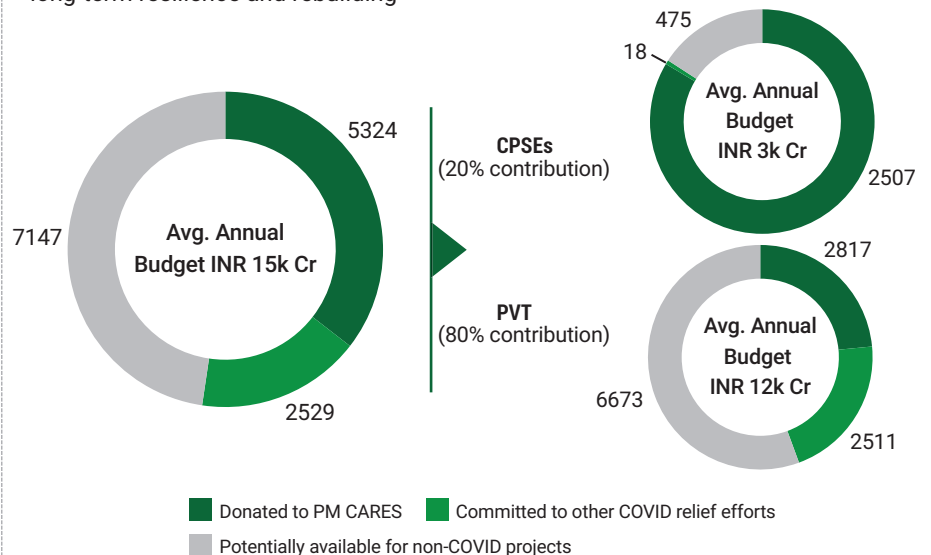


- Education and Livelihoods
- Health, Eradicating Hunger, Poverty and Malnutrition, Safe Drinking Water, Sanitation
- Rural Development
- Environment, Animal Welfare, Conservation of Resources
- Others

#### Post-COVID CSR Funding FY21

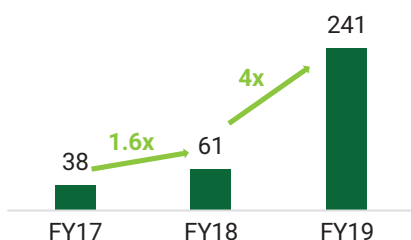
**52%** Funds have been committed to COVID-19 response | **89%** COVID-19 committed funds spent on immediate community relief

As the pandemic evolves, there is a need to shift focus from immediate relief to long-term resilience and rebuilding

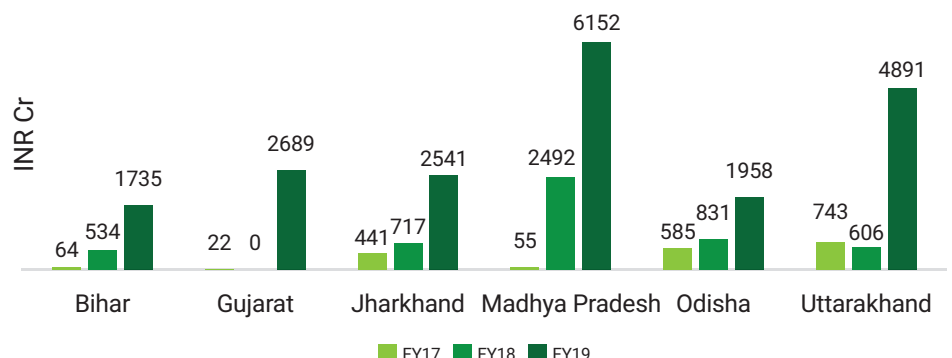


CSR spending is skewed towards urban and commercial hubs. Spending in aspirational districts increased 6x from FY17 to FY19, but it was still only ~ 2% of the state specific funding in FY19. This regional skew may intensify with CPSEs diverting over 80% of their typical annual spend to PM CARES.

#### CSR Funding in ADs (INR Cr)



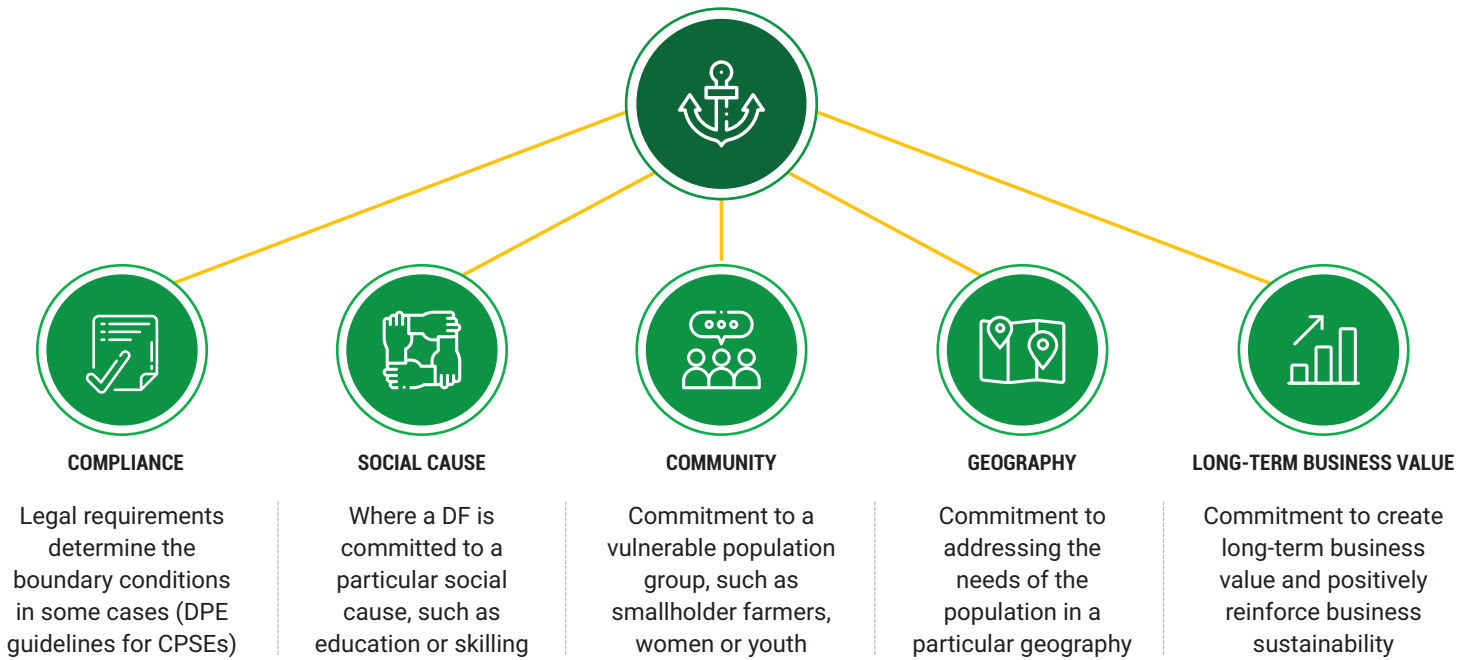
#### States showing largest growth in AD spending from FY17 to FY19



**11x** higher CSR expenditure in Maharashtra than cumulative expenditure on all of NE states

**7** states reported zero spending in aspirational districts from FY17-19

Along a DF's evolution journey, it develops organisational 'anchors' which drive the role it plays in the ecosystem and how the DF collaborates with other stakeholders.



## TRENDS IN STRATEGY AND PROGRAMME IMPLEMENTATION

### Frontrunner Trends

  
**Organisation structure**

DFs are setting up funding vehicles which allow them to work with pooled, diversified and patient funding; partner with social enterprises and develop inhouse expertise.

  
**Defining the intervention**

Most DFs prefer maximising their SROI by working on quantifiable outcomes in densely populated areas. Some prioritise interventions that benefit remote, underserved populations.

  
**Programme Execution**

Internal M&E teams, techbased MIS platforms, focus on outcome indicators and third-party impact assessments have created a culture of data-driven decision making.

  
**Impact assessment**

As DFs evolve, they track programme effectiveness using outcome and impact indicators, however external reporting is largely confined to output metrics.

  
**Sustainability**

The need for community buy-in and participation to sustain outcomes is driving DFs to increasingly engage in behaviour change communication.

### Study Findings

**18%**  
of the top 100 CSR spenders have set up corporate foundations

**70%**  
study participants have a presence in at least one aspirational district

**76%**  
DFs used M&E to tweak intervention design approach

**68%**  
DFs track outcome indicators for at least one programme

**82%**  
DFs focus on behaviour change communication

### COVID-19 Impact

Few corporate announcements have taken a medium or long-term approach in their COVID-19 response.

Diversion of funds to PM CARES and healthcare programmes in urban areas has caused a shortage of funding in non-COVID initiatives and non-urban areas.

COVID-19 has created a need for 'lean M&E' given data collection and reporting challenges due to limited field presence, limited productivity and lack of technology adoption.

Strong M&E is more critical during periods of uncertainty to address compliance, ensure optimal resource utilisation, strengthen accountability and impact reporting.

DFs deep community and local government ties position them well to drive COVID-19 response in their geographies.

## Agricultural Livelihoods



### Opportunities for Intervention

**86%** of India's farmers, i.e. 26 million individuals, own less than 2 hectares of land.

**4m** hectares decrease in net sown area between 1990- 2013, while cropping intensity increased.

**75%** of available resources spent on large dams benefitting only 12% of net cultivated area.

**80%** of India's women workers are employed in agriculture, of which 81% are from dalit, adivasi and OBC communities.

### COVID-19 Impact

**INR 4.4T** decline in agricultural value expected through the end of 2023.

**86%** reduction in net farmer income in 2020, unjustly affecting 17 million farming households.

**470T MT** decrease in supply expected in 2020-22 due to disruptions in supply chain and reduced labour.

**580m MT** decline in aggregate agricultural demand expected through 2020- 2022.

### Dominant Interventions by DFs

- Providing infrastructure for natural resource management to rejuvenate water bodies and groundwater, and set up water harvesting structures.
- Enabling alternative livelihoods through livestock rearing, beekeeping and horticulture.
- Community engagement and collectivisation for agricultural activities, working with groups such as FPOs, SHGs and dairy cooperatives.

### Nascent Intervention Areas for DFs

- Only 15% DFs make post-cultivation interventions such as storage, processing and market linkages.
- Agri-research and innovation is slowly emerging through the creation of knowledge hubs for farmers, mini weather stations, hybrid sturdy crop development, etc.
- Policy advocacy and ecosystem engagement is a gap area across sectors.

## Water and Sanitation



### Opportunities for Intervention

**40x** contribution to disease burden per person from poor water quality and sanitation compared to China.

**120th** out of 122 countries on the water management index.

**500m** people in India are exposed to arsenic in water, and 66 million suffer from fluorosis.

**61%** of decline in groundwater levels between 2007-17 was due to excess extraction.

### COVID-19 Impact

**82%** of rural households at a greater risk of infection from COVID-19 due to lack of piped running water.

**60%** sewage in urban areas goes untreated, increasing the risk of virus spread through faecal matter.

**64m** urban slum dwellers vulnerable to infection due to lack of sanitation systems.

**33%** of India is experiencing droughtlike conditions, giving them access to just enough water to only wash hands.

### Dominant Interventions by DFs

- Providing infrastructure is the most popular form of support across the value chain, particularly building toilets following Swachh Bharat Abhiyaan.
- Infrastructure to manage water sources, such as water harvesting structures, check dams, farm ponds, etc.
- Waste management efforts such as building sewage and waste treatment plants etc.

### Nascent Intervention Areas for DFs

- DFs are turning attention to behavioural change efforts to improve adoption of built infrastructure, but only 20% have dedicated BCC programmes.
- Few DFs are engaging in Faecal sludge management.

## Women's Empowerment and Digital Financial Inclusion



### Opportunities for Intervention

**<2%** of women in India have mobile accounts, while 44% women own phones.

**35%** women have access to bank accounts compared to 47% men.

**5.8x** more time spent on unpaid work by women in India than men, which contributes 3.1% to GDP.

**77%** of Indian women aged above 15 are not working or seeking work – a historic low in the country's female labour force participation rate.

### COVID-19 Impact

**94%** rise in complaints of domestic violence against women since the lockdown, according to National Commission for women.

**3.3%** of women are dying from COVID-19 compared to 2.9%, even though men make up the majority of infections in the country.

**94%** of India's female labour force is in the informal sector, placing women at high risk of livelihood disruption following lockdown.

**190m+** masks, 100k+ litres of sanitiser and 50k litres of hand wash have been produced by 20k women's SHGs in 27 states and over 90% districts.

### Dominant Interventions by DFs

- Economic empowerment is the strongest emphasis area.
- SHG collectivisation and training is taken up by more than a third of DFs with programmes on gender.
- Healthcare delivery by sponsoring mobile clinics and community health camps, particularly for maternal health.

### Nascent Intervention Areas for DFs

- Gender sensitisation and rights-based initiatives are less prevalent.
- Knowledge creation and sharing requires more attention, particularly to align on desired empowerment outcomes and how to measure them.
- More programmes tend to focus on digital literacy in general than digital financial literacy.

## Health Systems and Delivery



### Opportunities for Intervention

**9.6%** of people in rural India can access a hospital, 13% can access a primary healthcare centre.

**70%** of healthcare expenditure comes from the private sector, while the government spends 30%.

**33%** of the world's stunted children are in India. Malnutrition causes 69% of deaths among children below five.

**50%** of pregnant women aged 15 to 49 are anaemic, over one-third of women have low body mass index.

### COVID-19 Impact

**39%** more monthly maternal deaths expected.

**3.3%** of women are dying from COVID-19 compared to 2.9% men.

**71%** of India's elderly live in rural areas where it is harder to access care.

**33%** of Indians suffered significant psychological impact due to COVID-19.

### Dominant Interventions by DFs

- Almost every DF in this sector supports diagnostic primary healthcare or runs health awareness campaigns.
- One-third of DFs with health programmes are providing infrastructure for multi-specialty hospitals, etc.

### Nascent Intervention Areas for DFs

- Mental health and family planning initiatives are taken up by less than 10% of DFs in this sector.
- R&D and incubation initiatives are emerging, with 10% DFs supporting healthtech.
- There is a need for more emphasis on holistic public health systems strengthening.

DFs take two broad approaches to scale the breadth and depth of their impact:



**REACH MORE PEOPLE**



Saturate existing geographies



Replicate in new geographies



Leverage partners for multiplicative effect



**EXPAND PRIORITIES AND FORMS OF SUPPORT**

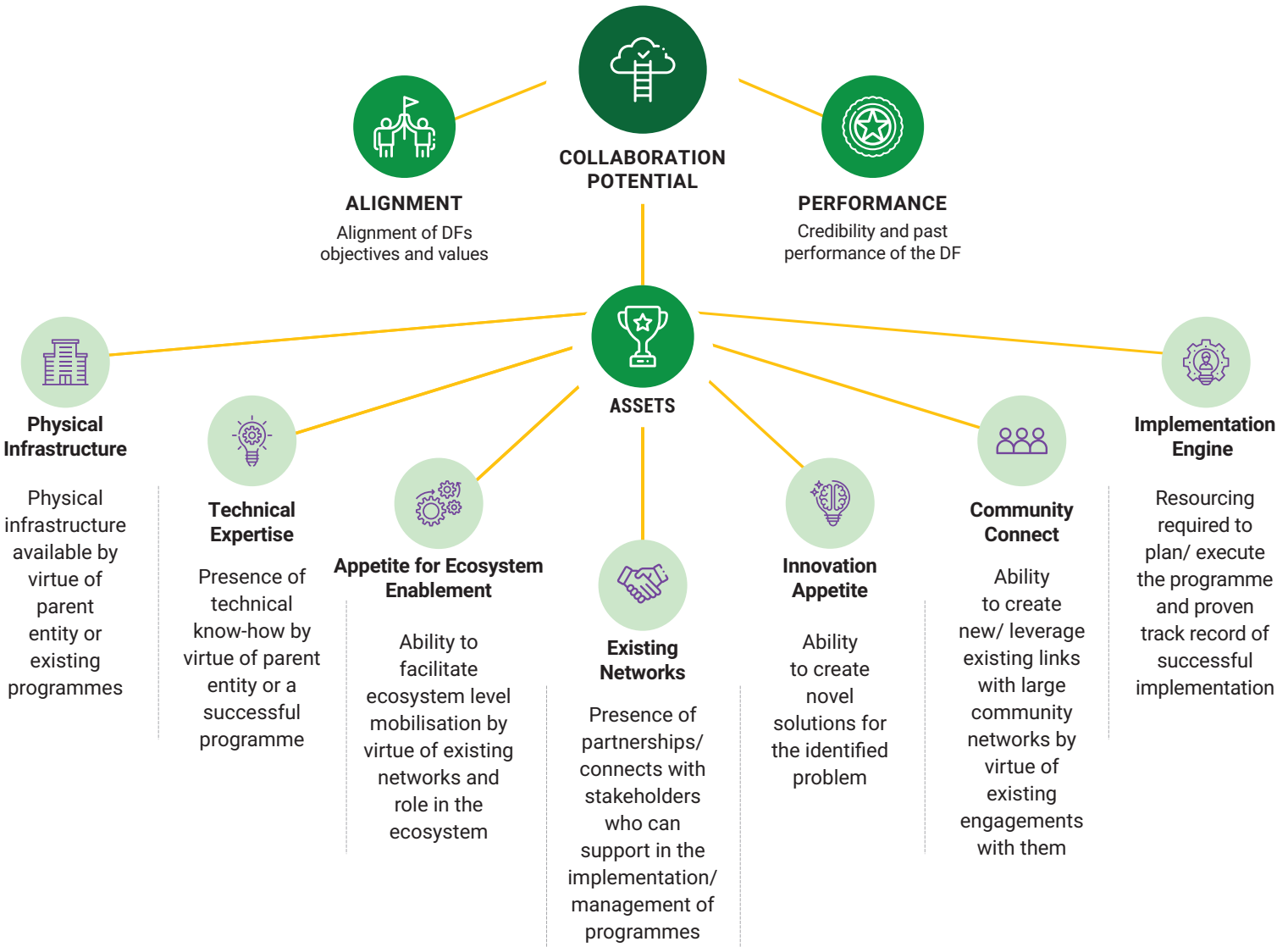


Add complementary forms of support within a priority area



Extend existing assets to complementary priority areas

Collaborative action by DFs is more relevant than ever to maintain the hard-won momentum despite resource constraints. DFs prioritise the following aspects while designing a partnership: **Alignment on objectives and values, Complementary assets and Credibility and Performance.**



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For detailed approach, methodology, and insights, download the full report here



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