

MAPPING OF CORPORATE SECTOR RESOURCES FOR ADOLESCENT GIRLS' PROGRAMS



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ABBREVIATIONS

<u>CSR</u>	<u>Corporate Social Responsibility</u>
<u>FCRA</u>	<u>Foreign Contribution Act of 2010</u>
<u>FY</u>	<u>Financial Year</u>
<u>GDP</u>	<u>Gross Domestic Product</u>
<u>HNWI</u>	<u>High-Net-Worth Individuals</u>
<u>INR</u>	<u>Indian Rupees</u>
<u>MCA</u>	<u>Ministry of Corporate Affairs (Government of India)</u>
<u>NITI</u>	<u>Aayog National Institute for Transforming India</u>
<u>NGO</u>	<u>Non-Governmental Organization</u>
<u>OECD</u>	<u>Organization for Economic Co-operation and Development</u>
<u>PwC</u>	<u>PricewaterhouseCoopers</u>
<u>SDG</u>	<u>Sustainable Development Goals</u>

Indian numbering system units: Indian terms Equivalent unit in metric system

1 Lakh 100 000

1 Crore 10 000 000



1. INTRODUCTION

1.1 SETTING THE CONTEXT

Globally there are 600 million adolescent girls with their own needs, challenges, and aspirations who have the potential to contribute to sustained economic growth and a productive labor force (UNFPA, 2014). India is home to the largest adolescent population in the world, 242 million, who account for approximately 21 percent of the country's population (Ministry of Health and Family Welfare, Government of India, 2014).

India is also home to the largest number of child brides in the world with at least 1.5 million girls getting married each year before turning 18 (UNICEF,

n.d.). As UNICEF observed 'about 43 percent of girls drop out before completing secondary education due to household responsibilities, marriage, child labor, limited relevance of education for employment and employability, distance to school and/or lack of sanitation facilities at the school (UNICEF, n.d.).

Improving the labor force participation of older adolescent girls and young women is increasingly viewed as a critical pathway for poverty reduction. Increasing women's labor force participation by 10 percent points could add USD 770 billion to India's GDP by 2025 (Woetzel J., 2018). Research evidence also demonstrates that in order to achieve many of the Sustainable Development Goals (SDGs), empowering

girls and young women is crucial, especially in the context of ending harmful practices such as female genital mutilation, reducing hunger and poverty, drastically reducing maternal and neonatal mortality, and strengthening livelihoods (Gammage, S., 2018).

UNFPA's State of World Population Report also advocates for investments in youth as imperative for sustainable development (UNFPA, 2014). Moreover, investments in health, well-being, and education of adolescents can bring up to tenfold return on investment (Edwards, S., 2017).

However, there is little information to be found on the amount bilateral and multilateral aid agencies spend on adolescent girls despite irrefutable evidence that global health and developmental outcomes can be significantly improved by investing in adolescents (Gammage, S., 2018). In the Indian context, besides the government investment in adolescent girls, funding opportunities for adolescent girls' programming need to be explored. Finding new opportunities to scale up tested, successful adolescent girls' focused interventions in the country is even more crucial in the backdrop of the global pandemic.

1.2 BACKGROUND AND SCOPE OF THE REPORT

The scaling and sustainability of development programs requires collaboration with multiple stakeholders, as well as the availability of resources. Private sector resources are increasingly gaining traction as one of the key sources of funding for development programs. However, there is little understanding of the availability of this source of funding to support programs that build empowerment and employability of adolescent girls, such as ICRW's Plan-It-Girls Program.¹

This report provides an overview of the 'Giving' landscape in the country. While there is lack of availability of specific data on funding for adolescent

girls' programming in India, the report will provide an overview of the current funding landscape for the development sector. Economic slowdown caused by COVID-19 has meant reduced available resources. This would further impact the adolescent girls' programming space as the pandemic has put adolescent girls at risk more than ever before (UNICEF and International Rescue Committee, 2020). Section 2.1.3 of this report will outline how this landscape has changed post COVID and what it might look like going forward.

The report will offer insights into partnership building with private sector players and also suggest guidelines for developing a strategic framework for seeking funding for adolescent focused programming. The report is intended to be used as reference and resource document for program practitioners and development sector organizations working with adolescent girls in India, who are looking to understand the funding landscape and engage with the private sector.

1.3 APPROACH AND METHODOLOGY

1.3.1 Defining Private Sector Giving

Contributions for development are largely put into baskets depending on where they originate such as those arising from public sources, which consist of government expenditure on social schemes, foreign sources comprising of funds coming from international Non-Profits, bilateral and multilateral funding institutions, foundations and individuals residing overseas, or the private sector, which consists of Corporate Social Responsibility (CSR) budget outlays of the domestic corporations and contributions of corporate charitable trusts, combined with philanthropic funding from individuals (Bhagwati, A. et al, 2019).

¹ ICRW's Plan-It-Girls: Empowerment and Employability for Adolescent Girl, is a multi-level and multi-stakeholder program to build agency of adolescent girls and promote gender equality to support their aspirations. The intervention tested an institution-based development model that, if proven successful, would ensure that girls enrolled in government schools gain the skills they would need to take decisions regarding their future education and work.

Table 1: Types of Private Funders in India

By Nature of Entity	By Nature of Grant-making
Corporate Social Responsibility (CSR): Indian corporate contributing to Domestic Giving under Section 135 of the Indian Companies Act of 2013.	Grant-making foundation: A corporate, family foundation, or charitable public trust that provides grants. Grant-making foundations can range in function, from grant-holding structures to funders of investments in social programs
Corporate foundation: A registered non-profit trust or society established by a corporation, through which grants are made or programs are run.	Operating foundation: A corporate or family foundation, or charitable public trust that runs its own programs.
Family foundation: Wealth management advisory or establishment for High-Net-Worth Individuals (HNWI), which makes grants or runs programs.	Hybrid foundation: A corporate or family foundation, or charitable public trust that provides grants to other organizations and runs its own programs.
Public charitable trust: A registered trust created for the benefit of the public at large.	
Other domestic foundation: An Independent philanthropic foundation, which is not associated with a single individual, family, or corporate organization.	

Source: Adapted from OECD Report on Unpacking Private Philanthropy in India

The OECD Report on Unpacking Private Philanthropy in India goes a little more granular and describes the Universe of Private Givers by the nature of entity and the nature of grant-making (Table 1) (OECD, 2019).

For the purposes of this scoping exercise, Private Sector Giving has been taken to mean Giving by corporates themselves or corporate charitable trusts/foundations set up by them. Within this, corporates who fall under CSR rules as framed by the Government of India have been considered. Since the 2 percent mandate criteria does not apply to foundations, those that support adolescent girls' programs, and work in partnership with the non-profit sector have been considered. International Institutions/INGOs have not been included in the scope of this study. Although High-Net-Worth Individual philanthropy as well as Giving by individuals is generally considered a part of the Private Sector Giving, it has also not been included, since the former is fairly opaque and details are generally not publicly available, while the latter will require an approach appropriate for mass fundraising. However, overall trends relating to Individual Giving, including High-Net-Worth Giving

have been considered to give a composite picture of the Private Sector Giving Landscape in India, and to get an understanding of the potential opportunity.

1.3.2 Methodology

For the mapping of private sector players, both secondary research as well as consultations with private sector funders, were undertaken to understand the trends, motivation, intent, and process of Giving, as well as the expectations from Non-Profit partners. The primary interactions included a mix of respondents ranging from corporates who support programs for adolescent girls, Non-Profits that raise funds for these programs, and trade associations that have corporates as members. The secondary data has been accessed from varied online resources such as the Annual Philanthropy Reports of Bain and Company, research reports of the Centre for Social Impact and Philanthropy at the Ashoka University, National CSR Portal of the Ministry of Corporate Affairs, data analysis conducted by the organizations such as KPMG and NGO Box as well as CSR Annual reports of the individual companies themselves. The details of the

online resources are mentioned in the bibliography at the end of the report.

To begin with, the overall in-country giving environment and extent of all forms of private giving in India were mapped. Using the existing resources, a more in-depth analysis of Corporate Giving, and sectors and geographies supported through this Giving was undertaken. The consultations with experts were used to get insights on the process of partnership with corporates as well as mutual expectations from the partnership. This was supplemented by information collated from the secondary research. Specific opportunities and challenges that each form of corporate partnership present and examples of such forms of partnership have also been delved into. The kind of partnership models possible and requirements for each have been defined.

The findings have been contextualized within the current socio-economic environment of the country including the impact of the pandemic on the funding landscape. Recommendations have been made on the way forward to tap into the Private Sector Giving Space in India accordingly for adolescent girls' programming.

1.4 LIMITATIONS OF THE REPORT

1.4.1 Availability of Data

While the CSR Data is being reported to the Ministry of Corporate Affairs (MCA), and foreign contributions need to be reported under the Foreign Contribution Regulation Act of India, the In-Country Giving by all

sources is not regularly identified and tracked. This applies particularly to Giving by small organizations or by individuals. Therefore, availability of data on Domestic Giving in India remains a challenge as does funding directed specifically to adolescent girls' programming.

1.4.2 Lack of Standardized Definitions and Measurements

Where it is available, data has not been disaggregated according to similar factors; differences exist in terms of definitions and measurements, leading to their own challenges in making meaningful analysis and interpretation. While the KPMG CSR Reporting Survey bases its analysis on Giving by top 100 companies, CSRBox India CSR Outlook Report 2018 shares analysis on the basis of the Giving by 359 large corporates.

1.4.3 Completeness and Accuracy

An attempt has been made to look at the data which may be most relevant for adolescent programming, viz a) organizations that support the issues of adolescent girls, especially relating to life skills/gender equality and employability, b) a detailed dive into top 100 CSR Givers, since the top 20 CSR Givers contribute over 45 percent of the prescribed CSR in the country. The top 500 companies contribute to over 90percent of the total CSR spend (Business Standard, 2018). There are approximately 19,000 companies that make up the CSR dataset, and it has not been possible to evaluate each company. While the data shared here has been taken from what are considered credible sources, and an attempt has been made to ensure that it is cross-referenced from individual company websites where available, it is possible that there may be variations due to differences in datasets between the quoted sources.



2. PRIVATE SECTOR GIVING

This section examines the economic and regulatory environment affecting the development space, the impact of COVID-19 on financial flows to the sector, and the Private Philanthropy Space in terms of composition and associated trends. In terms of thematic allocation of CSR funds, it also describes flows towards education and livelihood separately, since many of the adolescent girls' programs focus on these areas, along with the fact that data for these is more easily available than others.

2.1 IN-COUNTRY ENVIRONMENT

India's economic growth since liberalization has been a story of rapid growth fuelled by the service sector (AVPN). India is counted as the 5th largest economy by nominal GDP (Myers, J., 2020). The country's performance on the SDGs has also been slow and it is expected that the country may not be able to achieve the targets towards social and economic development and environmental sustainability, especially with wide state-wise variations (Niti Aayog, 2019).

2.1.1 Social Environment

While there has been progress on some development indicators – the average life expectancy in India has grown from 41 years in 1960 (Indiaspend, 2018) to 69.7 years and infant mortality has decreased from 165 deaths per 1000 children in 1960 to 29.9 as per the UNDP Human Development Index Report of 2020, contributing to its low ranking of 131 of 189 countries (UNDP, 2020) and 95 of 129 countries on the gender equality index (Business Standard, 2019). In India, 70.6 million people continue to live in extreme poverty (Slater, J., 2018). The scale of the development challenges in the country need to be addressed at several levels, which is where the role of Private Giving comes in.

2.1.2 Political and Legal Environment

The CIVICUS Monitor in its People Power under Attack 2019 report downgraded the civil space

ranking for India from 'obstructed' to 'repressed'. A repressed rating for civic space means that democratic freedoms – such as the freedoms of expression, peaceful assembly and association – are significantly constrained in India (CIVICUS, 2019). From June 2019, the Ministry of Home Affairs (MHA) requires all associations registered under the FCRA to take MHA's approval within one month of any additions, deletions, or changes of office bearers, and key functionaries since the time of registration. By an amendment in the Finance (No. 2) Act 2019, the Principal Commissioner or Commissioner of Income Tax can cancel the registration of a charitable trust or institution that has been found to engage in the activities that are not included in its founding documents. The latest amendments in the FCRA Act passed in September 2020 have further impacted funding and operations of Non-Profits in the country (Box 1) (Sattva Consulting, 2020). The State's stance, which is not in favor of a foreign-funded civil society, has impacted funds raised from these sources as well as increased compliances.

Box 1: FCRA Amendments and their implications for Non-Profits

The amendments broadly redefined terms related to acceptance, transfer, and utilization of foreign contributions to charitable organizations under the Foreign Contribution Regulation Act (FCRA), 2010.

Transfer of foreign contributions

The blanket ban on transfer of foreign contributions could impact collaborations in the development ecosystem, especially for smaller, less visible grassroots organizations that may not meet the criteria or be able to submit detailed proposals to get access to grants from funders abroad.

Suspension of account

Extended suspension of FCRA account may affect operations significantly, in case the FCRA-registered organization comes under government scrutiny, thereby impacting projects on the ground.

Cap on administrative expenses to 20 percent from 50

This cap on expenses may hinder efforts on internal capability building, attracting relevant talent and focus on innovation for Non-Profits.

Requirement of Aadhaar and prohibition of public servants

The greater scrutiny (afforded by submission of Aadhaar numbers) of members of boards, trustees, or other management/executive council members of Non-Profits may curtail interest in experts wanting to provide their expertise and advisory services to Non-Profits. This may deprive the sector of their knowledge, skills, and their network.

Source: IDR Online

2.1.3 Impact of COVID-19 on Non-Profits

In June 2020, the **Supreme Court of India** recognized the contribution and role played by non-governmental organizations “for coming forward to help migrants by providing food, water and transport during the *“difficult time” of COVID-19 pandemic*” (Centre for Advancement of Philanthropy, 2020). While most of the NGOs went out of their way to reach out to individuals and communities impacted by the crisis via relief work, and are currently working to ensure that the emerging issues arising from the loss of livelihoods and the health crisis, such as increased domestic violence, trafficking and early marriages of girls, lack of access to digital resources impacting access to education and health services for the underprivileged are addressed. Their own capacities and sustainability have been greatly affected by the pandemic.

Box 2

A study with 50 NGO leaders conducted by the Centre for Social Impact and Philanthropy, Ashoka University, found that the NGOs dependent on funding from family foundations and Indian philanthropists felt the need for a deeper engagement with their funders in the current context. Those NGOs dependent primarily on CSR funding feared significant decline in financial funding flows in the near future, owing to corporates themselves being under huge financial pressure, and a large part of the funding being directed to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund. There is also a concern that NGOs working on thematic areas that go beyond critical needs might struggle in sustaining funds (CSIP, 2020).

The pool of CSR funds available for the development sector has shrunk as a result of both, the impact of the underperforming economy and CSR funds being diverted to PM CARES account. (please see Box 3 for details). The Indian economy contracted by over 23 percent in the first quarter of 2019-2020, close to INR 7,000 crores of CSR contributions is said to have gone

into the PM CARES (Jebaraj, P., 2020; Sundar, P., 2020). (The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund was created on 27 March 2020, following COVID-19 pandemic in India. Fund was created for combating, and containment and relief efforts against the coronavirus outbreak and similar pandemic like situations in the future.²) It is also expected that the economy will take a while to revive, thus impacting inflows into the sector over the next twelve to twenty-four months. Operationally, Non-Profits have had to find new ways to provide their services while staying as close as they can to their stakeholders (Box 2). The virus will also continue to remain a threat for some time to come even as an effective vaccine has been found, since the time taken to vaccinate everyone will prolong its impact, as will the emergent mutations of the virus. This means, organizations will need to protect those they work with as well as their own employees from the disease, while continuing with their services, which implies working at reduced capacities leading to an enhancement in operating costs.

The new CSR rules passed in January 2021 allow a company that has spent amounts more than the mandatory two percent on CSR, to set off such excess amounts against the CSR spends in the next three financial years. They also require a CSR implementing organization to register with the MCA. This may impact total funds available to the sector through the source as well as increase compliance burden on Non-Profits.

To effectively address these challenges, both internal and external, requires Non-Profits to work in ways that are different, fit for the new purpose and collaborative across the stakeholder continuum. Some of it can be seen in the practices of the last few months – the adoption of digital means to provide services to stakeholders as well as create capacity internally, innovation in raising funds – the Give India COVID-19 online fundraiser disbursed INR 76.38 crores to 170 Non-Profits, and the various ways that NGO's came together to deal with the crisis and emerging issues (Adhikari, S., 2020). The Akshaya Patra Foundation, in close coordination with state governments and district administration, stepped in to provide relief by providing food to thousands of people across the country. Many other organizations helped migrant

² <https://www.pmcare.gov.in/en>

workers deal with the crisis by arranging, from necessities such as dry ration, medical supplies, soap, and water to setting up temporary shelters, helping with online railway bookings once they opened to return home, and support in getting work/in learning new skills.

While Non-Profits revisit their core areas of work, build new capacities required in the current context and reposition themselves to rally donors, it is equally critical that funders continue to invest in organizations that carry out critical work with marginalized communities, so that they can continue, adapt and recover from the effects.

BOX 3: Impact of COVID-19 on Non-Profit Funding

The impact of the coronavirus pandemic is yet to be estimated, however, slowdown is supposed to be inevitable. An interaction with CSR funders by FSG showed that funding for traditional CSR activities could be reduced by 30–60%. CSR heads want to support their long-term NGO partners (Rathi S., 2020). While they are likely to prioritize contractual commitments to such NGO partners, some of these commitments may have to be reduced. Many CSR funders said that they would not be able to keep their informal or verbal commitments, and most said that they are unlikely to fund new partners. Many mentioned that they plan to continue to fund COVID-19-related efforts, and would like to support existing partners through this allocation.

Another report by Dasra anticipates that SDGs will be set back with poorest of the poor and vulnerable, including migrants under stress (DASRA, 2020). There will be sectoral defocus with shifts towards COVID recovery. Digitally-enabled models are likely to gain momentum, with urban related themes such as city state resilience, core infrastructure buildout, healthcare strengthening coming to the fore.

The contraction of the economy and the resultant reduced corporate profits, as well as the corporate funds being directed to PMCARES will probably mean no new fund flows, especially from High-Net-Worth Individuals and CSR for 12-24 months is likely outside the COVID umbrella. Government funds will be directed to COVID relief and rehabilitation.

Most small and mid-sized NGO's do not have a corpus or reserves to cope with the reduced availability of funding. NGO's will likely become insolvent or go into hibernation over the next 12-18 months.

2.2 GIVING IN INDIA

Despite a slowdown over the last few years, and the economic crisis resulting from the COVID-19 pandemic, India had made significant progress in terms of economic growth, evidenced by its ranking as the seventh largest economy in the world, with the fifth largest number of billionaires (IMF, n.d.; Kurian, V., 2020). This economic growth and the resultant wealth creation increase the potential value of funds available for Giving in the country.

India also has a long-standing tradition of giving money to support religious causes as well as of charity

– giving to one's immediate family or community or to someone in need. Alms giving, offering food, and giving zakat, the Muslim tradition of giving, are some of the forms of charity motivated by Indian religious beliefs. The business community has also been contributing to social and economic development since the 19th century. The first known Indian endowment, the JN Tata Endowment Scheme, was founded in 1892 and remains the foundation for the Tata Group's philanthropic activities (Sanjai, P.R., 2014). Many of the earliest philanthropists believed in the concept of building wealth for the public good, which led to the set-up of some well-known educational institutions and hospitals. Subsequently,

the new wealth created as a result of the opening of the economy in the 1990s saw new philanthropists especially from the IT and financial sectors like Azim Premji, Nandan Nilekani, Narayan Murthy and young people turning to Giving to change the economic and social conditions still prevalent in India. This trend is reflected in the increase in Giving by individuals and corporates domestically.

Additionally, in 2013, the government made it mandatory for companies to spend 2 percent of their three-year average annual net profit on CSR activities in each financial year, starting from FY15. The norms are applicable to firms with at least INR 5 crores net profit or INR 1,000 crore turnover or INR 500 crore net worth. This, apart from increasing the funds available under CSR, saw Corporate Giving become more structured over the last few years, from the earlier model where the owner carried the execution of his personal beliefs and philanthropy through the Company. However, while total Giving may have increased as a result of the law, a recent study shows that of the 2,152 companies that gave more than 5 percent of profits before the law went through, average real contributions fell by half between the period 2014-2019 (Economist, 2021).

The OECD 2019 Report on "India's Private Giving – Unpacking Domestic Philanthropy and Corporate Social Responsibility" states that

- In India domestic funding has at least matched international philanthropic funding in recent years, with close to USD 1.8 billion in domestic spending between 2013 and 2017.
- Education, health and rural development attracted the largest funding. Some other areas, like gender equality, receive very limited funding.

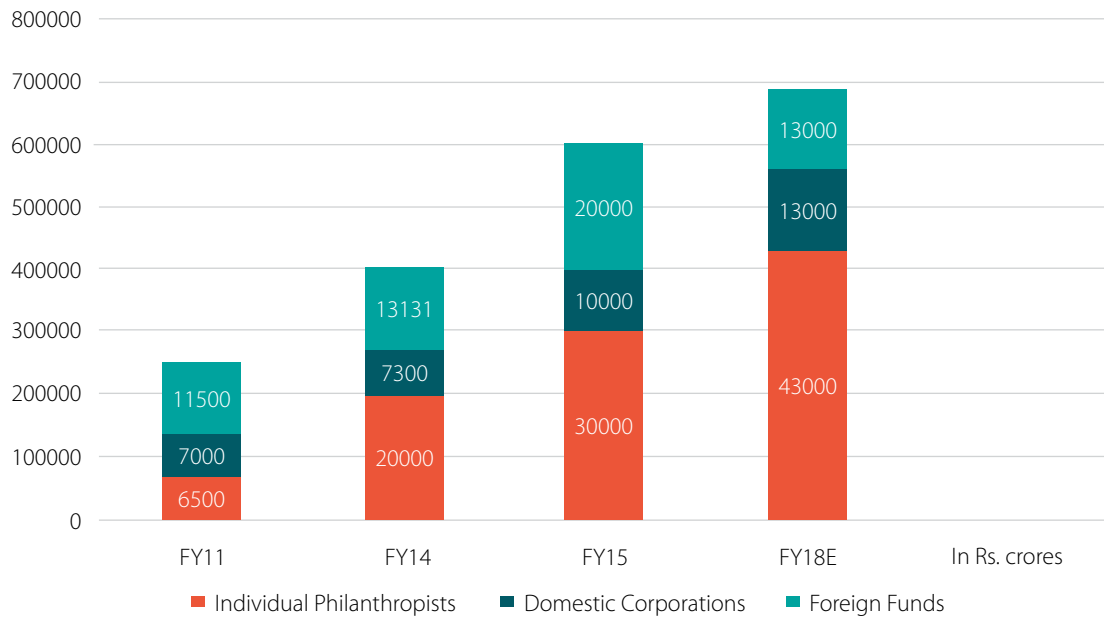
Domestic Philanthropic Giving is highly concentrated in the States of Maharashtra, Karnataka and Andhra Pradesh. Comparing funding from Private Giving with poverty rates reveals that Domestic Philanthropic Giving in India focuses on relatively better off West and South India rather than North and East India where the need may be greater (OECD, 2019).

2.2.1 Volume of Giving

Bain & Company's Philanthropy Report of 2015 estimated that the number of Givers in India had increased by 100 million from 2009-2013. The same Company's report of 2019 while tracking growth in Giving between 2014-2018, reflects a decline in foreign funding, while CSR budget outlays of the domestic corporations and contributions of corporate charitable trusts, combined, grew in the same period (Bhagwati, A. et al, 2019). The strongest growth, however, was seen in Giving by individuals, which contributed about 60 percent of the total private funding, estimated at INR 43,000 crores (Figure1).



Figure 1: Private Funds Raised for the Social Sector in India



Source: - Adapted from the Bain & Company's Philanthropy Report 2019

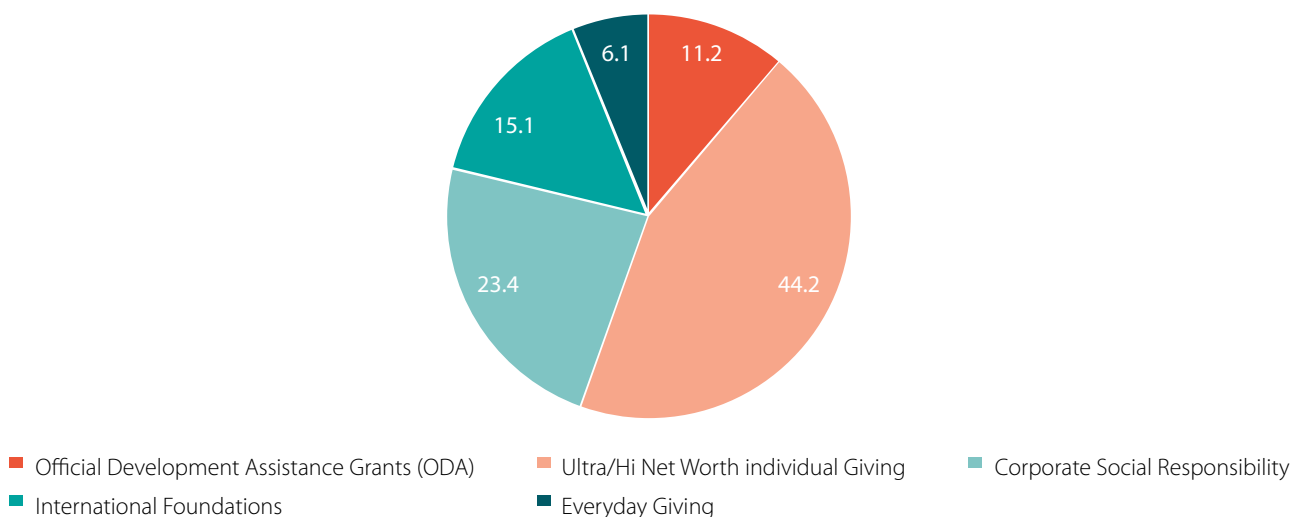
A significant portion of the High-Net-Worth Individual Giving in this period is from a few established figures such as Azim Premji and Shiv Nadar.

Despite the lackluster performance of the economy over the last couple of years, and the impact of the pandemic, the funds available for Non-Profits under

CSR are expected to form a large part of the funding for non-profit sector over the medium term.

A 2019 report by Sattva similarly puts the share of CSR funds at 23.4 percent of the total philanthropic capital in India (Sattva, 2019). The highest segment at 44.2 percent of ultra/High-Net-Worth Individuals (Figure2).

Figure 2: Total Share of the Philanthropic Capital in India



The total philanthropy in India is USD 8.6 billion or INR 57.5 k crores as per this report. The above shows shares of various sources in terms of percent of the total.

2.3 GIVING BY INDIVIDUALS

According to the same Sattva report, in 2017, everyday Givers ('Everyday Giving Space' comprises of Giving by ordinary citizens contributing time, money, voice, skills, and more in India, which had so far remained largely unknown) contributed INR 340k million (USD 5.1 b) to community, religion, disaster-relief and charitable causes of which INR 35k million/USD 528 m (about 10 percent) goes to Social Purpose Organizations [Giving to Indian and global registered social purpose organizations (SPOs) in India that roll out programmes to improve outcomes on health, education and other social causes.], Making it 6 percent contribution to total Philanthropic Giving in India (Sattva, 2019). Everyday Givers include Indian residents, Indian diaspora and global citizens who contribute to SPO's in India. While the Indian resident contribution is calculated at INR 2,200 annually, the overseas contribution is estimated at USD 35 per donor. As compared to other countries, the value of Everyday Giving in India as a percent of total is still fairly low (Table 2).

Table 2: Everyday Giving as Compared to Other Countries

Everyday Giving	USA	China	India
As a % of total Philanthropic Giving	60%	10%	6%
As a % of GDP	2%	.04%	.24%

Source: Sattva Report, 2017

Insights from the report share that over 80 percent of the Individual Givers to social purpose organizations are acquired through offline telemarketing and face-to-face interactions, but online and mixed channels are growing steadily, backed by rapid growth of digital shopping and payments, and millennials wanting to give back. This could increase substantially over the next 3-5 years in view of the growing earning capacity of

Givers and their response to nascent digital Giving innovations in Payroll Giving, crowd-funding and e-commerce-based Giving. India's Everyday Givers are motivated by four triggers: convenience, urgency, community, and impact. Givers prefer to engage with social causes personally, but are impeded in their Giving by lack of information on reliable organizations, relevant avenues for Giving and regulatory barriers.

India is expected to add approximately 200 million working-age individuals to the population between 2013 and 2030—more than all major countries combined, according to Bain's Macro Trends Group. To convert the potential of Individual Giving into actual receipts, there is a need to invest in building trust in Non-Profits and communication to raise awareness about its work. There is clearly a lot of potential in the country so far as tapping into and growing this segment of Everyday Givers is concerned.

2.4 GIVING BY HIGH-NET-WORTH INDIVIDUALS

The number of High-Net-Worth Individuals [High-net-worth individual (HNWI) is a person or family with liquid assets above a certain figure generally considered as USD one million] in India has grown exponentially over the past few years. According to the 2018 Asia-Pacific Wealth Report (APWR) by Capgemini, India is home to 2, 63,260 High-Net-Worth individuals with a combined wealth of INR 7.5 lakh crores (USD 1.1 trillion) (Capgemini Financial Services Analysis, 2018).

The Bain India Philanthropy Report of 2019 predicts the growth of Ultra-High-Net-Worth Individual households in both volume and wealth from 1,60,600 households with INR 1,53,000 crore combined net worth in 2017 to 3,30,400 households with INR 3,52,000 crore combined net worth in 2022 (Bhagwati, A. et al, 2019). The Edel Give Hurun India Philanthropy List 2020 shows that donations of INR 5 crores and more by High-Net-Worth Individuals increased by 175 percent to INR 12,050 crores in 2020, while the number of individuals donating more than INR 10 crores increased to 78 from 37 two years ago (Hurun India, 2020). Azim Premji, Shiv Nadar and Mukesh Ambani were the top three donors for the year. Mumbai is home to most of the philanthropists in the list followed by New Delhi and Bengaluru.

2.5 GIVING BY CORPORATES

Four years after being made mandatory, cumulative CSR spending topped INR 50,000 crores over the four years. This is two-thirds of the fiscal 2018 Union Budget allocation for education, and a little more than that for health and family welfare – also the two key Corporate Social Responsibility (CSR) spending heads (CRISIL FOUNDATION, 2019).

2.5.1 CSR Legislation and its Implications

The introduction of CSR legislation in 2013 significantly changed the scope and scale of Domestic Corporate Philanthropy. The Companies Act of 2013 mandated all registered entities under the MCA to engage in

specific activities through the regulation of CSR (Box 3). Section 135 of the Act states that, every company with net worth of approximately INR 500crores or net profit of approximately INR 5 crores, needs to spend at least 2 percent of its average net profit for the three immediately preceding financial years on certain activities. (Changed to financials of the 'financial year immediately preceding' as per the Companies (Amendment) Act, 2017).

The mandate provided a functional definition of CSR by identifying those activities that fall under its designation, gave CSR a project-based approach, created oversight through CSR committees and standardized reporting formats so that spending could be accounted for every year.

Box 4: Activities under Corporate Social Responsibility

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens, and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents
- vii. Training to promote rural sports, nationally recognized sports, Paralympic Sports and Olympic Sports
- viii. Contribution to the Prime Minister's National Relief Fund or any other funds set up by the central government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women
- ix. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the central government.
- x. Rural development projects

Source: Amended Schedule VII, Section 135 Companies Act of 2013, Ministry of Corporate Affairs of India

2.5.2 CSR –Adherence to Mandatory Spends and Allocations

Cumulative spending for the first four years after the introduction of the Act topped INR 50,000 crores up to 2017-18 including INR 34,000 crores by listed companies and nearly INR 19,000 crores by the unlisted ones as per Crisil CSR Report of 2019 (CRISIL FOUNDATION, 2019). Overall, 1,913 companies met the eligibility criteria, of which, 667 were unable to spend.³

Of the balance 1,246, over two-thirds spent 2 percent or more of their profits, compared with 57 percent in fiscal 2017, and 12 percent, or 153 companies, spent 3 percent or more. Commodity companies spent the highest proportion of their profits on CSR at 2.22 percent, closely followed by services peers with 2.17 percent. Among others, financial services, manufacturing, IT, consumer, and energy spent 1.9 percent or more. Top 10 states accounted for 96 percent of total CSR spend (Table 3).

Table 3: Top Ten States and their CSR Spends in FY 2018 - in INR crores

States	Number of Companies	Total Amount Spent	Percent of Companies that spend less than 2% on CSR	Percent of Companies that spend 2% or more on CSR
Maharashtra	403	4688	35%	65%
NCT of Delhi	146	1906	40%	60%
Gujarat	120	736	37%	63%
Tamil Nadu	115	340	41%	59%
West Bengal	92	486	28%	72%
Telangana	63	337	46%	54%
Karnataka	60	774	40%	60%
Rajasthan	38	170	42%	58%
Haryana	34	120	32%	68%
Uttar Pradesh	33	44	33%	67%
Rest of India	142	399	42%	58%

Source: Crisil CSR yearbook 2019

³ Reasons for unable to spend - 341 said they were unable to spend because of various reasons (delay in identifying projects, setting up the requisite in-house expertise, etc.) Another 45 did not report CSR activity in their annual report, while for 118, annual reports for fiscal 2018 were not available either on their websites or on those of the stock exchanges. A further 163 said they were not required to spend either because they did not meet the criteria or were loss-making.

2.5.3 Regional recipients of CSR Funds

According to the Government's National CSR Data 24,902 companies spent INR 18,653 crores across 36 states in India in 2018-2019 (Ministry of Corporate Affairs, Government of India, n.d.). The top four states of Maharashtra, Karnataka, Gujarat and Tamil Nadu accounted for more than 33 percent of the receipts.

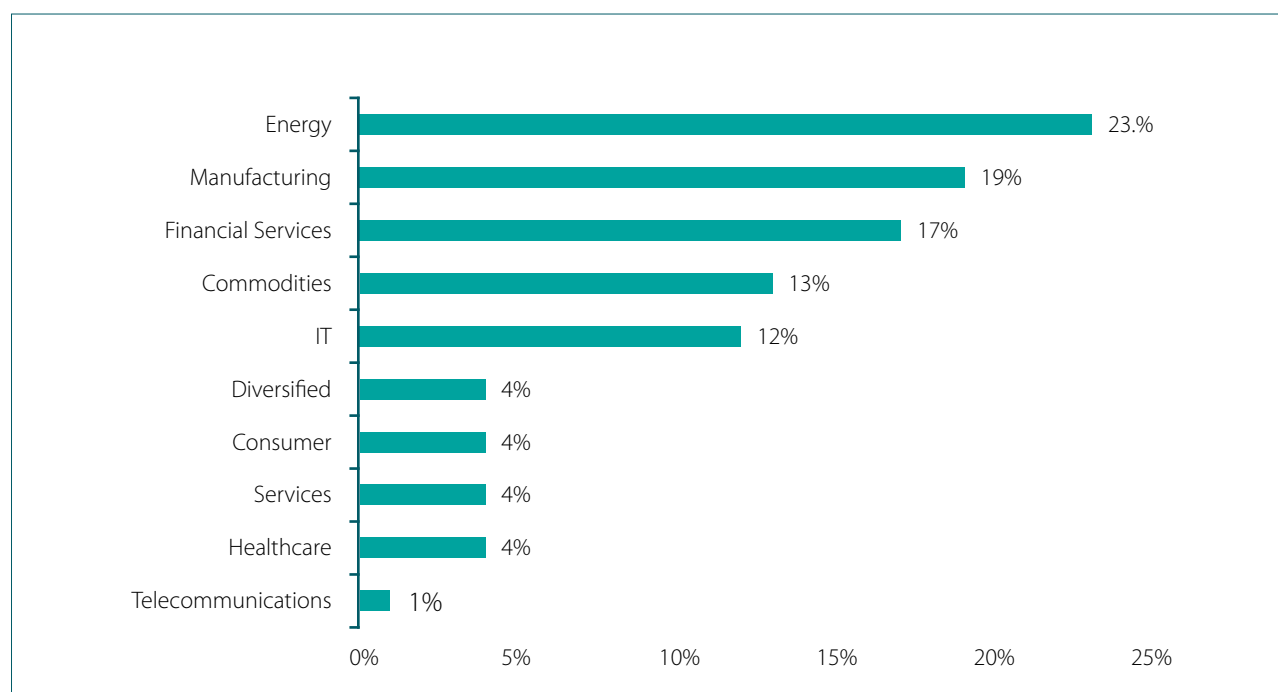
These four states are amongst the top ten achieving states in the NITI Aayog SDG Index 2019 clearly demonstrating that the giving of CSR funds is not aligned to the states with the maximum needs (Niti Aayog, Government of India, 2019). Bihar received an amount of INR 136.43 crores equal to 5 percent and UP at 476.95 crores equal to 17 percent of the amount received by Maharashtra at 2846.73 crores in 2018-19.

2.5.4 Sector-wise Spending in FY 2018

The energy and manufacturing sector together contribute a little over 40 percent of the total CSR

spend, making them attractive target segments for potential partnerships by Non-Profits (Figure3).

Figure3: Sector-wise Spend on CSR



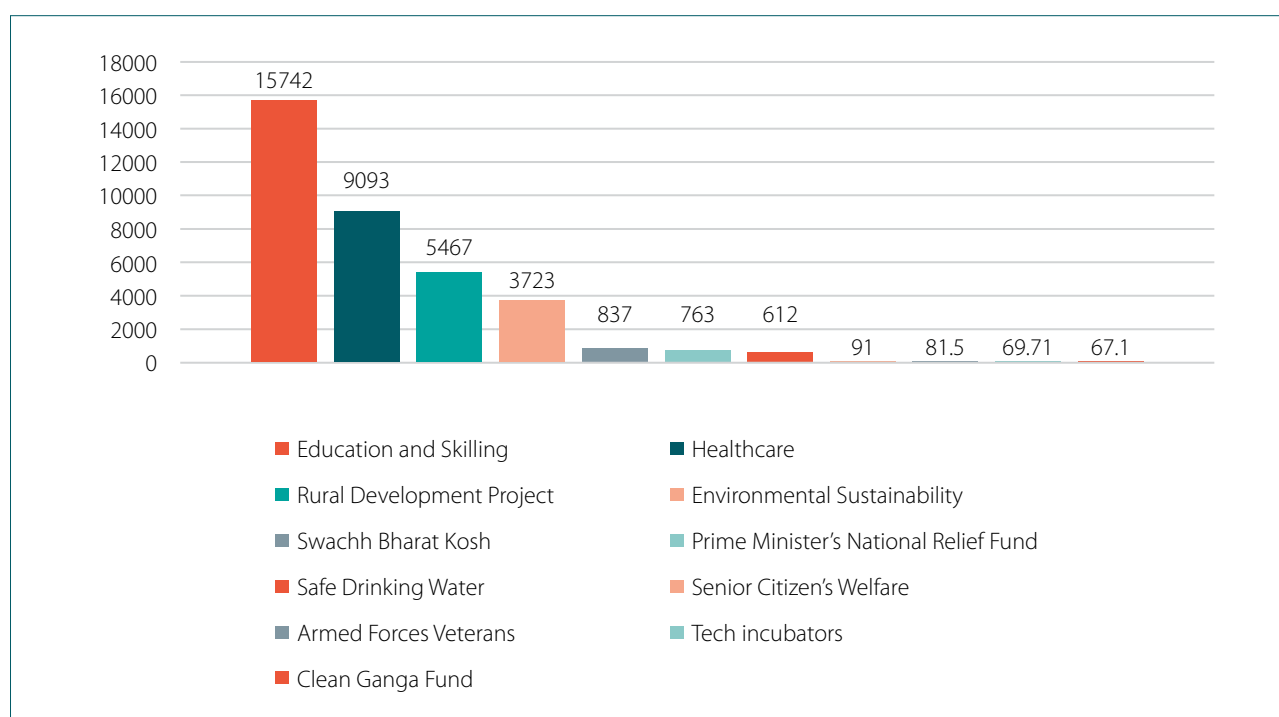
Source: Crisil CSR yearbook 2019

2.5.5 CSR –Areas of Support

The contribution from corporates and their charitable trusts in 2017-2018 is said to be INR 13,624 crores, which has grown from INR 10,066 crores in 2014-2015 (Ministry of Corporate Affairs, Government of India, n.d.). As per KPMG's CSR Reporting Survey 2018 of the top 100 companies by market worth, education

received the highest investment at 35 percent, health and sanitation at 21 percent, environment at 14 percent, multiple areas at 14 percent, reducing inequalities at 6%, and rural areas and arts and culture receiving 5% and 4% respectively (KPMG, 2019). The four-year trend of the CSR spend since the new provision in 2014, across various areas by corporates, reveals a similar trend as shown in Figure 4.

Figure 4: CSR-Areas of Support between FY15 and FY19



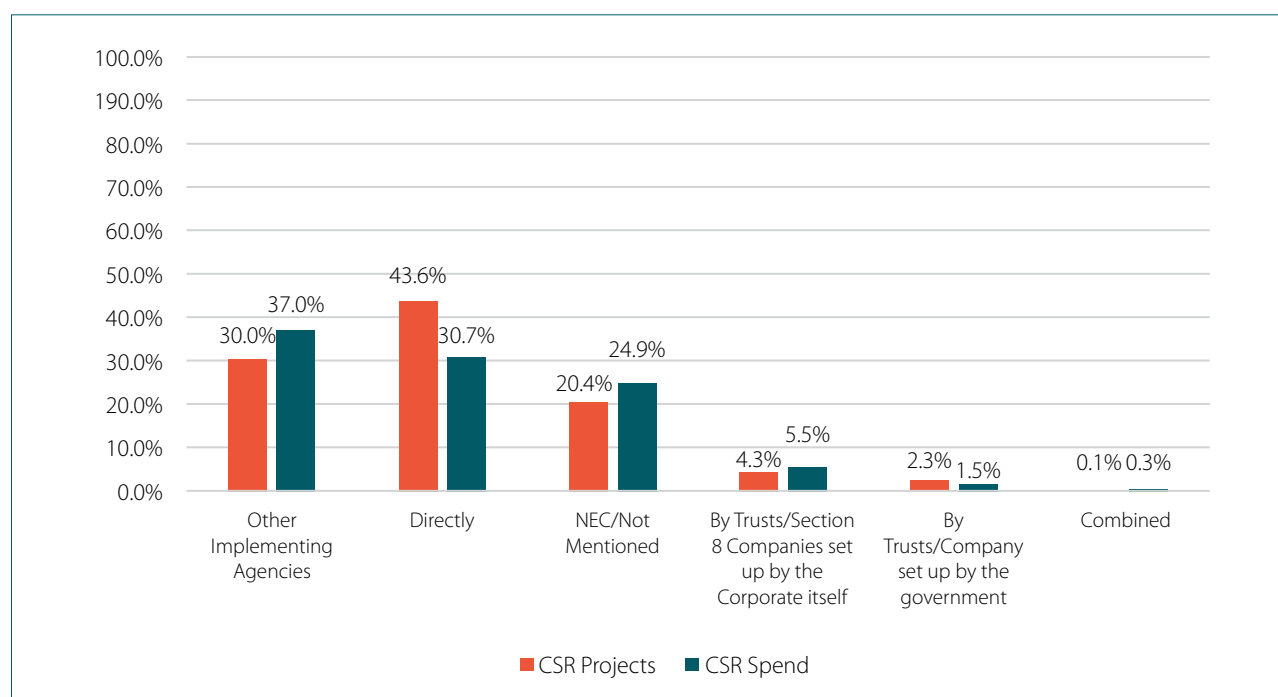
(EconomicTimes, 2019)

2.5.6 CSR- Implementation Route

For implementing the CSR projects, companies use different routes. While some of them implement the project directly, others use CSR foundations set up by themselves/other corporates or the government, yet others use Non-Profits as implementing partners.

In terms of number of CSR projects in 2015-2016, 43 percent of the projects were implemented by the companies directly, but in terms of value it was 30 percent of the total spends. This was less than the 37 percent by value terms handled by other implementing agencies, as shown in Figure 5 (India Development Review, 2019).

Figure 5: CSR- Implementation Route



Source: idronline.org

2.5.7 CSR Support for Education

Programs of enhancing employability and empowerment of adolescents fall under the broad area of education. The OECD Report of Private

Philanthropy 2019 looks at different areas within education to share a breakup of the support provided by 50 corporates and CSR's to different areas - given in Table 4.

Table 4: Financing for Education between 2013-2017

Area of Support	Amount of Support between 2013-17 in USD million
Education policy and administrative management	373
Vocational training	83
Advanced technical and managerial training	58
Basic life skills for youth and adults	51
Education facilities and training	25
Educational research	19
Higher education	3
Primary education	2
Teacher training	2
Secondary education	1
School feeding	0

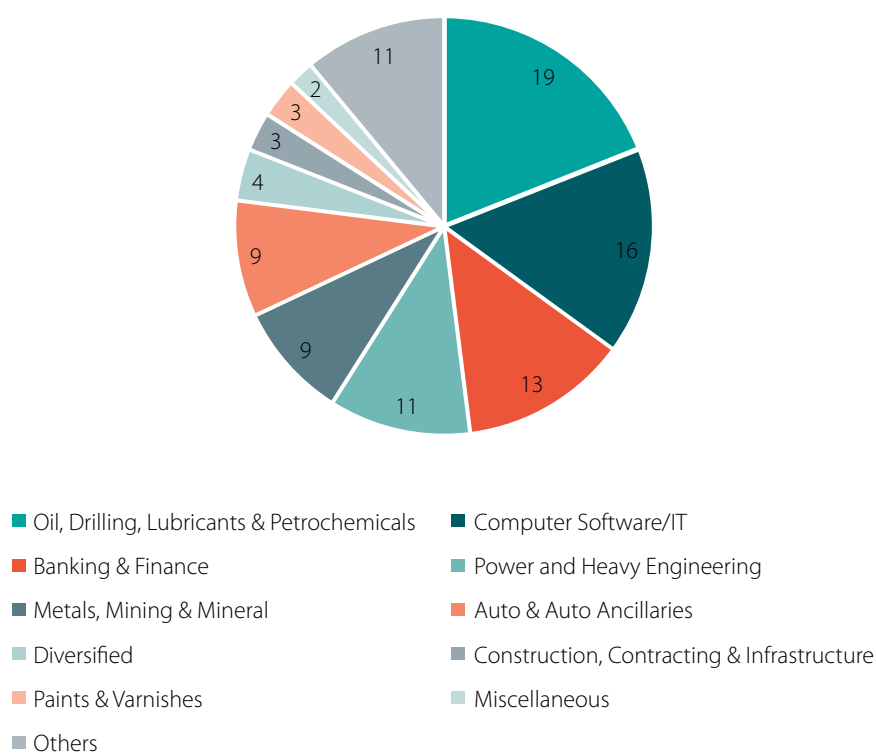
Source -<http://www.oecd.org>

2.5.8 Skill Development and CSR Contributions

Skill development under education is a growing area of investment for corporate support. As per the study by CSRBox, in the year 2018-19, 328 companies contributed to the projects in skill development

domain through CSR funding of INR 1652.95 crores (CSRBox, 2020). The same study shares the industrial sector-wise CSR support to skill development, as given below in Figure 6, which shows Oil, IT and Banking and Financial sectors as the highest contributors to this area.

Figure 6: Industrial Sector-wise CSR Contribution to Skill Development



Source: CSR Box Study, 2018-19

Overall, the above trends reflect the domestic growth in Giving by Individuals and Corporates as well as their preferred causes and geographies. Non-Profits need to factor in these trends, along with attitudes of a young population, (keeping the new Givers in mind) and

adoption of new age financial and technical platforms and digital fundraising as key areas of focus, both, because of their widespread usage and the pandemic, which has led to these becoming essential rather than optional strategies.



3. CORPORATE-NON-PROFIT PARTNERSHIPS

While the introductory chapter covered the background, context and approach to the report, the second chapter focused on insights on Private Sector Giving landscape in the country. While including insights on individual and High-Net-Worth Giving, the focus was on corporates and associated Giving along with the impact of the pandemic and recent FCRA amendment on the Giving space. This chapter will explore the different forms that corporate and Non-Profit partnerships can take, along with stakeholder expectations from the partnerships. The following section focuses on how this could be taken ahead through various partnership models and the key

capacities required for each. It ends with suggestions on investments that Non-Profits interested in corporate funding need to make.

Traditionally, while corporate engagement typically began with a philanthropic approach, many companies are gradually shifting towards a long-term project-based engagement strategy. Corporate Social Responsibility is evolving and more businesses have made it an integral part, not only of their corporate governance but also of their business strategy. While companies do want their CSR activities to positively impact communities, many look for a 'business benefit'

such as 'community license to operate' (critical for manufacturing and mining companies with a focus on communities and the environment around their plants to mitigate the negative impacts inherent in manufacturing and mining), and deepening employee engagement (which enables them to attract and retain talent as increasingly employees want to work with companies that care) (Venkateswaran, S., 2018; Thompson, A.B., 2015). They also continue to look for branding / visibility solutions as part of the partnership. (Most consultations held during this study mentioned this as a necessary ingredient to corporate partnerships).

3.1 CAUSE-RELATED MARKETING

Apart from giving project-based grants, corporate partnerships with Non-Profits seek to enhance their brand through association with a social cause via what are termed as cause-related marketing tie-ups.

Consumers, given the choice, will often purchase products and services from socially and environmentally responsible companies (Libby, M., 2017). Companies and Non-Profits are increasingly coming together to leverage this fact and the last few decades have seen the rise of cause marketing promotional campaigns that increase profits while benefiting a cause.

Cause Related Marketing (CRM) refers to that form of marketing in which a company and a non profit team up together to tackle a social or environmental problem and create business value for the company at the same time.

Consumer Behaviour – Ainslie Tatnell
(wordpress.com)

3.1.1 Market Size

As per Sattva Everyday Giving in India Report, the estimated market size for contributing to a cause while making an online or offline payment during the checkout is at USD 10 million.

3.1.2 Advantages

The advantages to the business include increased sales and awareness of its social responsibility. Companies also gain from improved company loyalty, enhanced employee loyalty, and better customer attraction and retention by associating with a cause. The company's message and brand can also be amplified by those involved with the cause. A Non-Profit's benefits include financial donations and may also lead to an increase in volunteers (BNI, 2017). The Non-Profit also benefits from the increased exposure in advertising and publicity from their relationship.

3.1.3 Disadvantages

Companies that engage in cause marketing by donating a portion of their proceeds, often charge marginally higher prices which consumers may not be willing to pay for. Campaigns that ask customers to make a donation in addition to their purchase can leave them feeling guilty or pressured into giving, especially when they may have a specific reason for refusing.

Risks of CRM have variously been defined to include misalignment between the Non-Profit and the corporate sponsor, wasted resources, customer cynicism, or tainted images of charity (Eikenberry, A.M, 2009).

Despite the benefits to the corporations and Non-Profits, the level of customer awareness, their attitudes and perceptions, and participation are important elements to the success of CRM programs. Synergy between the non-profit organization and the company they are partnering with is also an important contributing factor. Ideally, the Non-Profit's mission and vision should have some relation to the company's products or services (BNI, 2017). The right affiliations make for the strongest promotional campaigns.

One example of a cause-related marketing tie-up has been the one between Nanhi Kali and Nestle of 2016 (Lighthouse Insights, 2016). Box 5

Box 4: Nanhi Kali and Nestle India #EducateTheGirlChild

The objective of the partnership was to educate a million girls. Digital initiatives included a digital film about a little girl, who by cutting her hair and wearing a shirt, hoped to look like a boy and be allowed to go to school.

Informative visual content was shared by the social media handles of both the entities; Twitter's Periscope was used to livestream an interaction with the girls of Nanhi Kali on Teachers' Day. Sponsors could get their special father-daughter pictures clicked by celebrity photographers, which all together helped build awareness for the cause.

Nestle changed the packaging of a 100 million packs of KitKat, Maggi and Nescafe to take the message across to its consumers.

3.2 PAYROLL GIVING

Corporates also engage their employees through contributions to social causes via Payroll Giving and volunteering options.

Payroll Giving is a way whereby employees of an organization can give to a Non-Profit via an agreed regular deduction to their salary made by their employer. It is proved to lead to a raising the organization's CSR profile, boosts employee recruitment and retention, and enhances employee morale and sense of team building.

3.2.1 Market Size

With a market size of estimated USD 28 million for Payroll Giving in India, this is a growing area of interest for non-profit organizations. Payroll Giving could grow to USD 56 million if the top 20 percent companies in India introduced a Payroll Giving product, and a digital Payroll Giving product gains traction equivalent to global standards (Sattva, 2019).

3.2.2 Advantages

Payroll Giving can be set up through many established platforms, or directly by a company's Human Resources Department. A large number of individuals can be reached out to at one place at nominal costs.

- It provides a regular, reliable unrestricted income stream, which allows a Non-Profit to plan ahead and budget for the future.
- Many employers choose to match their employee's gifts, thus increasing the value of contributions.
- When Payroll Giving is included as part of a company's CSR initiative, such as Charity of the Year, Payroll Giving can provide a legacy of Giving which continues long after the original partnership has ended. (See details)

3.2.3 Challenges

- Payroll Giving platforms have multiple organizations on their platforms; hence, it is not easy to stand out.
- Companies/ employees demand reports and impact stories on a regular basis. Project visits and employee engagement activities are also frequently asked by the companies.

Box 5: Doing My Bit

Kotak runs a Payroll Giving Program called Doing My Bit, where it gives employees the option of making tax efficient donations to Non-Profits such as National Association for the Blind, Dignity Foundation, Akanksha Foundation, Make a Wish Foundation of India, Cancer Patients Aid Association directly from their salaries.

3.3 VOLUNTEERS

Asha for Education was started by a group of students in the US who came together to raise funds for education of underprivileged children

in India, and this model was replicated over and over to create multiple chapters across the world (Asha for Education, n.d.). It is now a well-known organization that runs completely on the strength of volunteers. Volunteers are thus not only a good tool to spread awareness and raise funds, but also to build passionate and committed advocates for the cause. A volunteer strategy works best in the long term. Like any other relationship it requires time, trust building and efforts to build the capacity of the stakeholder to deliver on the expected outcomes.

Volunteers have exhibited capacities to support technical expertise skills not only in the areas of technology, marketing and communications and strategy, but have also shown the abilities to run small programs and activities to a large coordinated event run in multiple cities, to raise awareness and funds for the organization. This particular income stream requires investment in terms of resources both human and financial. To capitalize on the opportunity presented by volunteer talent, Non-Profit leaders need to expand their vision of volunteering, integrate volunteers into their strategic planning, and reinvent the way that their organizations support and manage volunteer talent (Eisner D, 2009).

If Non-Profit leaders want highly skilled volunteers to come and stay, they need to expand their vision of volunteering by creating an experience that is meaningful for the volunteer, develops skills, demonstrates impact, and taps into volunteers' abilities and interests. People will make time to volunteer if they are stimulated and engaged.

3.4 OTHER FORMS OF CORPORATE GIVING AND PARTNERSHIPS

The erstwhile tradition of philanthropy by Business Houses is synthesized with contemporary global business and economic practices, and mandated CSR spends to create its own form of Indian

corporate philanthropy, which continues to change and evolve. Some of the recent innovations in Corporate Giving and Partnerships include:

3.4.1 Leading and/or being part of multi-stakeholder interventions focused on a particular issue

The 10 to 19, Dasra Adolescents Collaborative (DAC), a multi-stakeholder initiative was launched with the Ministry of Health and Family Welfare in 2017 (Bhagwati, A. et al, 2019). It brings together various stakeholders across the sector—including funders, Non-Profits, technical experts and the government — to drive collaborative action and ensure that adolescents are educated, healthy and empowered to make positive life choices. It is administering a USD 50 million collaborative funding model and funding partners include Tata Trusts and Bank of America amongst other national and international funders.

3.4.2 Investing in the ecosystem to solve entrenched issues

The Nudge Foundation was set up in 2015 to work towards a poverty free India (The Nudge, n.d.). Its initiatives include creating mechanisms for skill development at scale, investing in early stage Non-Profits and those interested in scaling, and acting on promising models of rural development and helping them to scale in partnership with government and civil society. The startup team of the foundation included entrepreneurs and its donor partners included many corporates.

3.4.3 Building capacity of the sector

One of the two main focus areas of the ATE Chandra Foundation involves investing in leadership development programs for NGO leaders; in helping a range of organizations build their core capability and disseminating these learnings amongst the development space (A.T.E. Chandra Foundation, n.d.).



4. CONSIDERATIONS WHILE RAISING FUNDS FROM CORPORATE DONORS

The funding landscape for the development sector has changed vastly as a result of the pandemic. Within this, how the shift has altered investment in adolescent girls' programming remains untracked due to lack of availability of data. Data on domestic philanthropy prior to the pandemic reveals that Giving by corporate donors has largely been towards traditional sectors such as education, or in funding development gaps of the Government schemes promoted by corporates such as Swachh Bharat. There is very little funding going towards initiatives that address systemic issues or are complex and seen to have political implications, which implies less or minimal funding for rights-

based work, advocacy and issues that are focused on building accountability and transparency of the State. This would also imply funding for the programs that focus on gender and therefore engage with adolescents' empowerment space are not a priority.

In this context, the approach to understanding or seeking funding for adolescent focused initiatives would need to be developed in line with the general trends in the market while prioritizing the thematic area of working with adolescents. This chapter will offer insights into some of the key considerations and partnership models that can be employed to

design a plan for securing funding from the private sector. For organizations specifically working on adolescent initiatives, the funding plans would have to be designed keeping in mind the potential donor or corporate partners' requirements and its alignment with the organizations' thematic focus.

The new Giving (recent and by younger, professional Givers) is also focused on prioritizing measurement of short-term quantifiable results of intervention in terms of outreach rather than long-term impact. An article describes the context as:

The guidelines in the CSR Act focus more on governance than actual impact. As a result, boardrooms and CSR committees have come to think of CSR spends largely in terms of financial and quantifiable measures. Choices made are often around

short-term projects and are sub-optimal to solve the social issue. For example, in the domain of sanitation, money is channeled towards building toilets vs. mindset change/education (APTE, S., 2018).

Philanthropic growth has also led to an increase in players offering advisory services for a) causes and organizations, through which the Giving can happen, b) support in understanding the philanthropic journey itself and c) how to look at outcome and impact of the Giving.

In this context, the approach to understanding or seeking funding for adolescent focused initiatives would need to be developed in line with the evolving landscape, potential donor priorities and requirements.

4.1 INFLUENCING FACTORS

Key considerations while raising funds from corporate donors based on the consultations during research for this report include:

Box 6

- **Funding Cycle and Process**- As per current trends corporate donors fund both short-term projects for a few months, and also projects that span 3-5 years. Either way, budgets for these projects are made in alignment with the financial year followed by the company. Hence, the engagement with the companies needs to start at least six months in advance. In most cases, the process for applying for a grant is not made available publicly; therefore understanding the priorities, budgets and expectations is a challenge. A large part of it continues to depend on the access that can be gained to senior management within the organization.
- **Preferred Causes** - Include education, health, environment, and livelihood. Sectors such as caste, gender and religious discrimination and redressal of human rights violations, remain mostly absent from the list of sectors funded under CSR programs by corporate donors.
- **Geographical Allocation** - The focus areas chosen by companies tend to be based on the personal knowledge and interests of founders or senior members of the management. Some of this has changed post the CSR legislation, which has brought in some structure. Further, most companies involved in CSR choose to work in the vicinity of their offices and/or production units.
- **Overt and Unstated Expectations** - Most mid to large-scale organizations prefer to associate with a legally compliant, well-known brand/organization in the sector with a demonstrated track record of creating impact, and sound internal systems. While program indicators and reporting requirements form part of the formal agreement, there are other expectations of periodic updates and visits, avenues for employee engagement and branding that may or may not be stated upfront.

Both Corporates and Non-Profits have expectations from the mutual tie up. While having a well-established track record, developed organizational systems and processes, and the ability to measure and report impact are a given as far as corporate expectations from a Non-Profit partner are concerned, there are other expectations as well, that while not listed publicly, such as elements that build visibility for the corporate, that determine the possibility of getting a grant.

In strategic CSR initiatives, funding for social programs reflects a corporation's philanthropic priorities as an extension of its business interests. Examples include Goldman Sachs' "10,000 Women" initiative to train and support women entrepreneurs in developing

countries. (Goldman Sachs, n.d.) The organization's global view of economic growth and business skills was reflected in the interest in the idea of expanding the benefits of globalization in developing countries to women entrepreneurs.

Corporates are also keen to leverage intangible benefits in the form of brand awareness and improved social capital, which in turn may translate to business profits through CSR partnerships. They actively seek elements that build visibility for the organization, e.g. a partnership, which builds in elements of outreach through media, is likely to attract interest and funding. Employee engagement in the corporate partnership through hands-on volunteering/other activities is also becoming a frequent ask during tie-ups.

4.2 PARTNERSHIP MODEL

The relevant partnership model that a Non-Profit chooses to form with a corporate is dependent on the characteristic and opportunity available. There are five elements that tend to distinguish different approaches to forming corporate partnerships – partnership

philosophy, the size of corporate being targeted, selectiveness in who the Non-Profit chooses to form partnerships with, how standardized the partnerships are, and how the organization goes about establishing partnerships. These are outlined in Table 5 below.

Table 5: Dimensions that Influence the Choice of a Partnership Model

Strategic Dimensions	Dimension Descriptors
Philosophy	The primary objective of the partnership effort, ranging from fundraising to advancement in mission
Size of Partners	The size of partners that are being targeted in this option, ranging from small and medium enterprises through to large corporates
Target Partners	The selectivity with which partners are approached – i.e. are they market segmented or does the organization remain open to all?
Tailoring	The level of customization offered to the partnerships, ranging from a standard catalogue to bespoke arrangements
Entry Point / Relationship	The avenue used to enter the partnership – whether reliance is placed on well-connected individuals to make first contact or is it done on an entire organization basis.

Source: PwC –nfp/corporate partnerships (Twaddle J., 2018)

Depending on the approach and the choices made across the elements on size of the partners, extent of selectiveness in choice of partnership, ability to customize and how the approach is made, leads to different kinds of models that encompass a) an SME Fundraising-Led, b) Corporate – Non-Selective, c)

Corporate – Selective, d) Employee Engagement-Led, and e) Relationship-Led Models.

Each of these options has implications for how the Non-Profit structures itself, and the types of capabilities it needs to ensure for it to be successful (Table 6).

Table 6: Critical Success Factors and Capabilities Needed for Different Partnership Models

	SME Fundraising-Led	Broad Standardized	Selected Bespoke	Employee Engagement-Led	Relationship-Led
Critical Success Factors	Clear proposition	Clear menu of propositions	Getting the right people in front of the right partners	Offerings that appeal to staff	Effective relationship management model
	Easy process to establish and maintain partnerships	Effective pipeline management	Collaboration between mission and partnership staff	Conversion of employees to individual donors	Talent management and acquisition
	Transparent partner pipeline	Ability to match standardized offers to particular corporates		Creation of strong word of mouth	
Key Capabilities Required	Multi-channel partnership marketing	Partnership model design	Partner sensing	Events management	Talent selection
	Automated partner set up	Pipeline management	Partner management	Campaign management	Executive Board relationships
	Partner identification	Branding and marketing	Relationship management	B2C marketing	Partner
	Branding and marketing	Market segmentation	Market segmentation	capability / social media	relationship management

Source: PwC –nfp/corporate partnership (Twaddle, J., 2018)

While in the case of both SME and Broad Corporate-Led partnership models, standardized template offerings allow broader reach for the Non-Profit, the first requires automation skills to take care of multiple small partners, while the latter requires some bit of customization and pipeline management skills. The bespoke corporate model is largely focused to tap into a small circle of high value potential donors and requires investment, in-depth customization and relationship building. While the Employee Engagement-Led model, as the name suggests, offers value in terms of engaging employees and requires

high levels of events and campaign management skills, the last, which is a model based on personal relationships, requires intense management of the same across levels.

For Non-Profits who have constraints in terms of resources, or limitations due to size, it is suggested to choose a model as per the best approach fit rather than operate across models. The other option is to look for third party resources for these capabilities or collaborate with other Non-Profits for joint pitches.

4.3 WAY AHEAD

This section summarizes some of the considerations that are key to building a partnership with corporate funders and a possible pathway to tap into this potential resource.

Different funder types exist as do different Non-Profit ones. An evaluation of the kind of funder that would work for a particular Non-Profit as well as an evaluation of the fit between what the Non-Profit is offering and the corporate's expectations, and a plan on how and when to engage with the funder, are all unique and need to be tailored with every approach. In addition, in order to expand coverage and gain maximum impact, corporate engagement by Non-Profits would benefit from an approach that not only results in generating substantial resources, but also assists in

getting access to required skills, networks and the ability to positively influence corporate practices.

In order to understand corporates and be able to engage them effectively, Non-Profits need to carry out research on corporate priorities in terms of areas of support, geographic focus and budget size along with key decision makers and funding cycles (if available). As mentioned earlier, corporates have a preference for direct action organizations with clear outputs, low cost per beneficiary and clear brand and employee engagement possibilities.

While the strategy for approaching companies can vary and be dependent on many factors, following are a few recommendations on investments that may benefit organizations interested in building a partnership with corporates:-



- **Adjusting to the new reality:** Non-Profits need to replan and adjust their operations according to the shifts arising from the pandemic. They will need to re-strategize and rearticulate the value proposition of their work, especially if their thematic area is not part of those areas considered a priority such as health, education and livelihood. (Both Dasra and Bridespan offer resources for stock taking and planning toolkits in wake of COVID).
- **Better communication with donors:** Non-Profits must invest in creation of relevant communication material for sharing impact of existing programs to attract donors. They must clearly and openly communicate with their donors on their current and future short- and long-term requirements. A study of 2018 found that many Non-Profits also employ different channels to actively communicate with their donors including texting, sharing of impact reports, using social media and face-to-face meetings. (Hermon, M.R., 2021)
- **Leveraging social media to build and strengthen the positive impact narrative:** Non-Profits must harness the power of the social media platforms to highlight program impact, build a support base and connect with funders and strengthen partner networks.
- **Initiation and Strengthening of corporate fundraising team:** If a Non-Profit wishes to engage with/ increase the number of corporate donors, they will need people with experience in corporate fundraising, proposal writing and in managing donor relationships. This could be done either by building capacity of existing staff or by hiring technical experts in the business development team.
- **The strengthening of Monitoring and Evaluation:** functions to meet data and reporting requirements of corporates and to attract donors.
- **Investment in branding and positioning:** The reputation of the partner matters to corporate donors. Therefore, the Non-Profit will need to position itself as a credible organization and be able to provide recognition / visibility for their CSR efforts.
- **Diversification of donor base:** Non-Profits might need to think in the direction of diversifying their current donor base to explore long term funding options, as this would also reduce risks of short-term, project-based funding.

Adolescents make up one-fifth of India's population. An investment in their development, especially the development of adolescent girls' will help create agents of intergenerational change. There are many organizations in India that are engaging with adolescents and key influencers to improve their well-being and need resources to carry out this critical work. This document offers some insights

into partnership building with private sector players, especially corporates and suggests possible approaches that may support the seeking of funding for adolescent focused programming. Ultimately, it is up to the Non-Profit to decide the kind of funding source, which is best for the organization, and in alignment with its thematic area and core mission.

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