

Giving in India

In India, 455 million people live on less than \$1.25 a day. Grinding poverty makes India a prime target for a philanthropist trying to make a difference in the world. But where do you start?

Twelve months ago, NPC set up a joint venture with Indian financial research company, Copal Partners, to examine the Indian voluntary sector. We talked to hundreds of non-governmental organisations (NGOs) and foundations, met major philanthropists and government officials, and applied NPC's analytical framework to two major issues in India—early childhood development, and water and sanitation.

Where to give

Most donors have interests or passions that inspire and motivate their giving. The specifics depend on the issue—taking into account factors such as need, evidence of what works, and what others are funding. Here are some of our recommendations:

- First, think beyond the south of India. Donors tend to give to southern states, both due to historical factors, and to the fact that often they've been on holiday in Kerala or Tamil Nadu. It is central-eastern states such as Bihar, Orissa and Uttar Pradesh that have the highest levels of need.
- Second, think of the most disadvantaged groups. This can include women, lower castes, or religious minorities—all of whom are more likely to bear the brunt of social problems in India. This doesn't mean

always funding projects focused on these groups—but all charities should make sure that they are not overlooked.

- Third, think beyond direct services. Often building a well or a school is not the most efficient use of a donor's money. It can be more efficient to fund projects that make a wider impact—by establishing new ways of doing things, for example, or improving government services.

Who to give to

With over 1.3m charities in India, where do you start? To a certain extent the first bit is done for you—only 34,000 charities are registered with the Indian government to get foreign funding. Websites run by organisations such as Give India (www.giveindia.org) and Credibility Alliance (www.credall.org.in) have lists of NGOs that have gone through initial due diligence checks.

To help get a clearer idea of the impact and sustainability of Indian NGOs, NPC has come up with a general set of questions that donors can use (see Box) to help them choose which organisation to support.

How to give

The final thing to consider is how to give. There are a number of different factors—

such as how much money the NGO can absorb, what the exit strategy will be, how the NGO will measure the impact of the grant etc. However, surprisingly the issue that gets the most attention from funders is how their money should be restricted.

Funders often want their money to go on direct services rather than administration costs. This mindset is severely damaging the Indian voluntary sector, which often struggles to find money for basic administration or to pay the chief executive's salary. As a result the quality of their services and their sustainability can suffer, to the detriment of the people they are trying to help.

Giving in India may seem daunting, but it can be incredibly rewarding and satisfying. It is also worth doing right. A little bit of thought and information makes all the difference. To help with this, NPC and Copal have produced two reports—*Giving in India* and *Starting strong* (on early childhood development). This research is only one aspect of NPC's international work. We also provide advice and support for donors giving internationally—from help thinking through what to do and how to do it, to analysis of a charity and its effectiveness. To learn more about how we can help, or to read our further research, visit our website or call 020 7785 6300.

Adrian Fradd

Questions for an Indian NGO

Activities

- What problem are you are trying to tackle, and how will the activities you are carrying out address it?
- To what extent are you working with other organisations to fill gaps?
- Which social groups are you reaching? Which are you not reaching?
- How does what you are doing fit in with government services?
- How is the community involved?

Results

- What are you achieving—not just in terms of outputs (eg, number of schools built or meals provided), but also in terms of outcomes (eg, improvement in learning or nutrition)?
- How do you know? What evidence do you have?
- What external evaluations have you done?
- How do you use your results? To improve your services, for fundraising, to share lessons learnt?

Management

- What are the key challenges facing your organisation?
- What are the strengths and weaknesses of your trustees and how involved are they in your work?
- Do you have a succession plan for your chief executive?
- Do you have problems with recruitment, and at what levels?

Finances

- How stable and diverse is your funding?
- How many months of reserves do you have?
- How financially sustainable are your projects?
- Who is in charge of your finances?