



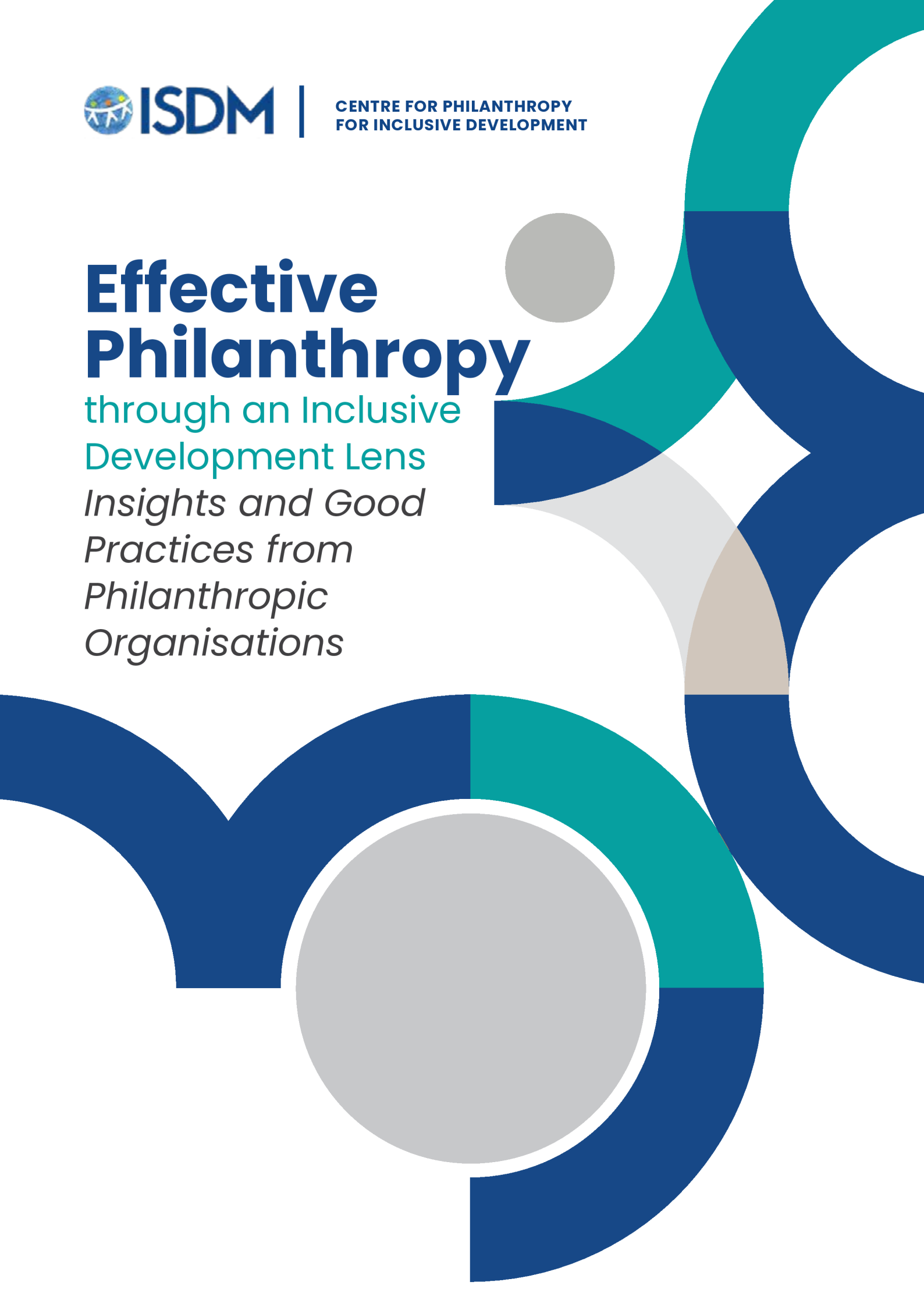
**ISDM** |

**CENTRE FOR PHILANTHROPY  
FOR INCLUSIVE DEVELOPMENT**

# **Effective Philanthropy**

through an Inclusive  
Development Lens

*Insights and Good  
Practices from  
Philanthropic  
Organisations*



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We would also like to thank our partners Ami Misra, Anushka Dias, and Prachi Pal (Dasra), Niharika Nautiyal (Forbes Foundation), Safeena Hussain (Educate Girls), Deepinder Janeja (CSR leader), and Puja Marwaha (CRY) for their support and guidance at different stages of this project.

We are sincerely grateful to all the leaders from philanthropic organisations who set aside time and participated in our study. We hope our effort contributes to evidence-based insights that drive more inclusive development outcomes.



# FOREWORD

When we established the Indian School of Development Management (ISDM), our goal was clear: to create a unique and highly specialised discipline of Management focused on the leadership and administration of social development organisations. The intention was to enhance productivity and the impact of philanthropic capital, thus transforming the lives of hundreds of millions of people and addressing global challenges, including environmental degradation. This impact, we believed, could extend across generations.

Our journey so far has offered us deep insights into both the potential and the challenges inherent in this mission. Through these learnings, we are more convinced than ever of the critical role that Development Management can play in society, particularly for its most vulnerable members. Despite unprecedented economic prosperity and human advancements, we still face staggering inequalities. As an example, approximately 780 million people globally still go to bed hungry—a stark reminder that economic growth has not benefitted everyone equally. This glaring disparity underscores the need for more strategic and inclusive philanthropic interventions that can ensure resources reach those who need them most.

A key area we identified as a significant leverage point for creating a greater impact with philanthropic capital is at the very start of the philanthropic decision-making chain. How do philanthropists decide where to allocate resources? How do they evaluate the potential impact of their contributions? This is a crucial question, one increasingly recognised by professionals in the sector. Various frameworks and ideas, such as Social Return on Investment (SROI) and Strategic Philanthropy, have emerged to guide these decisions, offering valuable perspectives on how philanthropy can be better directed.

However, gaps remain. These discussions often revolve around high-level ideas without providing practical guidance on how to incorporate marginalised communities—those who arguably have the most urgent need for philanthropic assistance—into the equation. Thus, one of the foundational initiatives at ISDM was the establishment of the Centre of Excellence for Philanthropy for Inclusive Development (CPID). This centre was tasked with creating, curating, and disseminating knowledge, while also fostering communities of practice to enhance understanding and implementation of more inclusive philanthropic strategies.

This is where the 6-Point Philanthropy for Inclusive Development (PID) Framework comes into play. For the first time, we have developed a comprehensive and practical guide that philanthropists can follow to make more impactful choices and operational decisions. This framework is tailored to the unique context of inclusive development in India and other countries with high levels of inequality. It addresses key challenges such as how to reach marginalised populations, measure the success of interventions, and ensure that philanthropic capital generates sustainable change.

It includes:

- Principle 1: Focus on the Underserved Communities
- Principle 2: Foster Trust-Building with Key Stakeholders
- Principle 3: Put Community at the Heart of All Philanthropic Efforts
- Principle 4: Provide Long-Term and Flexible Funding
- Principle 5: Create a Culture of Transparency and Inclusivity
- Principle 6: Embrace Joint Action and Partnerships for Inclusive Development

Data also supports the need for strategic frameworks like the 6-Point PID Framework. According to the India Philanthropy Report 2023, while private philanthropic funding in India grew from \$5.8 billion in 2015 to \$12.2 billion in 2022, much of this funding remains concentrated on short-term projects rather than long-term, systemic change. This lack of long-term planning limits the overall potential of philanthropy to create transformative social impact. By following the 6-point framework, philanthropists can ensure that their funds not only reach more people but also create enduring change. Moreover, this initiative aims to bring together the important work currently taking place in different organisations, like the “Pay What It Takes” initiative which urges funders to cover the full cost of the programs they support (started by Bridgespan globally) and other credible tools and resources that encourage the adoption of either of the six PID principles.

I am confident that the 6-Point PID Framework will serve as a vital resource for philanthropists looking to maximise their social impact. It provides clear, actionable guidance that bridges the gap between theory and practice. In the years to come, I expect this framework to become a cornerstone for discussions, research, and implementation across the philanthropic sector. It has the potential to catalyse more effective and inclusive development strategies, ultimately improving the lives of millions of people and addressing the critical challenges facing our planet.

As the philanthropic community continues to evolve, I believe the 6-Point PID Framework will play a pivotal role in shaping the future of philanthropy, driving both innovation and accountability. It is my hope that this framework will inspire more philanthropists, researchers, and practitioners to join forces in this crucial work, ensuring that philanthropy reaches its true potential as a force for global good.



**Ravi Sreedharan**  
Founder and President, ISDM

# FOREWORD

Philanthropy has played a critical role in catalysing development in the Indian social sector. Having witnessed significant growth in key social domains, donors – both at the individual level and from companies – have become more open to exploring collaborations with diverse stakeholders, seeking to develop a deeper understanding of “impact”; not just from a last-mile beneficiary perspective, but for the sector as a whole.

It is clear that there is an urgent need for non-governmental organisations (NGOs) to have robust systems and talented human capital within their organisations to produce long-term, sustainable social impact. Study after study has captured data and emphasised the importance of this. Strengthening our social ecosystem is imperative – funders and supporters must invest in capacity building and organisational development for NGOs. Impact needs to be viewed through a holistic lens – the health of an NGO as an entity must be as important as the programmatic work the organisation is catalysing on the ground.

This important report from ISDM provides in-depth insights into potential actions that support this approach to partnership; not only to drive meaningful social change on the ground, but also to foster an ecosystem of strong, resilient social sector organisations in our country.



**Rati Forbes**

Philanthropist, Director-Forbes Marshall

# FOREWORD

India's growth journey over the past 75 years has been a tale of both triumphs and challenges. Despite these, the country's growth remains steadfast, due in no small part to the role of philanthropy in nation-building thus far. As India approaches the centennial year of Independence, it stands on the brink of significant transformation. However, persistent economic and social inequalities remain. To address these challenges, philanthropy must rise with greater ambition and a renewed focus on inclusivity.

The philanthropic landscape in India is evolving, yet there is still significant room for growth. Despite notable wealth accumulation, India continues to face complex development challenges, making the role of philanthropy even more crucial. To create a lasting impact, philanthropy must not only increase its resources but also adopt a more strategic, inclusive approach. This report introduces the 6-Point PID Framework, which provides guiding principles and actionable steps that organisations can adopt to drive meaningful social change. It emphasises six key areas for fostering a more inclusive and impactful philanthropic approach—prioritising marginalised communities, encouraging active participation, ensuring inclusive decision-making, fostering trust, promoting transparency, and embracing collective action. By focusing on these dimensions, philanthropy can become more responsive to complex social challenges and contribute to more equitable development outcomes.

This report offers a valuable reflection on the current state of philanthropy and extends an invitation to philanthropists, NGOs, and community leaders to engage with these guiding principles. By adopting these practices, philanthropy can bridge existing gaps, strengthen partnerships, and foster meaningful progress. In doing so, it will help build a more inclusive and equitable future for all communities, particularly those historically marginalised.



**Neera Nundy**

Co-founder and Partner, Dasra

# FOREWORD

Being passionate about philanthropy and solving societal problems, I have witnessed first-hand both the immense potential and the challenges that come with trying to make a lasting impact.

Over the years, I have come to somewhat understand that true change happens only when philanthropy evolves from charity to a model that thoughtfully solves problems, addressing root causes while engaging with key stakeholders.

This report, *Effective Philanthropy Through an Inclusive Development Lens*, is a timely and invaluable contribution to this ongoing transformation. It challenges us to think critically about how we engage, whom we support, and how we can better serve those most marginalised. By focusing on key principles—such as trust-building, asking difficult questions, long-term flexible funding, and putting communities at the centre of our efforts—this research offers actionable insights that can help all of us become more effective in driving inclusive social change.

I believe that the future of philanthropy lies in collaboration, transparency, and a commitment to learning. It requires not just financial resources, but a willingness to listen, adapt, and share power with those closest to the challenges we aim to address. This report captures these lessons and offers a pathway for philanthropists, civil society organisations, and all those engaged in social impact work to embrace a more inclusive and sustainable approach.

As a firm advocate for robust data in decision-making, I believe that our ability to drive impact hinges on our access to reliable, evidence-based information. Data not only guides where and how we allocate resources, but also ensures that our actions are aligned with the evolving needs of the communities we serve. This report, through its insights, also aims to support better decision-making.

I hope that, like me, you will find the insights in this report, and the use of the 6-Point PID framework, both inspiring and challenging. Together, we can all work towards a vision of philanthropy that doesn't just treat symptoms, but creates lasting, equitable solutions for the marginalised communities we seek to serve.



**Amit Chandra**  
Co-founder  
ATE Chandra Foundation



# List of Abbreviations

AIP: Accelerate Indian Philanthropy  
AVPN: Asian Venture Philanthropy Network  
CSIP: Corporate Social Investment Program  
CSR: Corporate Social Responsibility  
CPID: Centre for Philanthropy for Inclusive Development  
CSO: Civil Society Organisation  
DEI: Diversity, Equity, and Inclusion  
EO: Entrepreneurs' Organization  
HNI: High-Net-Worth Individual  
ISDM: Indian School of Development Management  
NCD: Non-Communicable Disease  
NGO: Non-Governmental Organisation  
NPO: Non-Profit Organisation  
PID: Philanthropy for Inclusive Development  
PRADAN: Professional Assistance for Development Action  
PRIA: Participatory Research in Asia  
PSO: Philanthropy Support Organisation  
PwD: Persons with Disabilities  
SPO: Social Purpose Organisation  
SVP: Social Venture Partner  
UHNI: Ultra-High-Net-Worth Individual

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# EMBRACING CHANGE

## An Executive Summary

Philanthropy has the potential to become a transformative force in fostering sustainable social change and advancing inclusive development. At CPID, we are deeply engaged in exploring how this potential can be realised. Our commitment is to devise strategies and solutions that address the stark and growing inequality in India. The development and dissemination of research that illuminates effective philanthropic practices is central to our mission.

Our efforts are exemplified by publications such as *A New Era of Giving*, a compendium of essays from global thought leaders who confront the pressing issues and challenges of shifting from traditional charitable approaches to models that embed social justice at their core. Additionally, our working paper *Unleashing the Power of Philanthropy for Inclusive Development (2023)* presents qualitative research findings that have informed the creation of the Philanthropy for Inclusive Development (PID) Framework. This framework offers guiding principles, actionable steps, and best practices that organisations can adopt to drive meaningful social change.

## Our Approach

This paper, titled *Effective Philanthropy through an Inclusive Development Lens*, represents a significant effort to enhance the 6-Point PID Framework by synthesising insights from over 35 philanthropies.

It delves into the six critical dimensions that underpin the 6-Point PID Framework: a focus on marginalised communities, community participation, decision processes for inclusive funding, as well as cultivating trust, encouraging transparency, and embracing joint action. Philanthropies that incorporate these dimensions can have a better impact on addressing persistent social issues by shifting to a more inclusive, development-focused approach.

## Key Findings

It is heartening to see that philanthropies—including corporate social responsibility (CSR) initiatives, family offices, and domestic foundations—have made notable progress in advancing inclusive philanthropy. They are prioritising marginalised communities, engaging crucial stakeholders, building trust, allowing local needs to guide funding priorities, and emphasising partnerships, all of which contribute to sustainable progress. However, significant challenges remain. Many underserved areas continue to be neglected, decision-making often remains concentrated in hands of philanthropists, and funding is often project-driven with limited flexibility. Risk-taking is minimal, and monitoring and evaluating impact continues to be a major challenge. Data, crucial for funding decisions, is often scarce. Recognising early on the need to strengthen the philanthropy ecosystem, CPID committed to enhancing data availability and building robust systems.

## Strategic Objectives

This paper's results will enable the CPID to refine an action plan that guides stakeholders in adopting new methods for inclusive development. Our goal is to deepen our understanding by expanding outreach to philanthropies across India, amplifying diverse voices, fostering thought leadership through case studies and best practices, and facilitating funder-grantee discussions. We also plan to create knowledge assets and build research communities to support future initiatives.

We hope this research will be a game-changer in transforming India's philanthropy model.



## II THE 6-Point PID FRAMEWORK

### Constructing a Roadmap for Inclusive Philanthropy

India's progress in reducing poverty, increasing life expectancy and literacy, and building infrastructure over the past 75 years has been commendable. However, alarming statistics on malnutrition, inequality, education and healthcare, as well as low rankings on the Human Development Index, Human Capital Index, and Global Hunger Index remain concerning (UNDP, 2024; Global Hunger Index, 2024). Experts warn of a global 'polycrisis',<sup>1</sup> where converging systemic challenges pose an existential threat to humanity (WINGS, 2023).

In the face of such challenges, philanthropy must play a much greater role in society by reflecting on existing approaches and enacting radical shifts in practices. This report is a step towards enabling such a transformation for the sector.

### Where We Stand Today

Philanthropy in India has evolved from traditional charity to a structured approach that utilises planning and data to collaborate with the state, the market, and civil society on development challenges. However, organised philanthropy is still at a nascent stage in addressing social injustice and advancing inclusive development.

India is experiencing a remarkable upswing in philanthropy, with CSR expanding by 7%, family philanthropy by 15%, and retail giving by 12% from 2018 to 2022 (Bain & Co., and Dasra, 2024)—a growth driven not just by capital, but by evolving practices, new platforms, and The Companies Act, 2013, which provides a framework for CSR under Section 135. Yet, the available data and CPID's research indicate biases and limitations (see Box 1) that hinder the creation of an effective ecosystem of giving in the country.

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<sup>1</sup> The Philanthropy Transformation Initiative Report states that experts agree we've entered an era of 'polycrisis', where interconnected global threats—the climate crisis, biodiversity loss, geopolitical instability, nuclear risk, artificial intelligence, biotechnology dangers, and pandemic concerns—converge. This polycrisis, rooted in unsustainable and unequal economic and governance models, poses an existential threat to humanity and demands urgent action from philanthropies.

The starting point to transform philanthropy for inclusive development is building an evidence-based understanding of its drivers, complexities, and practices. The CPID is addressing this by conducting comprehensive research to fill the data gap. Its previously published report, *Unleashing the Power of Philanthropy for Inclusive Development* (ISDM, 2023) mapped key stakeholders, motivations, unmet needs, methods, and obstacles of philanthropy's potential for inclusive development. This report aims to further explore how current philanthropic practices and approaches incorporate an inclusive development lens.

## A Commitment to Learning

We believe that philanthropy is 'the love for humanity'. It must be seen as a force for good, and stakeholders must continue to engage with its concerns to drive positive change.

This report and the CPID's broader PID Initiative aim to catalyse philanthropy for a just and equitable future. By adopting a broader perspective on developmental challenges and embracing the practices highlighted in this study, we can build trust among philanthropies, social purpose organisations (SPOs), and communities.

The insights offered in this report are not to critique or assess philanthropy, but a result of our ongoing quest to learn, share ideas, and build evidence on how to collectively do better.

The report targets philanthropic organisations and civil society groups, appealing to both progressive and traditional givers, as well as philanthropy support organisations (PSOs). The insights are also relevant to SPOs, bilateral and multilateral entities, think tanks, and academics.

### Philanthropy: Practices and Perspectives in India

Our research<sup>2</sup> provides several pivotal insights, briefly summarised below:

Development spending in India is mainly public; although private philanthropy has grown by 10% and CSR by 7%, it is still lower than in high-income countries.

Education and healthcare are prioritised, while human rights, gender equality, and support for marginalised groups less so.

Location biases are leaving some states behind. For e.g., Maharashtra, Gujarat, and Tamil Nadu receive more support than underfunded regions such as the Northeast, Bihar, and Jammu & Kashmir.

Even in well-funded states, funding is disproportionately allocated to education and healthcare rather than human rights and environmental causes.

Donor preferences limit SPO autonomy; with CSR and philanthropies focusing on health and education, SPOs are restrained to these sectors.

Intermediary support is concentrated in regions like Maharashtra, Uttar Pradesh, Tamil Nadu, West Bengal, etc.

Excessive monitoring and lack of flexible support constrain SPOs, particularly Dalit, Bahujan, and Adivasi-led organisations.

<sup>2</sup> Based on secondary data and interviews with private donors, CSR pioneers, SPOs, and PSOs, using system thinking tools.

## III Methodology

We adopted a three-pronged approach to collating data for this survey:

Secondary Research	Convenings and Workshops	Online Questionnaire
Insights from secondary data and the CPID's past research on philanthropic trends, drivers, systemic barriers, and opportunities—including interviews with 60+ stakeholders.	The key pillars of the study were validated through workshops (using systems thinking tools) with 100+ stakeholders in New Delhi, Pune, and Mumbai.	The questionnaire <sup>3</sup> , developed with sector experts and tested on a small group, was sent to 110 people, with 37 completing it.

## Findings

- Our sample of 37 respondents predominantly comprises organisations giving directly through their company's CSR or foundation—23 respondents (62%). Another 11 respondents (32%) of our sample consists of individual donors, family offices, think tanks or academic institutions, and international foundations. Government and international foundations were each 3 respondents (3%).
- **Education, livelihood, and environment** are the top causes supported by philanthropy.
- **Infrastructure, support to government schemes, human rights, and financial inclusion** are the least supported causes. (Figure 2)
- To ensure diverse perspectives, our sample included an equal representation of organisations that give grants, run their own programs, and do a mix of both. (Figure 3)
- The respondents represent the full spectrum of philanthropic giving, from small to large budgets, providing a comprehensive view and understanding of practices. (Figure 4)
- Nearly 70% of the organisations in our sample were established before 2010—before CSR became a mandate in 2013! (Figure 5)

<sup>3</sup> We are grateful to our partners Dasra, Forbes Foundation, Educate Girls, CRY and Deepinder Juneja (CSR leader) for their inputs and insights on the questionnaire



Figure 1

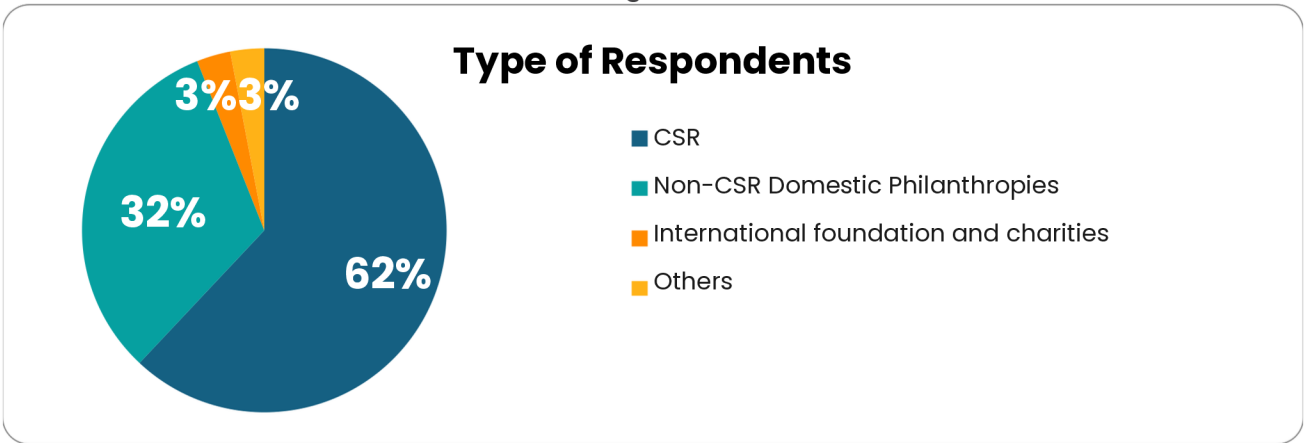


Figure 2

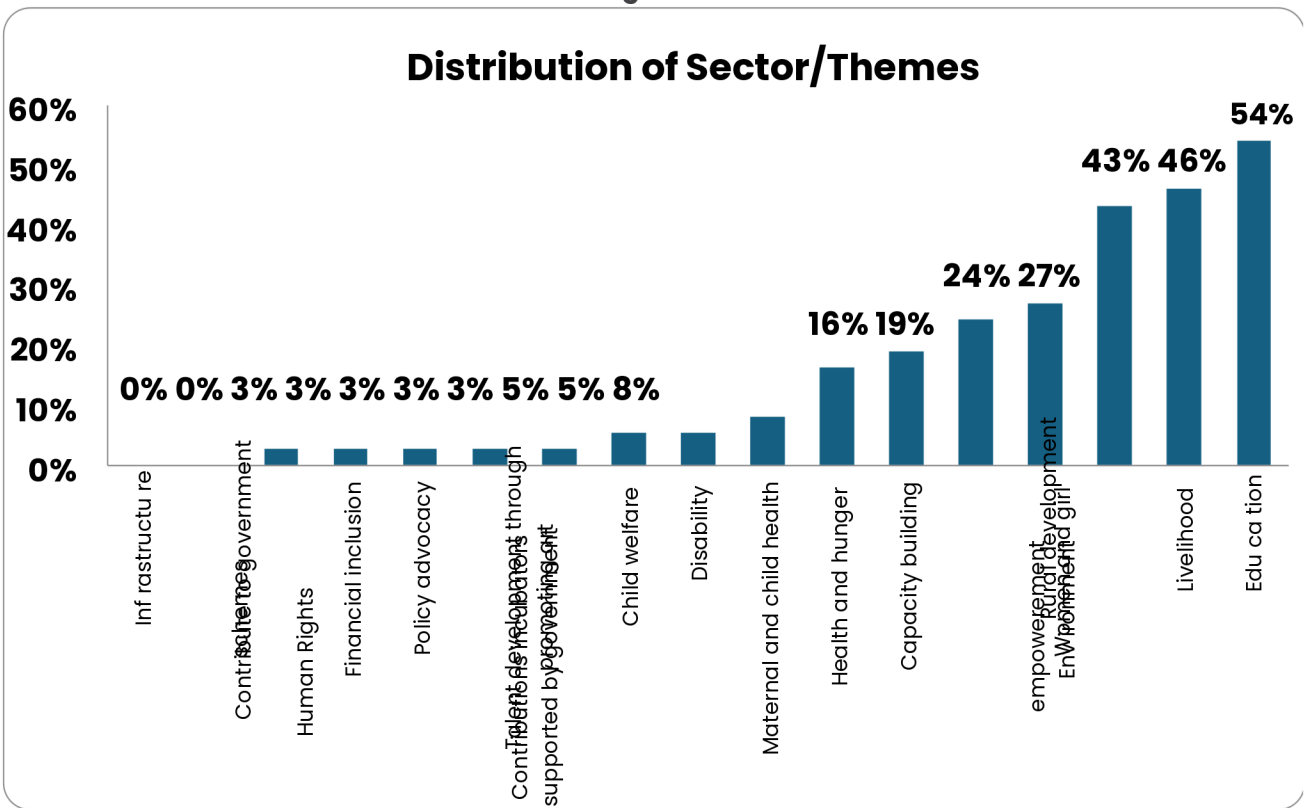


Figure 3

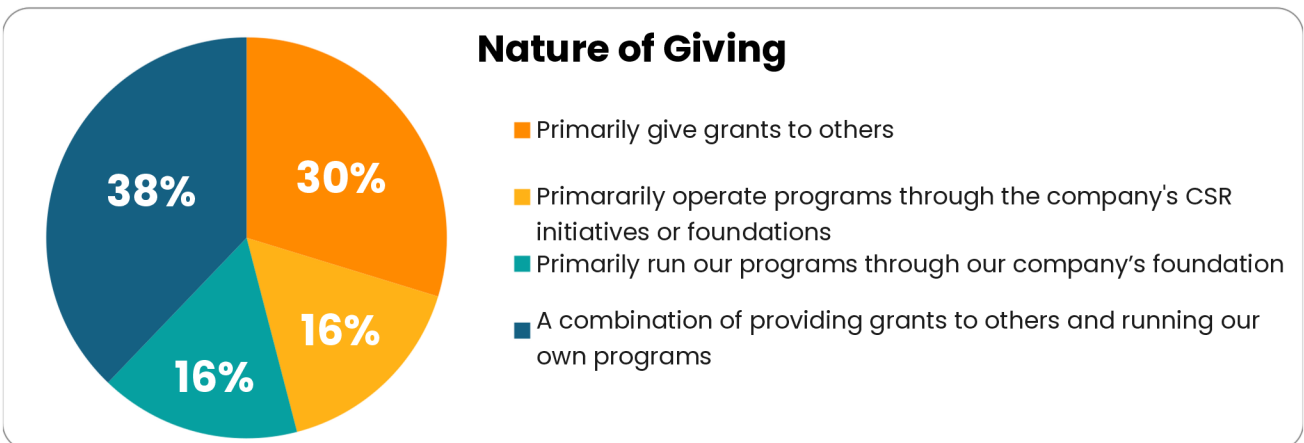




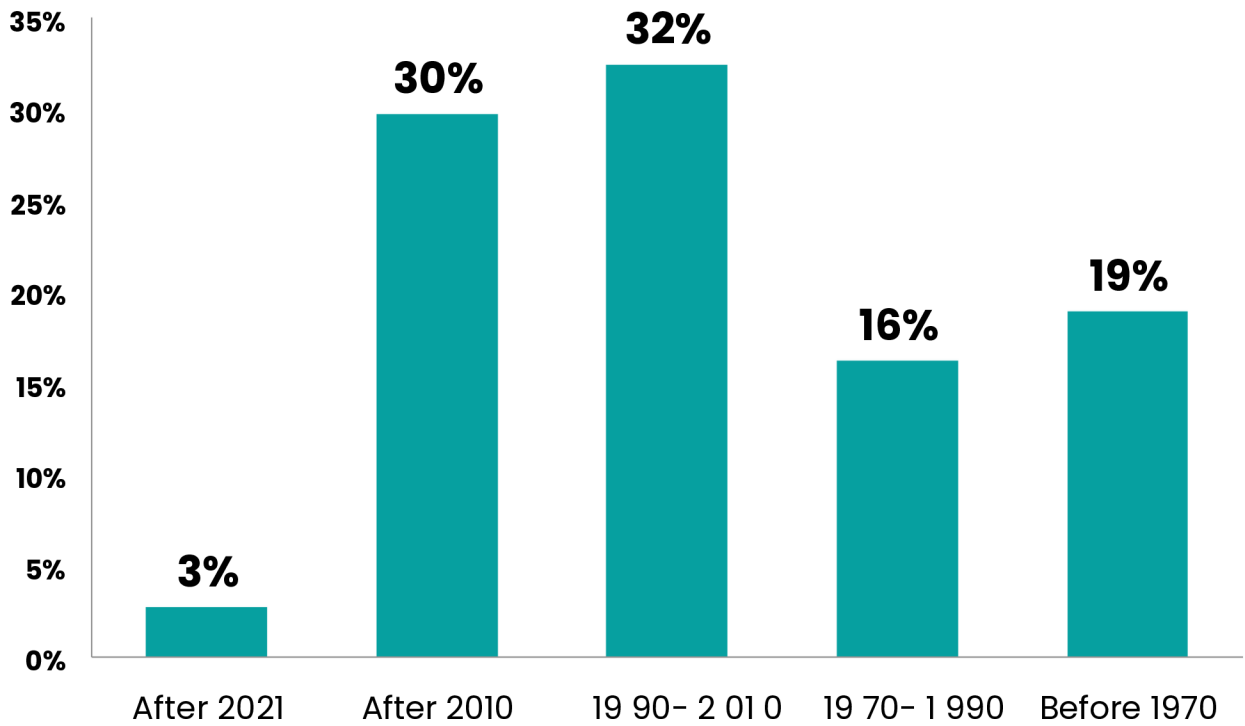
Figure 4

Annual Budget



Figure 5

Year organisations were established



### How the sample was identified and utilised

We identified 10 organisations through networks like Dasra, GivingPi, Social Venture Partners (SVP), Entrepreneurs' Organization (EO), and Young Presidents' Organization (YPO). We invited participants to our online survey via email and followed up over two months. Hosted on a secure, user-friendly platform, the survey comprised a mix of question types including:

#### Multiple choice questions

Closed-ended questions that could be answered on a Likert scale of 1 to 4 that allowed us to measure attitudes and opinions, and

Open-ended questions to learn about participants' experiences.

By consulting a set of experts representing each key stakeholder group, we validated every question for clarity and relevance. We ensured the survey is both comprehensive and comprehensible with a small pilot group before full deployment.



# IV STRENGTHENING THE 6-POINT PID FRAMEWORK

## Research Overview

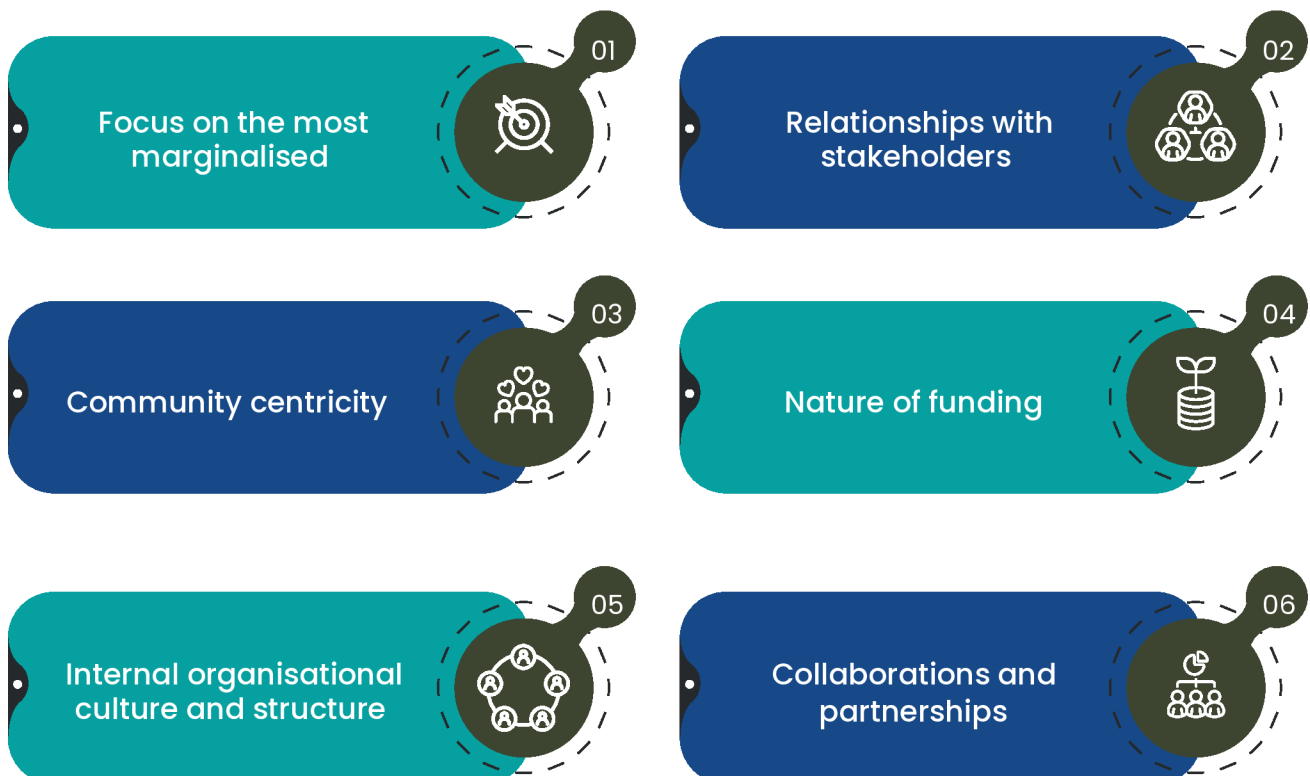
Using systems thinking tools, the CPID has been examining interactions among funders, recipients, and internal organisational structures to better understand from stakeholders the challenges hindering philanthropy's impact.

These learnings compel us to confront critical questions about philanthropy:

- How can philanthropy create an equitable society, given the conditions and structures that allow for private philanthropy?
- Does philanthropy have the willingness and capacity to challenge its current approaches and embrace new ones?
- Is philanthropy, in addressing symptoms rather than root causes, constraining the efforts of other stakeholders to create sustainable social change?

This research aims to strengthen the 6-Point PID Framework, as initially laid out in *Unleashing the Power of Philanthropy*, by incorporating insights from over 35 philanthropies.

Principles 1-6 in this section encapsulate the key dimensions that form the cornerstone of the framework.



The research provides valuable insights along with raising some challenges, all contributing to the CPID's goal of creating a database of philanthropic practices to establish a national framework for more inclusive philanthropy.

## Principle 1: Focus on Underserved Communities

Year after year, evidence shows that a significant portion of India's population faces systemic discrimination in areas such as access to water, education, nutrition, and economic opportunities, often due to factors like caste, tribe, gender, religion, disability, and economic status.

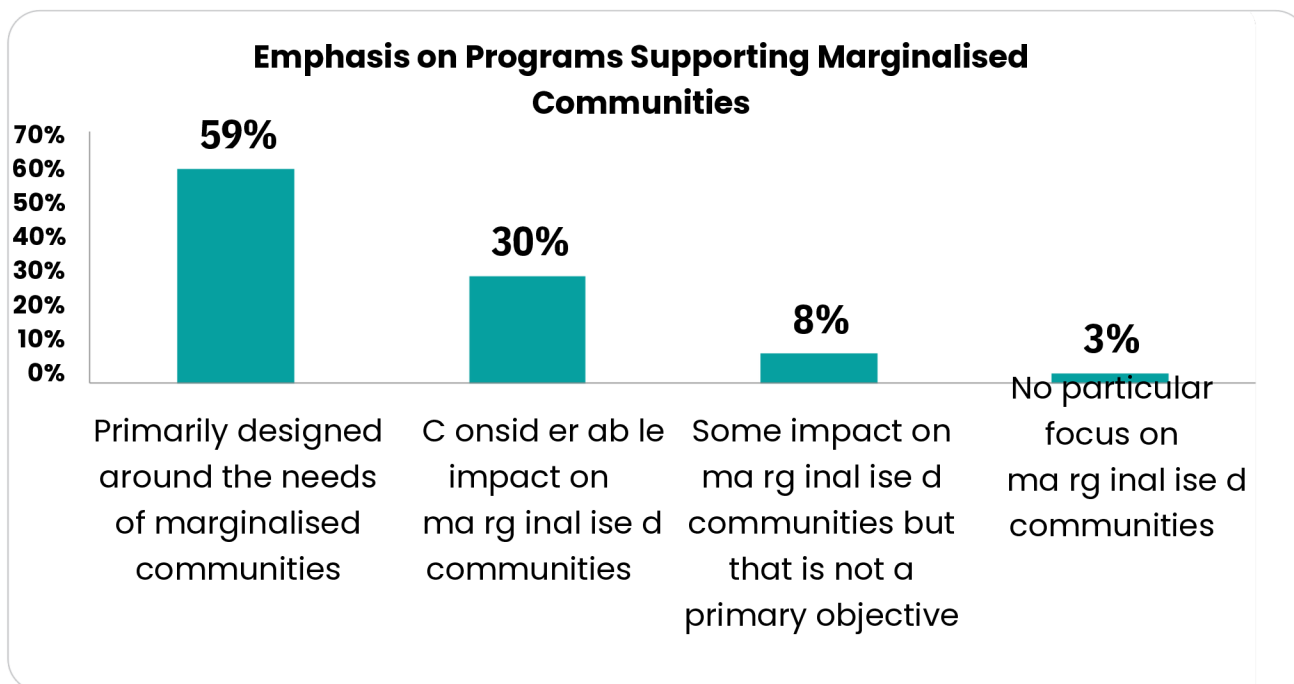
To create an equitable society, we must first assess if underserved groups receive support. This section examines outreach factors and obstacles in philanthropy that focuses on underserved communities.

### #1 More than half of philanthropic programs prioritise marginalised communities in their designs

Nearly 60% of our sample said their programs are primarily designed around the needs of underserved communities; 30% reported a considerable impact on marginalised groups, while a significantly smaller proportion showed varying or no focus on these communities (Figure 6).

The qualitative data collected in this study indicates that the sampled organisations prioritise disadvantaged groups such as the poorest, the widowed, farmers, girls and women from economically weaker sections, the LGBTQ+ community, unemployed youth, and vulnerable groups based on factors such as caste and religion. They also extend support to tribal and drought-prone areas, and aspirational districts.

Figure 6



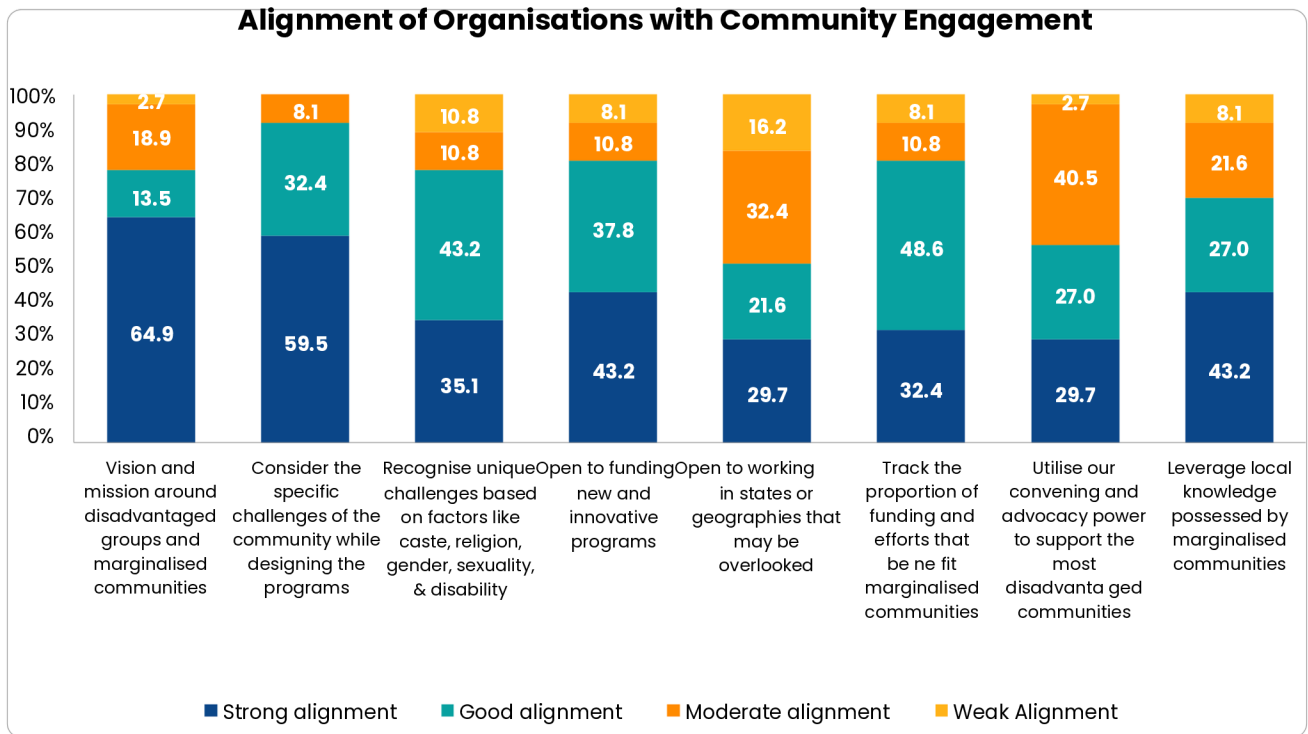
### #2 Fewer than half of organisations prioritising marginalised communities are open to working in overlooked states or geographies

While a majority (65%) of the sample strongly align with the statement that their vision and mission revolve around marginalised communities, there is significantly less openness to working in states or geographies overlooked by others—only 30% are aligned with this goal (Figure 7).

Moreover, regions with lower economic activity, higher poverty rates, and poorer human development indicators continue to receive less focus (CPID, 2023).

Organisations also prefer to utilise local knowledge to improve programs over leveraging their own convening and advocacy strengths.

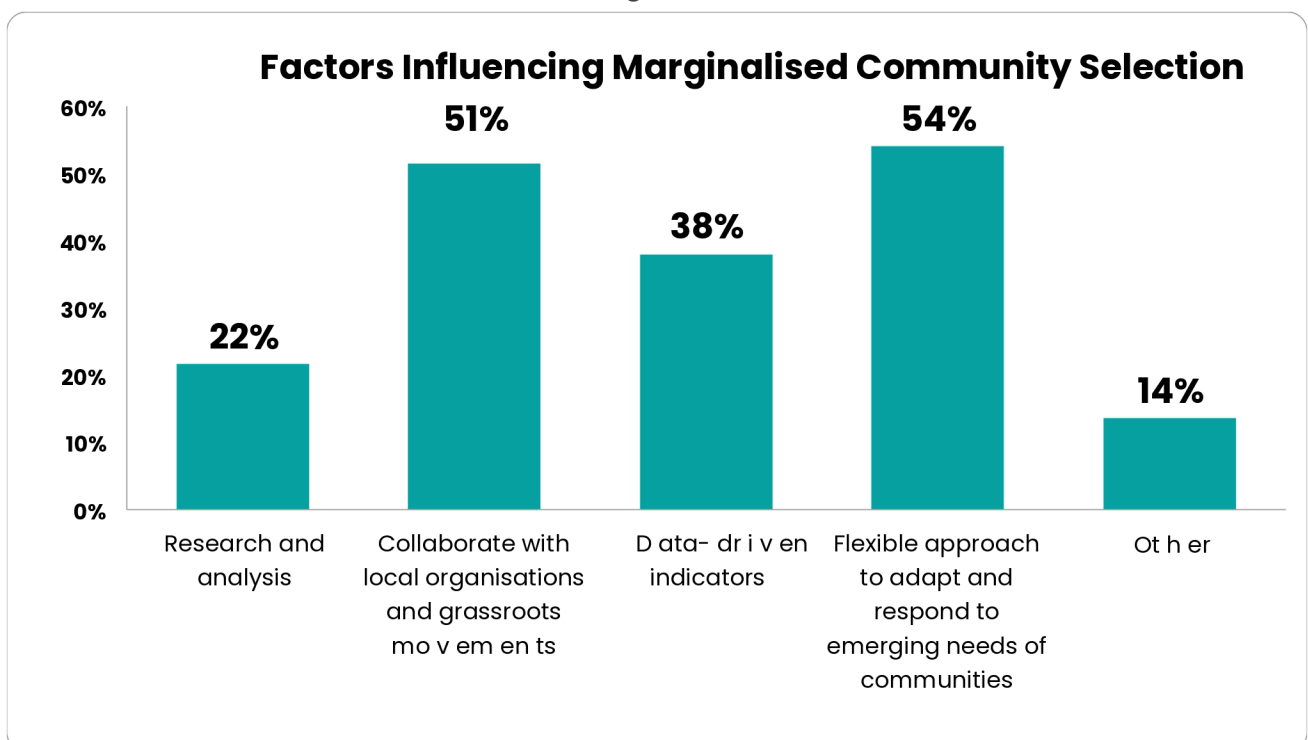
Figure 7



### #3 Data-driven indicators and field visits are key criteria for interventions

While the data highlights the top three approaches—adopting a flexible approach to tackle emerging needs, partnering with those on the ground, and utilising data (Figure 8)—that philanthropic organisations employ to identify marginalised communities to focus on, interviews with participants reveal more details about this decision-making process.

Figure 8



Pritika Chand, Head of CSR at Jindal Stainless, says they consider factors like income, gender, land holdings, home ownership, location, and lack of opportunity. Some organisations, such as DCM Shriram Foundation and Firstsource, use government data and interact with officials to guide their focus. Additionally, joining philanthropy networks like GivingPi and SVP helps organisations align their efforts with community needs.

*“In our application process, we have organisations define the following clearly: demographic data of the direct and indirect beneficiaries, problem statement with evidence, and the solution with a focus on sustainability. We also conduct field visits and meet with direct beneficiaries before finalising any donations.”*

**~ Anagha Padhye, Head of Philanthropy, RDA Holdings Pvt. Ltd**

*“To ensure [one of our projects] addressed the needs of adolescent girls, we undertook the largest Teenage Girl (TAG) Survey to listen to their voices and learn about their dreams and challenges.”*

**~ Head of a leading Indian automobile manufacturer**

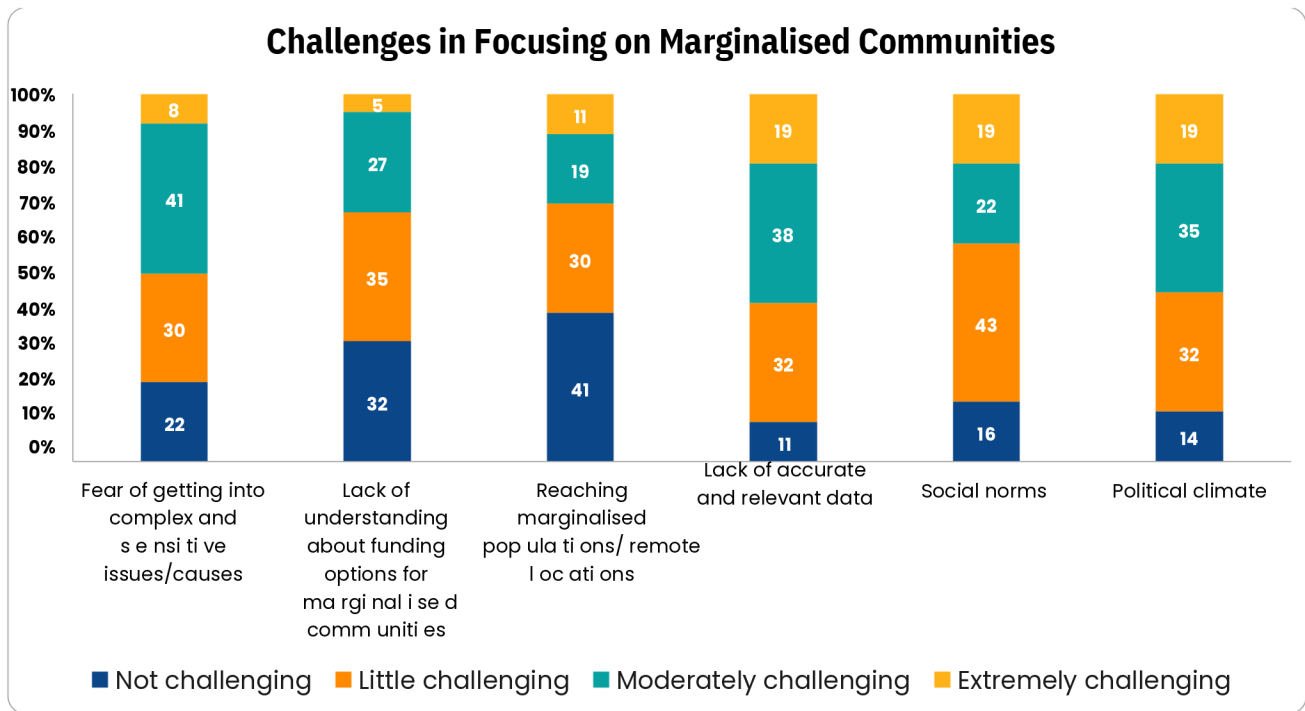
*“DCM Shriram Foundation employs a multi-faceted approach to identify and prioritize its focus areas, ensuring that its social initiatives are grounded in both data-driven insights and the real needs of the communities it serves. Beyond conducting community needs assessments, the foundation actively engages with the local government administration, leveraging their expertise and access to public data on social and economic marginalisation. By reviewing this government data, the foundation gains a broader perspective on the structural challenges that communities face, enabling it to design interventions that are both relevant and impactful. This strategic alignment with governmental insights ensures that our efforts are not only responsive to immediate needs but also support long-term, sustainable development in marginalised areas.”*

**~ Aman Pannu, President of DCM Shriram Foundation**

#### #4 Data, politics, and sensitivity are barriers to outreach

While data remains a crucial criterion for funding decisions, it is also one of the primary challenges. The most prevalent obstacles faced by organisations in focusing on marginalised communities are ‘lack of accurate and relevant data’ and ‘the political climate’. Additionally, the ‘fear of addressing complex and sensitive issues’ compounds these challenges (Figure 9).

Figure 9



The last point aligns with the CPID’s research, which highlights that very few Indian philanthropic foundations focus on and fund social justice issues involving marginalised groups directly (Philanthropy News Digest, 2016). Historically, foreign donor agencies have been the main funders supporting causes such as human rights and social justice (Hartnell, 2017); however, changes in regulatory norms have led to a decline in their contributions.

The CPID’s engagement with funding organisations through its systems thinking convenings<sup>4</sup> also reveals that there is a general fear of challenging the status quo. This risk-averse behaviour is further addressed in Principle 5.

<sup>4</sup> These events, titled Philanthropy for Inclusive Development: A Systems Thinking Approach, were held in partnership with Dasra, the Forbes Foundation, SVPs (Pune and Mumbai chapters), and Desta Research LLP. Held in September 2023 in New Delhi and in April 2024 in Pune and Mumbai, they were part of the centre’s multicentric initiative to bring together ecosystem enablers, funding organisations, philanthropists, SPOs, thought leaders, and others to learn, challenge existing paradigms, and discuss collective steps for promoting equality, justice, and a dignified life for all.



## Principle 2: Foster Trust-Building with Key Stakeholders

The power imbalance between the ‘haves’ and ‘have-nots’ is a globally recognised problem. As Sundar Sarukkai says in *A New Era of Giving* (2023), “It is important to recognise that those who ‘give’ are most often at the apex of the power pyramid in societies and thus wield enormous financial and political power.”

Acknowledging this underlying asymmetry is critical for philanthropy to shift from a haves and have-nots approach to a model based on trust and mutual respect between funders and their partners, communities, and stakeholders. This section provides insights into the current state of these dynamics.

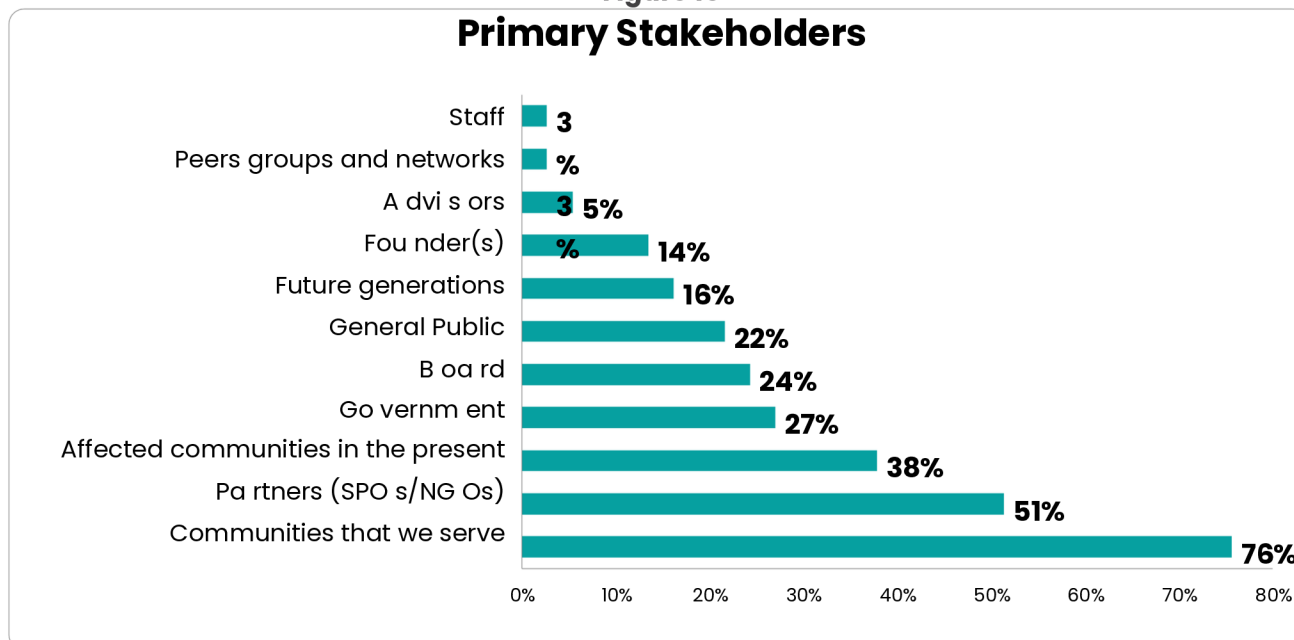
### #1 Communities identified as key stakeholders, but decision-making power still dominated by philanthropists

A significant majority (76%) of philanthropic organisations identified ‘communities that we serve’ as primary stakeholders, followed by SPOs and NGOs, while founders and staff are considered in lesser positions (Figure 10).

It is encouraging to see a shift from unilateral decisions driven solely by philanthropists or the leadership of philanthropies to involving external partners and stakeholders in decision-making processes, either through co-creation (59%), consultation (30%), or other collaborative approaches.

Only a small number (11%) prefer making decisions unilaterally, with non-CSR domestic philanthropies showing less tendency to consult external partners.

Figure 10

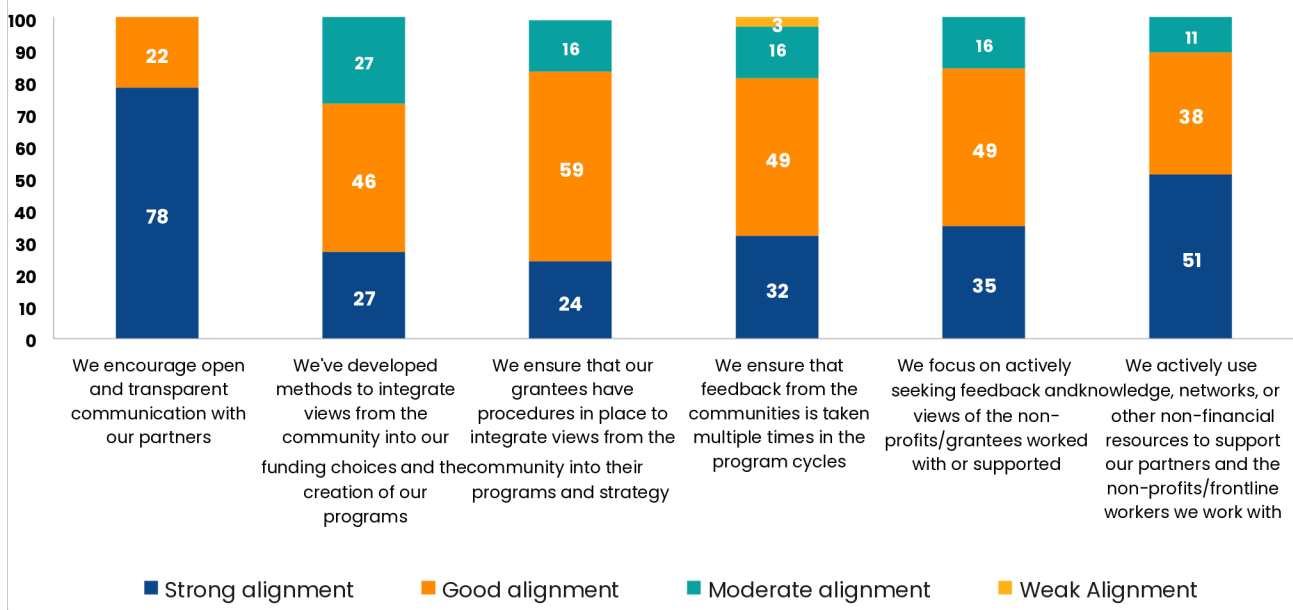


### #2 All participants expressed their commitment to building trust-based relationships through transparency, though feedback loops remain weak

Research shows 100% of participants strongly or moderately align with encouraging open and transparent communication with their partners. As compared to other approaches, this sample also uses knowledge, networks, and non-financial resources to support partners and frontline workers more extensively, like incorporating community feedback into programs and strategy (Figure 11).



Figure 11

**Alignment with Stakeholder Engagement Practices**

Some organisations find that maintaining openness and flexibility during program design, engaging in ongoing discussions with grantees to set goals and review progress, and creating safe spaces for grantees to share challenges and shape projects can build more effective programs.

For example, the CSR program of a large Indian automobile manufacturer codesigns programs with grantees. They integrated sports into one of their projects based on a partner's suggestion. This significantly boosted the confidence of the adolescent girls the program focused on.

Participants have also suggested additional ways to build trust, including providing funding beyond program expenses to empower recipients to focus on their vision and goals, fostering joint accountability, and integrating grantee experiences. These approaches will be explored in more detail ahead.

“We facilitate open dialogues where grantees can freely express their challenges and ideas. Our collaborative approach ensures that their lifelong learnings are integrated into project strategies, empowering them to take the lead in driving impactful change. We are also open in making the funding flexible in case their needs change over time.”

~ Siddharth Agarwal, Foundation Lead, Upadhyaya Foundation

### #3 Monitoring and evaluating impact is a major challenge

Despite the common beliefs that funders fear losing control over programs and that there is a lack of trust among stakeholders, the organisations in our sample do not cite these as significant challenges. Instead, difficulty in monitoring and evaluating impact emerges as their primary concern.

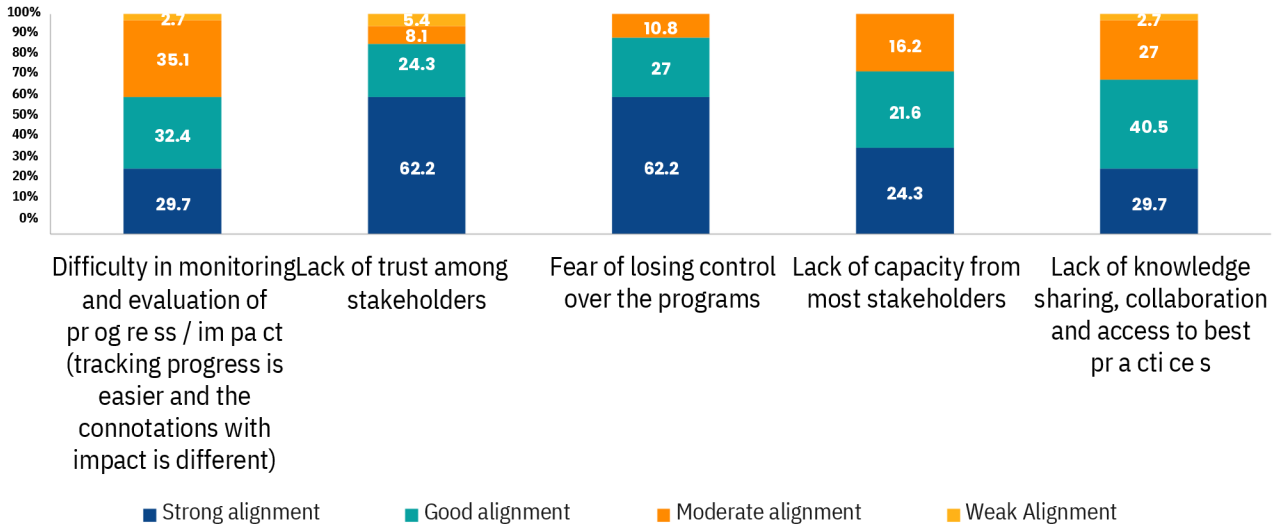


“During the project planning, the objective along with detailed activities are co-created. SMART indicators are put in place in order to have robust monitoring and take course corrective measures wherever required.”

~ Dr Nidhi Pundhir, Vice President – Global CSR, Director HCL Foundation

Figure 12

### Challenges with Stakeholder Engagement



### Biases and Behaviours that Undermine Trust-Based Relationships

Insights gathered at CPID’s convenings

#### WHAT FUNDERS SAY

Inadequate communication and lack of feedback can result in unrealistic expectations about the true costs of running SPOs. This can put pressure on SPOs to understate overhead and non-program costs in order to secure funding.

The belief that SPOs always value donor expertise, lack long-term strategic vision, and focus more on the heart instead of efficacy. SPOs are reluctant to collaborate with each other due to concerns regarding funding, relevance, and sustainability.

#### WHAT GRANTEES SAY

Micromanagement and the introduction of reporting systems—whether overly specific and not aligned with the organisation’s typical operations (Khetan et al., 2022) or standardised templates that may not accommodate the unique needs of every organisation—can become cumbersome.

Focusing on measurable outcomes often prompts SPOs to address symptoms rather than deeper structural issues, perpetuating a cycle of ‘shifting the burden’ in the development sector. This can detract from efforts to strengthen the fundamentals of a just society (ISDM, 2023).

A perception exists that knowledge and solutions are primarily held by those with wealth and influence, potentially overshadowing other valuable perspectives—“People with money and power have all the answers.”

Funders don’t spend time understanding social issues, prefer quick results, borrow corporate models, and push for professionalisation.

## Principle 3: Put Community at the Heart of All Philanthropic Efforts

Previous research by the CPID shows that not involving communities in decision-making on issues they know best and are closest to leads to suboptimal solutions. Often, applying quick fixes without adequately considering local contexts and structural nuances results in unintended long-term consequences (ISDM, 2023).

As noted in Principle 2, there is ambiguity around how funders effectively involve grantees in designing and implementing solutions, as well as reluctance and uncertainty among funding organisations about sharing decision-making power with community members.

However, it's encouraging to see growing acceptance of the benefits of tapping into community wisdom for solving societal challenges, as demonstrated by the data below.

### #1 Community involvement is crucial, but wanes in project design

Two-thirds of philanthropic organisations in our sample (73%) say that community centricity guides all their philanthropic efforts (Figure 13), but only 32% of respondents said they regularly conduct community needs assessments and involve community members in the decision-making process.

While over half (59%) indicate that they regularly seek input from community leaders and stakeholders during the planning phase, only 19% said they actively engage community members in codesigning projects, valuing their first-hand knowledge (Figure 14).

This shows that while the approach of listening to communities in the program planning stage is prevalent to an extent, active involvement of these communities in project design and implementation is not quite so.

**Figure 13**

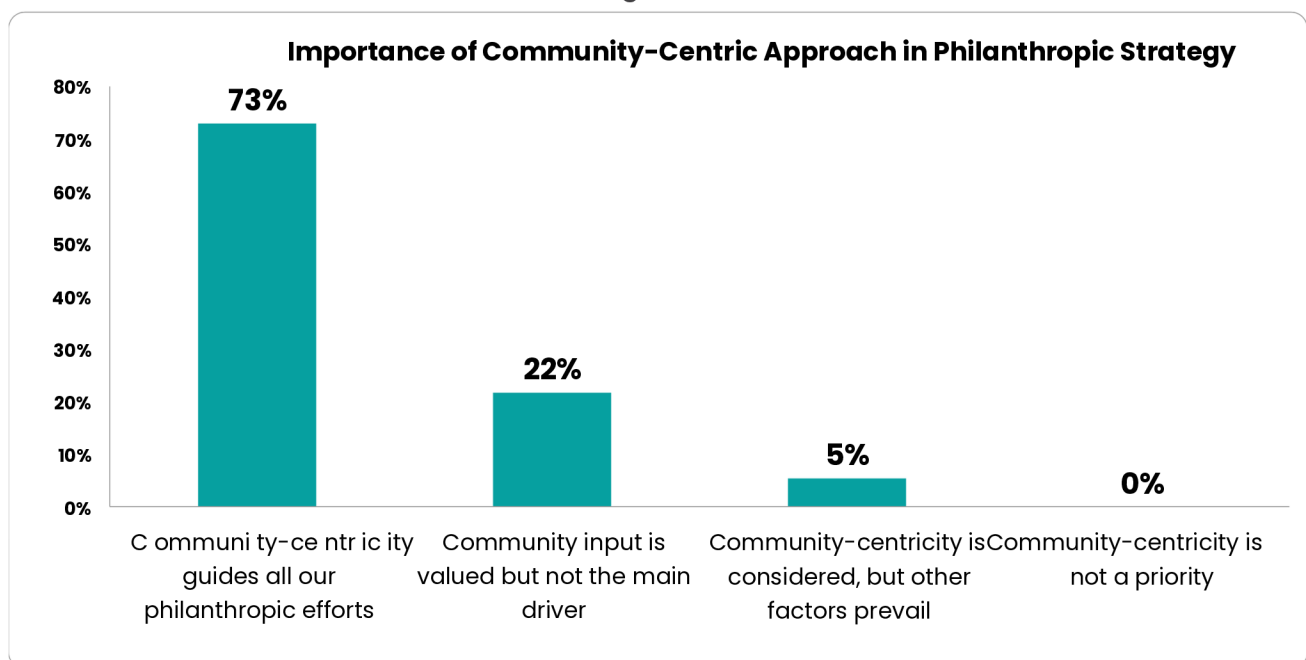
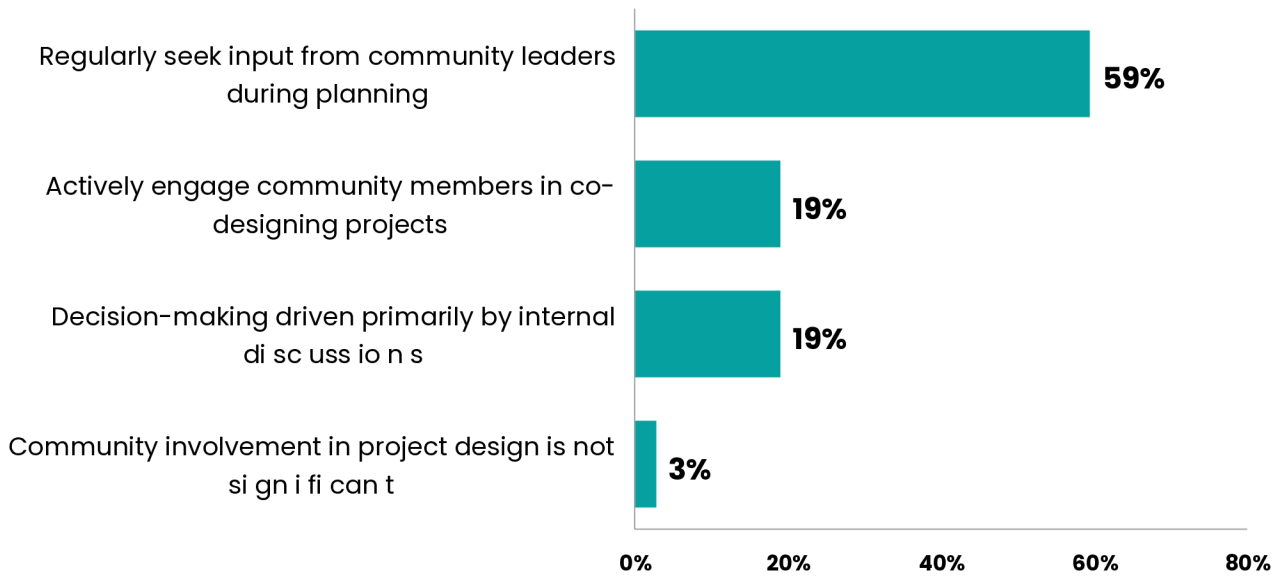


Figure 14

**Incorporating Community Knowledge and Expertise in Philanthropic Planning****#2 Engaging communities from baseline to boardroom**

Our survey sample highlights a diverse set of practices that help CSR leaders and philanthropists prioritise community needs in their goals and strategies. These include:

- Conducting baseline surveys through third-party involvement to comprehensively understand the requirements of the communities they serve
- Employing individuals from within these communities and leveraging their connection to local issues
- Training local youth and women as frontline agents of program delivery within their communities
- Conducting regular field visits and meetings with direct beneficiaries to ensure programs meet their intended impact

In addition, boards of philanthropic organisations should be composed in a manner that fosters community connection. This includes soliciting feedback from affected groups and potentially including representatives from target communities (Khetan et al., 2022).



“It is important to interact on a regular basis with the communities that we are working with to understand their needs and the challenges that they are facing. Community participation in designing programs enables us to make it more effective.”

~Pritika Chand, Head of CSR, Jindal Stainless

“Our highest priority is systemic change which is sustainable and scalable. We value working with a deep understanding of the issues on the ground and continually re-evaluating and realigning our approach based on that understanding.”

~ Anupama Dalmia, Philanthropist, Founder/Director, Seekho Sikhao Foundation

“We focus on long-term emergent change. For instance, we have just rolled out a tribal health program. Local youth have been trained as frontline health staff and conduct household empanelment/community-based risk assessment as well as NCD surveillance. This was the first step in gaining traction in the community.”

~ Anupama Shetty, Mission Director, Biocon Foundation

“The social sector workforce doesn't need to be told what to do; we can't just design philanthropic programs for them. Look at the whole concept of participatory evaluation [stakeholders in a community project set evaluation criteria for it and use the data collected to adjust and improve the project]. Organisations like Praxis, PRIA and PRADAN have done a wonderful job at creating awareness about bringing communities into the fold to understand the issues and realistically assess which ones can, and cannot, be dealt with.”

~ Puja Marwaha, CRY, in A New Era of Giving

## Principle 4: Provide Long-Term and Flexible Funding

Personal and peer experiences are often cited as common reasons for the skewed nature of funding, leaving some causes and communities behind. CPID's past research also reveals that philanthropists' mental models, shaped by personal convictions, lead to a selective focus on specific themes rather than a holistic view.

Funding directives encompass many aspects. For instance, globally, flexible funding is gaining traction for its ability to address root causes, adapt to changing realities, and build resilience (WINGS, 2023). However, in India, flexible funding is limited.

According to Accelerate Indian Philanthropy's report (AIP, 2022), unrestricted funding amounts for less than 25% of total funding in 61% of non-profit organisations (NPOs). Furthermore, a Bridgespan study (Venkatachalam et al., 2023) found that 72% of NPOs lack flexible funding for organisational development, hindering crucial investments in capabilities to enhance program outcomes and impact.

What drives funding decisions, and how flexible are organisations? Let's explore.

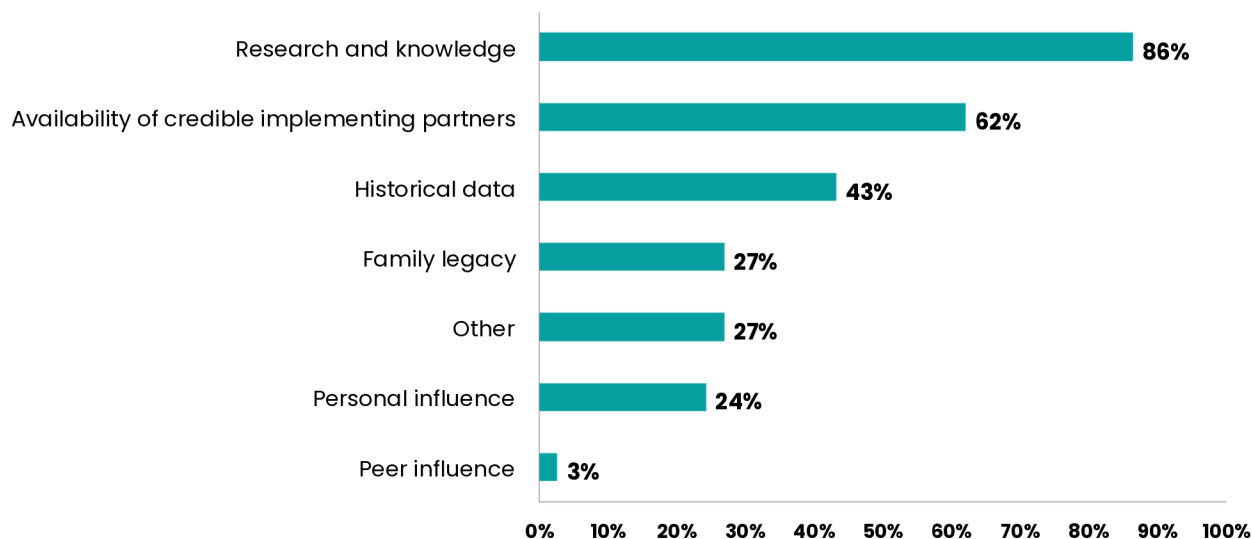
### #1 Research and knowledge trump peer influence in the who, what, where, and why of funding

Our sample reveals that research and knowledge and the availability of credible implementing partners, stand out as the two most crucial influencing factors behind funding, with peer influence and personal relationships being the least important factors (Figure 15).

Conversely, while 64% of non-CSR domestic philanthropies indicate that peer and personal influences are important factors, only 13% of CSRs say the same. This makes sense when viewed in light of the fact that CSR is bound by regulatory restrictions to fund select areas, whereas private philanthropy can take a more diversified, preference-driven approach to funding.

Figure 15

#### What drives funding decisions



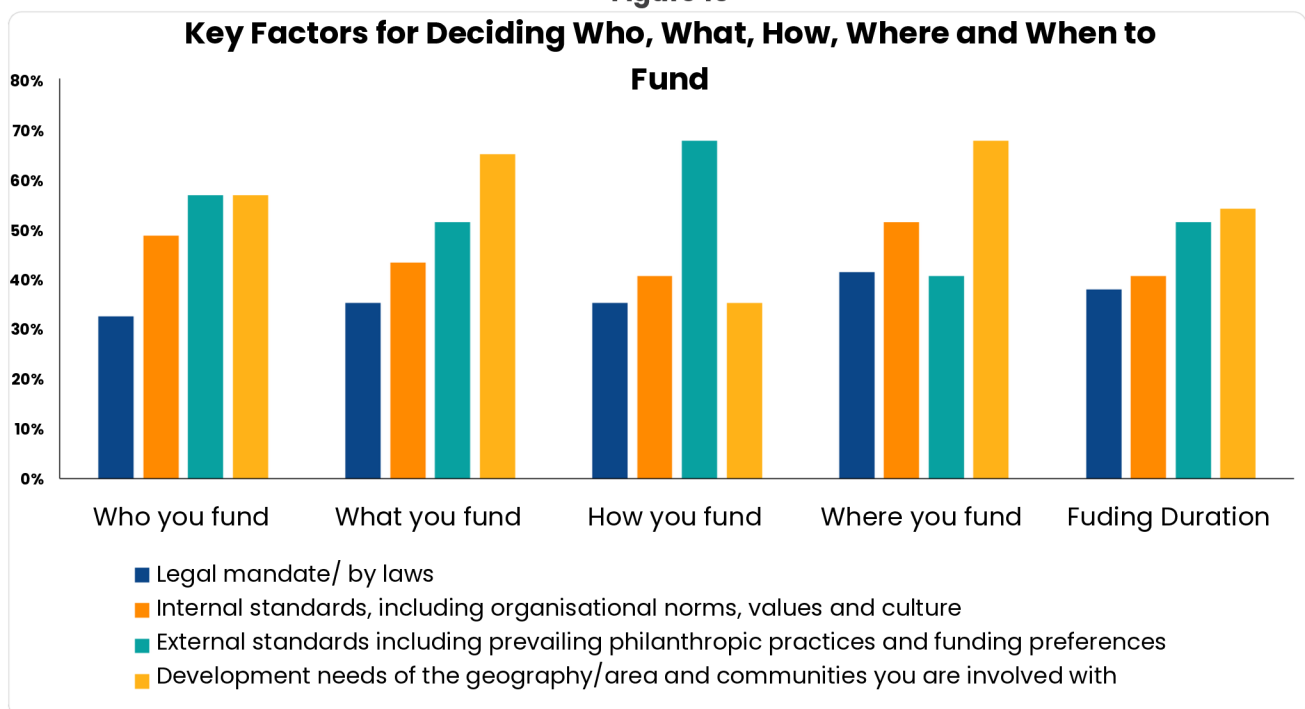
## #2 Local needs determine funding priorities, while prevailing practices dictate funding methods

The development needs of specific geographies or communities consistently outweigh other factors in funding decisions. External standards, including prevailing philanthropic practices and funding preferences, also play a significant role in determining whom to fund and how funds are allocated. Internal standards and organisational norms exert moderate influence, whereas legal mandates and bylaws have the least impact (Figure 16). This shows that funding decisions are driven more by developmental and external factors than by legal or internal guidelines.

Interestingly, this contrasts with existing data on how corporates align CSR with business priorities, which can include chosen themes, geographies, and legal mandates (Khetan et al., 2022).

As this sample reflects the perspectives of funders, it is intriguing to compare it with the prevailing sentiments of SPOs and NPOs. According to a recent study, 60% of the surveyed NPOs identified ‘funder interest’ as a major barrier to fundraising (AIP, 2022). In *A New Era of Giving*, Neelima Khetan and Jayapadma R.V. highlight funders’ preferences for specific themes (education, health, livelihoods, etc.), geographies (rural, urban, or specific states), and approaches to work (systemic change, scalable solutions, market-based initiatives, etc.). “The tighter these ‘preferences’ or boundaries, the less agency and autonomy CSOs [civil society organisations] have to innovate,” they write.

Figure 16



## #3 Funding is project-driven, flexibility is limited

According to our sample of organisations, 41% offer multiyear support to SPOs, while another 41% indicate that funding is driven by project requirements, regardless of time. Only 3% indicate that they provide flexible funding to accommodate changing project needs and circumstances, and also for supporting organisational capacity building (Figure 17). Even when funding program costs, as observed earlier, the programs with measurable short-term outcomes are prioritised over those that yield long-term results.

This contrasts with an earlier finding (see Figure 8) where over half (54%) of respondents stated they were flexible in their approaches to community needs. Clearly, this is not mirrored in their funding strategies.

“

Flexibility is provided for changes in line-item budgets, as long as they do not exceed the sanctioned grant value. We review challenges related to underutilisation of grants due to unexpected issues. Depending on the circumstances, we offer no-cost extensions to help grantees maintain momentum until the next grant is sanctioned.”

~ Anupama Shetty, Mission Director, Biocon Foundation

“

Our CSR funding primarily focuses on meeting needs rather than adhering strictly to budgets, allowing grantee organisations flexibility in allocating funds to achieve their goals.”

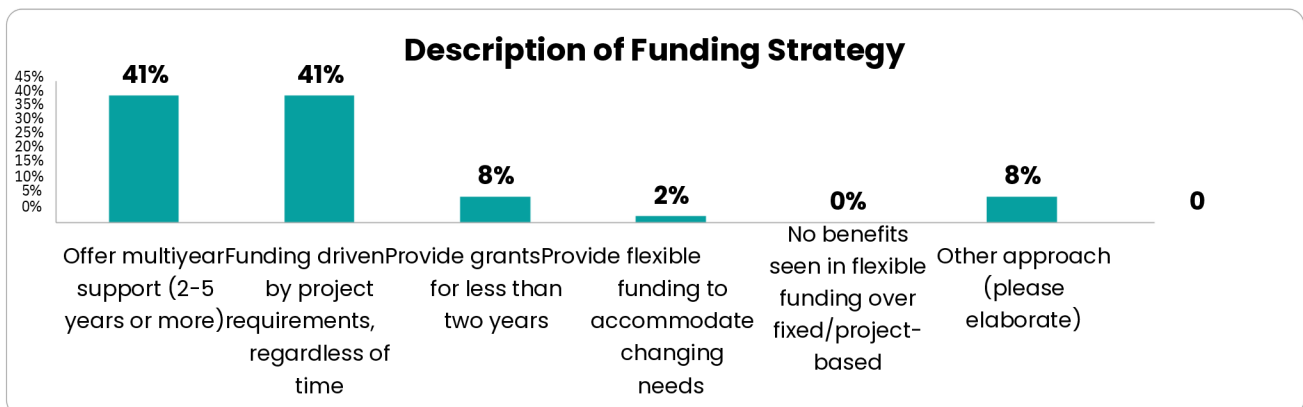
~ CFO of a Newspaper Group

“

Our initial project intentions may evolve throughout the project cycle, requiring flexibility to reallocate resources and adjust strategies based on emerging needs and situations.”

~ Dr Suresh Reddy, Director, SRF Foundation

Figure 17



#### #4 Flexible funding leads to innovation, improved outcomes, and long-term growth

Almost two-thirds (68%) of philanthropic organisations in our sample indicate that longer funding cycles lead to better outcomes for the projects they support.

Less than half (43%) have observed that flexible funding often leads to innovation and unexpected outcomes.

Once again, a difference between CSR and non-CSR domestic philanthropies is evident: While the latter found that flexible funding resulted in innovation and improved outcomes 63% of the time, only 35% of CSR initiatives observed similar benefits.



Here, it is also worth noting what SPOs report. According to a Bridgespan study, 83% (or 227) of SPOs who have received unrestricted multiyear grants said these would significantly strengthen their organisation's ability to achieve its mission (Venkatachalam et al., 2023).

Data and evidence on the benefits and impacts of long-term or multiyear funding mainly come from case studies and anecdotal reports. Niharika Nautiyal of Forbes Foundation notes that the capacity-building support they provide to organisations has enhanced internal operations, such as by funding HR resources.

Pearl Tiwari, CSR Head at Ambuja Cements, explains how reserving funding for new projects fosters innovation. For instance, it enables them to create 'sakhis' for mother and child hospitals to reach large numbers of marginalised women when there are no ASHAs (accredited social health activists) available.

“Multiyear projects provide the flexibility to carry over funding in case of setbacks in outputs or outcomes. For example, obtaining plan approvals for building projects, which is usually a long, drawn-out process, can cause such delays.”

~ Narayanan Hariharan, Sr Associate Vice President and Chief Executive, A.M.M. Foundation

“During the COVID-19 crisis, grantees appreciated how Rohini Nilekani Philanthropies supported necessary adjustments to their planned programs. This flexibility was crucial for adapting and continuing their work effectively. Grantees indicated that unrestricted institutional funds allow them to focus on long-term planning, hire qualified staff, plan field interventions, and initiate partnerships.”

~ Gautam John, CEO, Rohini Nilekani Philanthropies Foundation

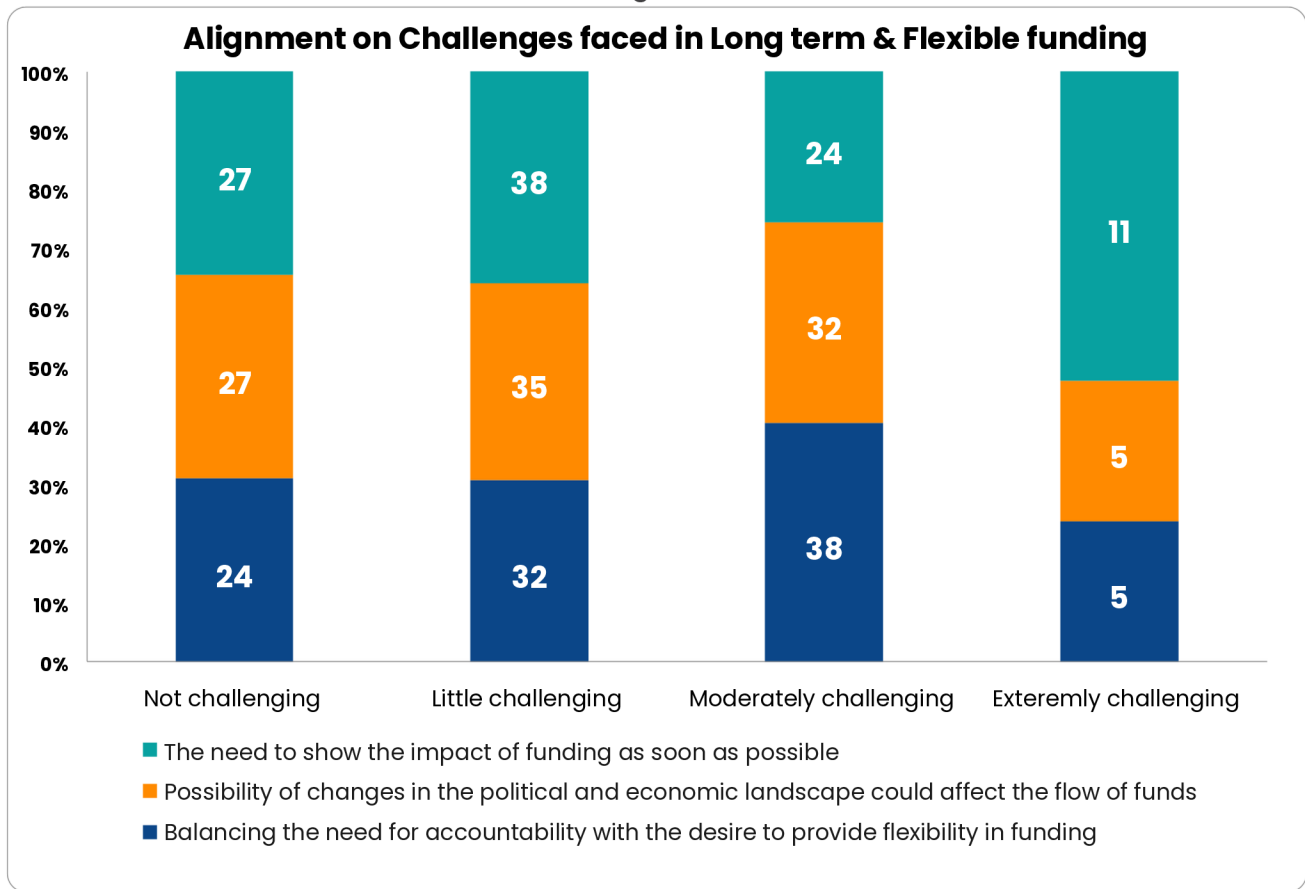
## #5 Over 70% of respondents face slight to extreme challenges in providing flexible funding (Figure 18)

Our findings indicate that a majority of participants struggle with several issues related to flexible funding. We've outlined these issues below along with some context:

- **Balancing accountability and flexibility:** Flexible funding is viewed as a monitoring challenge, raising concerns about transparency. Organisations prefer structured funding for clearer tracking of outcomes.
- **Impact of political and economic changes:** In India, regulatory requirements can often create a framework that challenges flexibility in funding and lead to a disconnect from transformative impact. Consider, for example, The Companies Act 2013, which mandates fixed CSR budgets and timelines, emphasising compliance and accountability. Additionally, navigating India's complex sociopolitical landscape and economic fluctuations often leads organisations to favour predictability over flexibility.
- **Demonstrating impact quickly:** CSR is often part of a corporate system that prioritises constant measurement and tracking, leading to pressure to show funding impact as quickly as possible. The shorter time horizon means that often the focus stays only at the level of outputs rather long-term outcomes that promote inclusive development.

These limitations result in few corporates discussing multiyear partnerships and flexible funding.

Figure 18



**Belief Systems, Behaviours, and Barriers to Flexible Funding and Its Impact**

Insights gathered at CPID’s convenings

WHAT FUNDERS SAY	WHAT GRANTEES SAY
<ul style="list-style-type: none"> <li>• Long-term goals are difficult to conceptualise, creating barriers to secure flexible funding.</li> <li>• Varying interpretations of long-term change complicate efforts to align approaches.</li> <li>• Differing interpretations of CSR compliance requirements can hamper funding.</li> </ul>	<ul style="list-style-type: none"> <li>•Lack of flexible funding hinders innovation.</li> <li>•Rigid funding structures limit creative and impactful grant-making.</li> <li>•Emphasis on short-term, measurable goals can lead to mission drift, diverting resources towards fundraising, and compliance rather than building resilient organisations.</li> </ul>

**Principle 5: Create a Culture of Transparency and Inclusivity**

In CPID’s gatherings, stakeholders note that philanthropic organisations frequently fail to embody the values they promote through their programs. While principles like participatory decision-making, power-sharing, centring community needs, and providing long-term support are valued in theory, the organisational structure and overall culture need to support the implementation of the same (WINGS, 2023). Internal transparency, diversity, and different perspectives in decisionmaking are crucial.

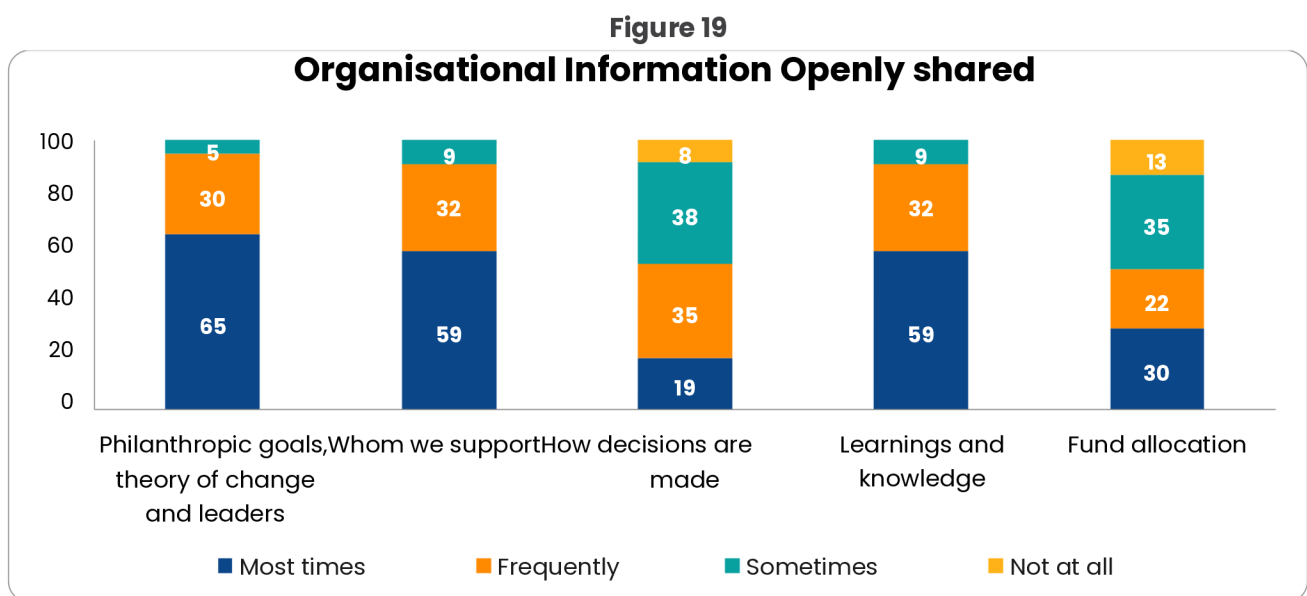
However, a cautious stance often prevents fully embracing these principles. Fears of reputational

damage and taking political or regulatory risks, and perceived barriers can stop organisations from truly embodying the values they espouse and achieving meaningful impact.

Data on the culture and structure of philanthropic organisations in India—in fact, globally—is limited. This report tries to address this gap.

### #1 Transparency is supported by funders, but only selectively

In an ideal scenario, transparency and accountability—promoted by leadership, the staff, the board, and advisers—should span all organisational activities, from decision-making to daily operations. However, while organisations in our sample are willing to publicly share their goals, theory of change, who they support, and their learnings and knowledge, as well as internal best practices and lessons learned, the data reveals hesitation in disclosing information on aspects like fund allocation and decision-making processes (Figure 19).



### #2 Accountability through policy and training is preferred over external monitoring advisers

Based on our survey data, over 60% of organisations report strong alignment with fostering a culture of accountability and transparency through policies and training. However, less than half have appointed an independent accountability panel or adviser for oversight. Additionally, about 43% report that their evaluation system helps them learn from mistakes.

These findings suggest a gap between an emphasis on accountability and implementation of a formal oversight mechanism for effective learning.

Accountability and transparency are crucial in the Indian context, where there is a significant amount of scepticism and suspicion around the development sector. Upholding these principles not only helps organisations build stakeholder trust, it also allows them to learn from the past and improve.

### #3 Less than half have set DEI goals; only a small fraction have achieved them

Principles of diversity, equity, and inclusion (DEI) have been integral to India’s social movements. Yet, recent philanthropic support for DEI has been minimal (Srinath and Patnaik, *A New Era of Giving*).

In the rare instances where philanthropy has supported such efforts, DEI principles are often not reflected in organisational practices.

When asked about where their organisation stands on DEI, 49% report setting clear goals and making progress, 30% have started addressing these issues with limited progress, and only 8% say they are exactly where they want to be in terms of having a diverse, equitable, and inclusive environment (Figure 20).

“I wish I could do more for PwD [person with disabilities] programs. Since I joined, I’ve pushed for including people with disabilities in the organisation, and there’s been progress. However, partnering with organisations working with PwD, like in skilling, still needs to happen, but I’m hopeful.”

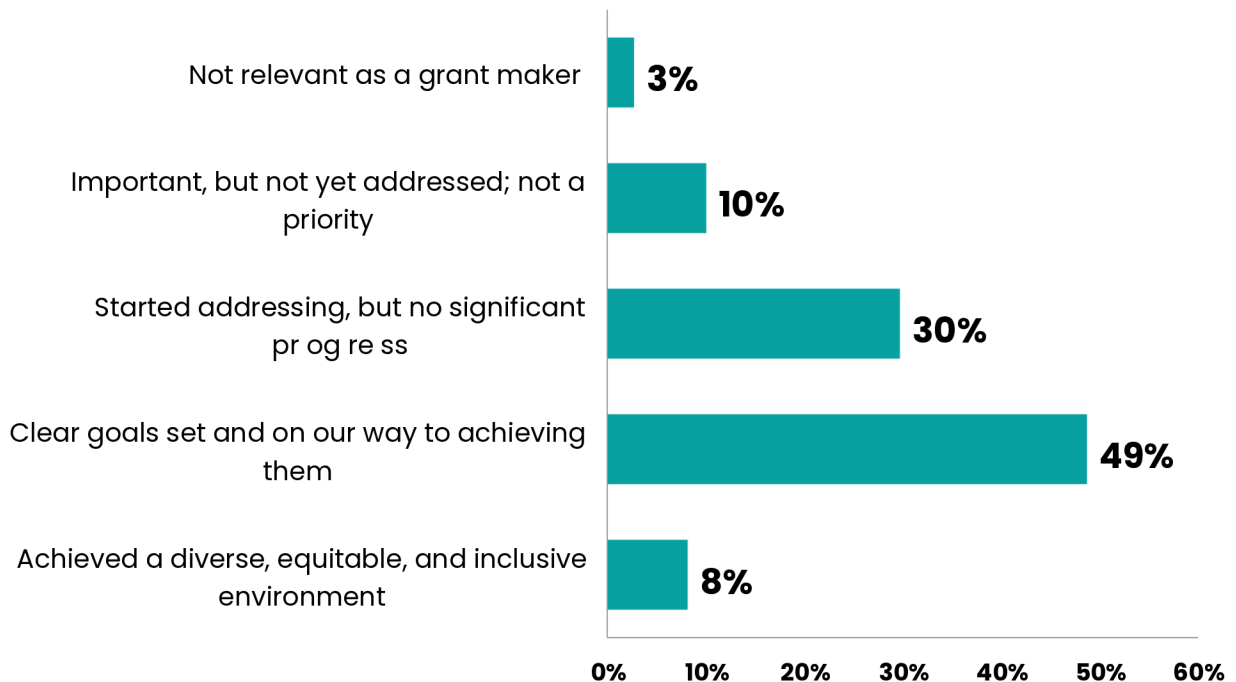
~ Anonymous

“Adopt a strong GEDI lens in funding decisions with grantee partners and increase its integration within the culture and principles of grant making institutions.”

~ Neera Nundy, in *A New Era of Giving*

Figure 20

### Perception of Equity, Diversity and Inclusion in Organisational Structure

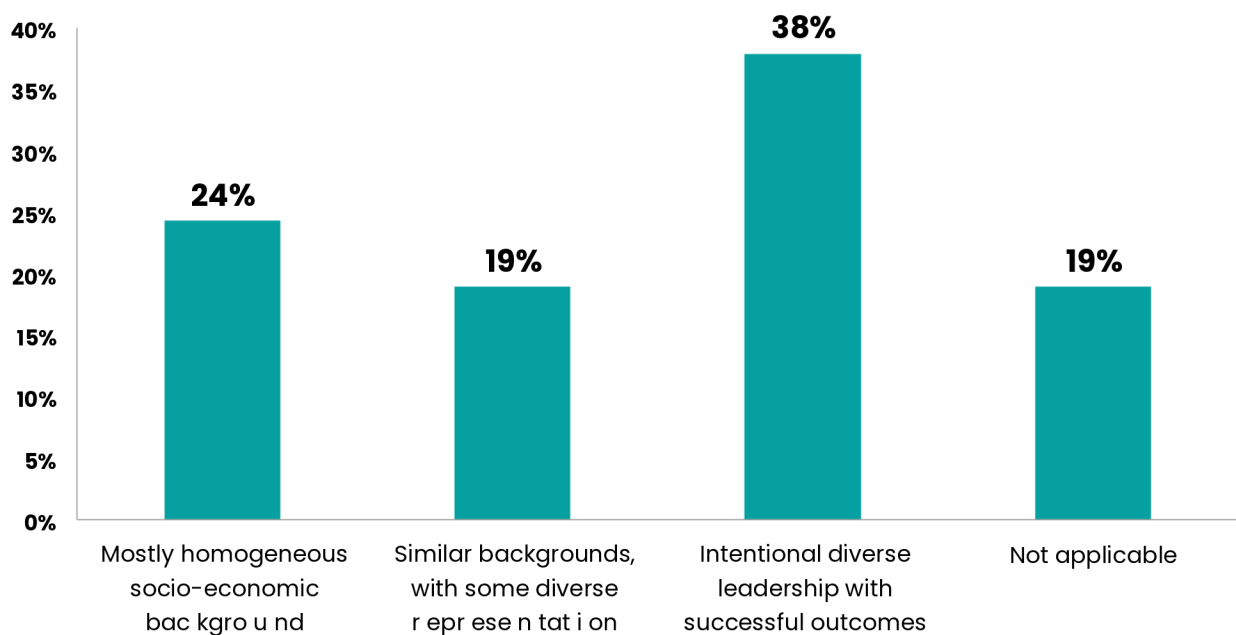


#### #4 Achieving a diverse and inclusive leadership team remains a significant challenge

Among the organisations we sampled, only 38% are “intentional about diverse leadership” and have successfully ensured a range of perspectives exist at the top. In contrast, 24% of respondents admit their leadership remains predominantly homogenous, with members from similar socio-economic backgrounds (Figure 21).

Figure 21

#### Diversity Representation in Board and Leadership Decisions



#### #5 Appetite for risk is limited to projects, not funding mechanisms

Leading philanthropist Amit Chandra says in *A New Era of Giving* (2023), “The role of philanthropy [is] to take high risks, ensure success, and to build partnerships.”

However, the belief that risk equals failure, and that failure is bad, often limits risk-taking in philanthropic organisations and SPOs, as noted in the CPID’s convenings.

Our sample is more focused on supporting underserved and innovative programs and being flexible rather than developing internal capacity for new funding mechanisms like unrestricted funding, blended finance, and venture philanthropy (Figure 22).

Domestic non-CSR philanthropies tend to be more flexible and innovative in their funding approaches compared to CSR undertakings, which often follow strict guidelines and practices. This flexibility enables non-CSR philanthropies to support a wider range of initiatives and take on higher risks.

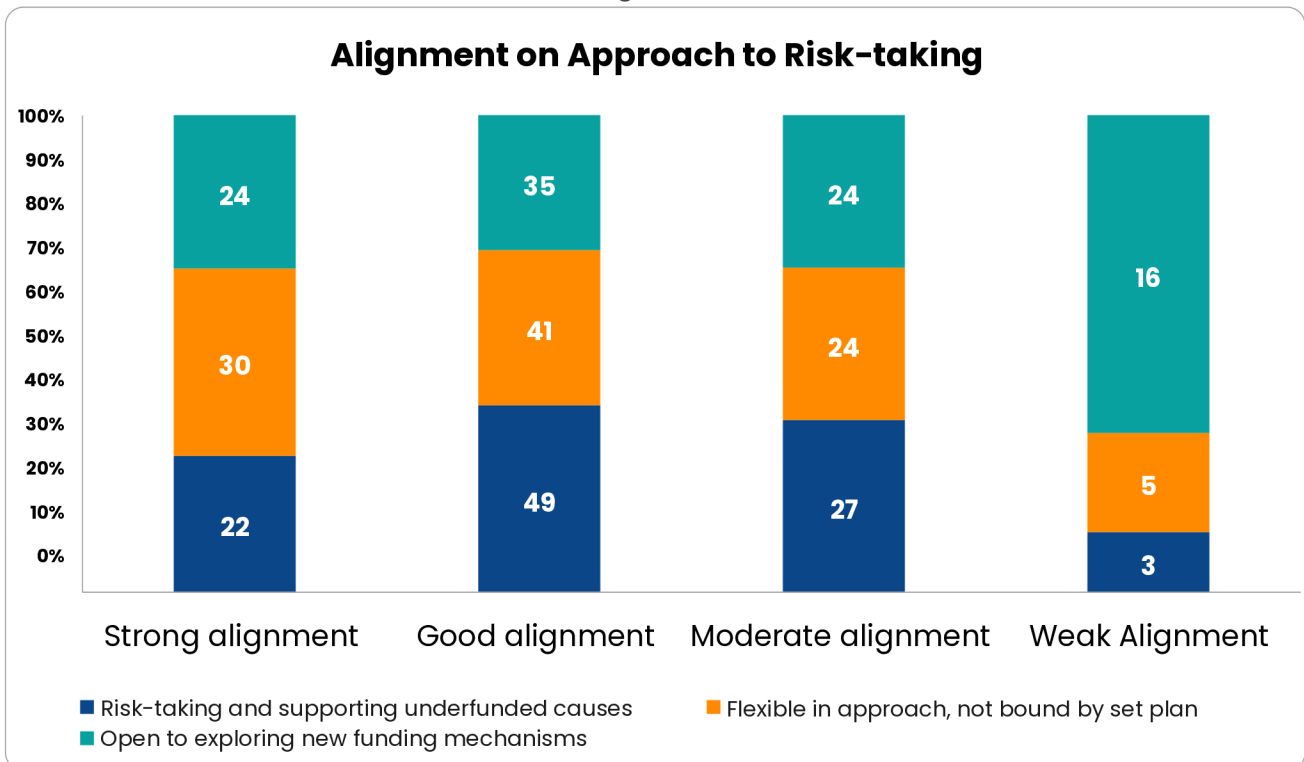
The perspective of accepting failure as part of the process to create social impact should be embedded in the organisation’s culture. Understanding an organisation’s risk-taking approach and developing effective risk-management strategies are crucial. A risk-taking mindset encourages funders to support new ideas, early-stage projects, and social sector start-ups while embracing calculated risks.

66

“RNP builds genuine partnerships with organisations, offering long-term, unrestricted funding that allows for agility and responsiveness to community needs. By accepting failure as part of the learning process, RNP fosters an environment where innovative solutions can be tested and adapted. These practices enable us to focus on co-creation and collaboration with communities and stakeholders, creating an enabling environment for systemic change.”

~ Gautam John, CEO, Rohini Nilekani Philanthropies Foundation

Figure 22



### #6 Regulations are the main challenge to building an open and inclusive organisation, followed by capacity-building

When asked about challenges in building a more inclusive and transparent culture, leaders reported moderate difficulty with inclusive decision-making processes due to their time-consuming nature. Capacity building for new practices, regulatory concerns, and employee resistance to changing existing norms also pose challenges.

There are notable differences between domestic CSR and non-CSR philanthropies in addressing these culture shifts. In the case of CSR, shifting organisational culture is generally seen as manageable, with most finding it not or slightly challenging. Inclusive decision-making is somewhat more difficult, with 21% finding it moderately challenging. Capacity building and managing diverse stakeholders present minor challenges.

In contrast, non-CSR domestic philanthropies face greater difficulties. Inclusive decision-making is notably more challenging, with 36% finding it moderately difficult. Capacity building is also a significant issue, with 45% reporting it to be a moderate challenge.

Regulatory concerns pose minimal challenges in both contexts.

## Principle 6: Embrace Joint Action and Partnerships for Inclusive Development

Addressing complex social challenges and fostering inclusive development require collective action and collaboration among philanthropic organisations and other ecosystem stakeholders. This realisation has been gaining traction.

A Bridgespan study shows that nearly half of philanthropic collaboratives in India<sup>5</sup> focus on strengthening equitable systems. The number of these collaboratives offering flexible solutions to complex issues is increasing (Venkatachalam et al., 2024). Examples include the REVIVE Alliance, ClimateRISE Alliance, and Bharat EdTech Initiative.

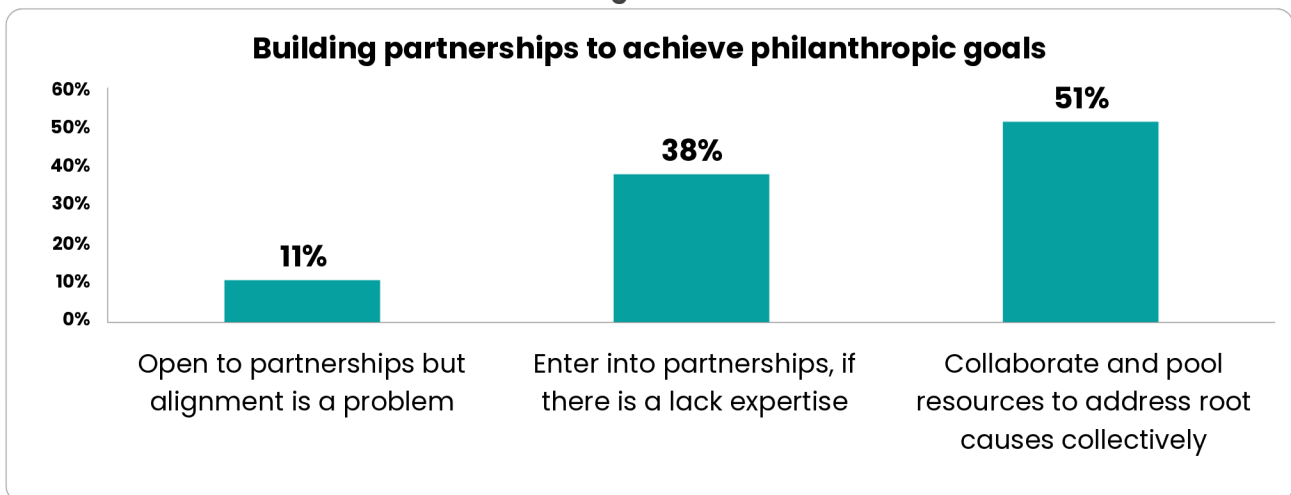
Joint actions and partnerships vary in complexity, ranging from complex (resource pooling and public-private-philanthropy partnerships) to simpler forms (information-sharing, convening, engaging with local governments, and participating in philanthropy networks). PSOs in India are crucial to foster knowledge exchange and coordination among stakeholders.

Effective solutions to deep-rooted inequities require models where participants leverage their and their partners' unique strengths for greater impact. Let's review our progress.

### # 1 Most organisations engage in partnerships and resource-sharing

A majority in this study report that they collaborate and pool resources to collectively address the root causes of social issue. A lack of expertise is the major driver behind this sharing. A smaller number (11% of respondents, primarily domestic philanthropies) say they are open to partnerships but encounter issues with alignment or do not see sufficient benefits from these collaborations (Figure 23).

Figure 23



### #2 Collaboration is prioritised, but less focus is given to strengthening supporting networks and systems

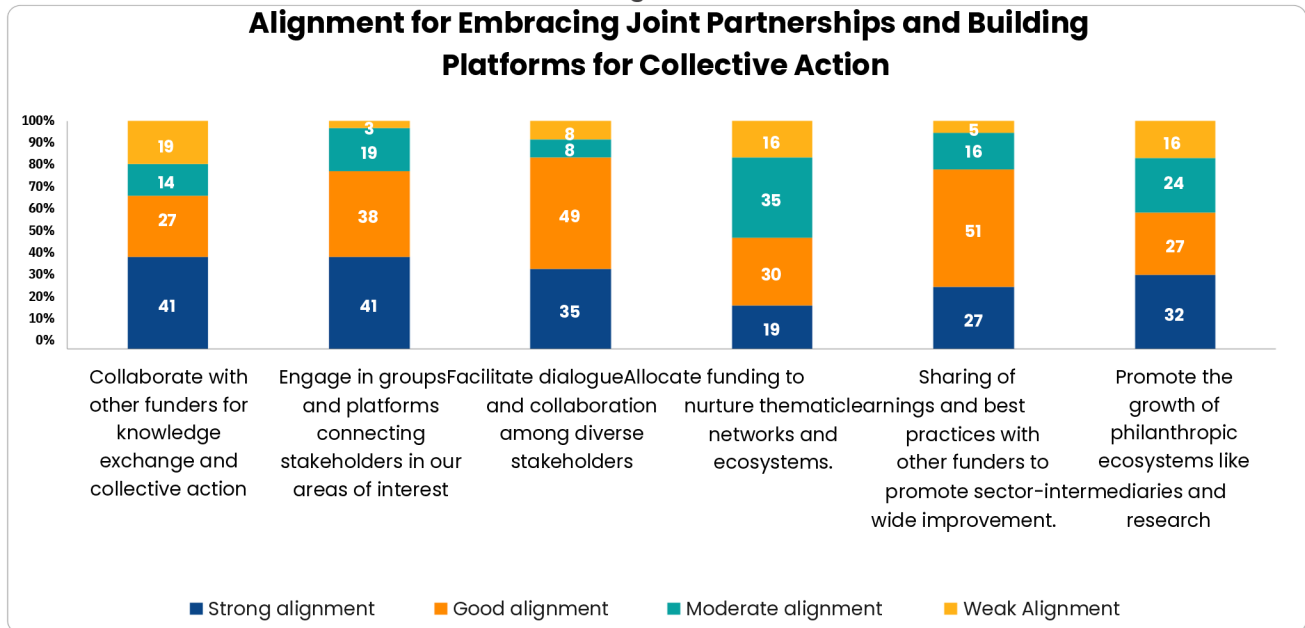
A deeper analysis reveals a strong emphasis on building partnerships and joint actions that foster collaboration, knowledge sharing, and stakeholder engagement. However, there is less focus or capacity for investing in the development of thematic networks and a broader philanthropic

<sup>5</sup> The Bridgespan Group defines Indian philanthropic collaboratives as being cocreated by three or more independent actors, including at least one philanthropist.

infrastructure. While collaboration and dialogue are prioritised, there is less commitment to enhancing the networks and systems that support these activities (Figure 24).

Figure 24

**Alignment for Embracing Joint Partnerships and Building Platforms for Collective Action**



This is unfortunate, given that research by PSOs like Dasra, CSIP, Bridgespan Group, and GiveGrants demonstrate their role in building bridges between stakeholders by supporting convenings and platforms, and developing research and knowledge-sharing infrastructure.

**#3 Misalignment of goals is a bigger issue than unequal power dynamics in partnerships**

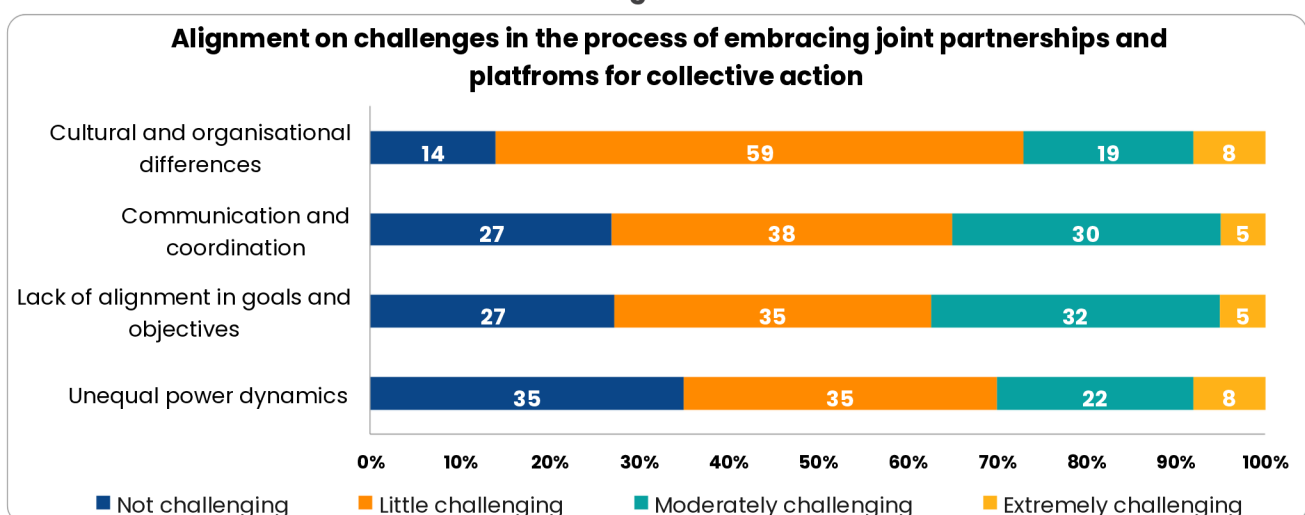
While collaborations and collective action are crucial for maximising philanthropy’s impact, managing these partnerships, especially advanced models, presents challenges. Issues include aligning vision and goals, sharing decision-making power, and addressing cultural and organisational differences (Figure 25).

In contrast, unequal power dynamics is the least significant challenge compared to other issues. Additionally, managing partnerships require significant investments of resources which might pose a challenge, especially to smaller philanthropic organisations.

Effective joint action and partnerships depend on building trust, fostering shared values, transparent communication and mutual respect, and inclusive decision-making.

Figure 25

**Alignment on challenges in the process of embracing joint partnerships and platforms for collective action**





**“** *“Joining forces with various allies to drive collective impact provides family philanthropists the opportunity to deepen their impact by leveraging greater resources, a wider network, and more diverse skill sets.”*

**~ Neera Nundy, Dasra, in A New Era of Giving**

**“** *“AVPN as a funders’ network has always rallied its partners towards a systems approach. We have brought together funders to pool their resources for addressing the issues of the hard-to-reach communities of Southeast Asia. We have partnered with Impact Frontiers to support our investors to focus on stakeholders while measuring and managing the impact of their investments. We have also created learning circles where we provide a safe space for corporate social responsibility professionals to engage in peer-to-peer learning through the exchange of ideas, solutions and insights.”*

**~ Naina Subberwal Batra, CEO, AVPN, in A New Era of Giving**

## **Challenges to Collaborations and Partnerships**

### Insights Gained at CPID Convenings

Absence of a collective giving infrastructure

Inadequate incentives for collaboration

Limited opportunities for knowledge sharing

Misalignment of vision and values among stakeholders

# V Putting Ideas into Practice: The Road Ahead

For philanthropy to support transformational work that fosters inclusive development, organisations must be open to transforming themselves, addressing wealth inequality, sharing power equitably, and increasing risk tolerance. While this may sound daunting, many philanthropies are already thinking critically about their role in the sector, as reflected in this study.

With this report, we aim to strengthen the existing evidence base, develop comprehensive guidelines, and create spaces for dialogue and reflection. While many of the ideas and practices suggested below aren't new, we hope this project becomes a platform that unites existing efforts currently done in silos to embed inclusive practices in philanthropy for sustainable social change.

## Our Action Agenda

As part of our commitment to advance effective philanthropic practices, the ISDM-CPID will collaborate with PSOs, philanthropic organisations, and thought leaders to implement these actions in the mid to long run:

**Strengthen** support for inclusive philanthropy in India by expanding outreach to diverse philanthropists and CSRs nationwide, tailoring strategies to different philanthropic segments, refining CSR frameworks, showcasing best practices, and sharing research on underfunded communities and their challenges.

**Amplify** voices and drive thought leadership by showcasing best practices through case studies, leveraging platforms and communities for sharing and influencing, and facilitating candid discussions between funders and SPOs.

**Create** knowledge assets on PID including a guidebook with an online self-assessment toolkit for evaluation and tracking, and conduct academic research on topics like transparency, governance, and community philanthropy.

**Develop** research communities and capacity-building initiatives for PID through the CPID Fellowship, tailor learning programs for philanthropists and leaders, and provide course material for the ISDM postgraduate program and a repository of PID case studies for SPOs.

## How Philanthropic Organisations and PSOs Can Contribute

**Philanthropic organisations** can strengthen the framework by sharing practice data, using it for strategy reviews, championing its principles, participating in PID events, contributing to the best practices repository, and supporting others with implementation.

philanthropy towards underfunded causes and regions, support diverse CSOs, prioritise inclusive development, increase flexible and long-term funding for SPOs, reduce compliance burdens, and expand community-based philanthropy in remote areas.

**PSOs** can collaborate to shape a common agenda, share feedback to introduce and refine the principles, facilitate idea exchange through convenings, and reflect on practices while championing and raising awareness of existing principles.

In conclusion, regardless of your organisation's size or stage, reflecting on and discussing the practices in this report can enhance impact. Your feedback will help us address study limitations and expand resources on the PID platform.

### Vision for Change

Through a shift in practices, we aim to direct

We invite all philanthropic actors to join the discussion and participate in the PID Initiative.

# VI QUICK TAKEAWAYS

In this section, we summarise successful strategies to guide philanthropic refinement and identify areas for improvement.

PRINCIPLES	BEST PRACTICES	PRACTICES REQUIRING GREATER FOCUS
<p>Focus on Underserved Communities</p>	<ul style="list-style-type: none"> <li>• Adopt a community-centric approach to guide all aspects of philanthropic strategy.</li> <li>• Design programs with specific community challenges in mind.</li> <li>• <b>Identifies</b> research communities facing the highest socio-economic disadvantages.                             <ul style="list-style-type: none"> <li>• A detailed account is kept of the proportion of funding and efforts benefitting the targeted underserved or marginalised communities.</li> </ul> </li> <li>• Taking risks to support untested programs and investing overlooked causes are essential to efficiently aid underserved populations.</li> </ul>	<ul style="list-style-type: none"> <li>• Thorough research and analysis of all underserved communities with the highest level of socio-economic disadvantages.</li> <li>• Prioritising communities and groups based on data indicators like poverty rates, education, health, and resource access</li> <li>• Working in overlooked states or regions</li> <li>• Using convening and advocacy power to support the most disadvantaged communities</li> </ul>
<p>Foster Trust-Building with Key Stakeholders</p>	<ul style="list-style-type: none"> <li>• Foster a democratic culture with diverse viewpoints and transparent communication.                             <ul style="list-style-type: none"> <li>• Measure impact through both quantitative and qualitative methods.</li> </ul> </li> <li>• Streamline reporting for efficiency.</li> <li>• Actively seek feedback throughout program cycles from communities, grantees, and partners.</li> <li>• Collaborate openly with external partners and stakeholders.</li> <li>• Integrate community input into funding and program decisions.</li> <li>• Support partners with non-financial resources like knowledge and networks.</li> </ul>	<ul style="list-style-type: none"> <li>• Improving communication and feedback loops to provide a more realistic and accurate picture</li> <li>• Addressing deeper structural issues rather than merely focusing on measurable outputs</li> </ul>

Put Community at the Heart of All Philanthropic Efforts	<ul style="list-style-type: none"> <li>• Collaborate with external partners and stakeholders to cocreate and co-invest in programs.</li> <li>• Receive inputs from community leaders during planning.</li> <li>• Utilise local knowledge from marginalised communities to enhance program design and outcomes.</li> <li>• Maintain flexibility to adapt to emerging community needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting regular assessments of community needs and involving members in decision-making processes</li> <li>• Engaging community members in codesigning projects, valuing their first-hand knowledge</li> </ul>
Provide Long-Term and Flexible Funding	<ul style="list-style-type: none"> <li>• Adopt a flexible and creative implementation approach, not strictly bound by a set plan.</li> <li>• Funding must be driven by project-specific requirements, regardless of timeframe.</li> </ul>	<ul style="list-style-type: none"> <li>• Offering multiyear or long-term support (2-5 years or more) to partners and SPOs</li> <li>• Providing flexible funding to accommodate changing project needs and build organisational capacity</li> </ul>
Create a Culture of Transparency and Inclusivity	<ul style="list-style-type: none"> <li>• Publicly share philanthropic goals, theory of change, leadership, and history of initiatives supported and funds allocated.</li> <li>• Foster accountability and transparency through policies, training, and open communication beyond annual reports.</li> <li>• Ensure diverse leadership to incorporate varied perspectives.</li> <li>• Promote a democratic organisational culture with mutual feedback and transparent communication.</li> <li>• Use evaluation systems to learn from mistakes and failures.</li> <li>• Be open to taking risks in supporting innovative or overlooked causes.</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing decision-making processes and fund allocation details publicly</li> <li>• Ensuring diverse leadership</li> <li>• Appointing independent accountability panels or advisers</li> <li>• Exploring and building capacity in new funding mechanisms including unrestricted funding, blended finance, and pooled funding</li> </ul>
Embracing Joint Action and Partnerships for Inclusive Development	<ul style="list-style-type: none"> <li>• Facilitate dialogue and collaboration among diverse stakeholders to enhance inclusive development.</li> <li>• Collaborate and pool resources to address root causes of social issues.</li> <li>• Engage with groups and platforms to connect with stakeholders in relevant areas.</li> <li>• Share learnings and best practices with other funders for sector-wide improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• Allocating funding to nurture thematic networks and ecosystems</li> <li>• Promoting growth of philanthropic ecosystems, including intermediaries, research, and data infrastructure</li> </ul>

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