



Funder Practices that Strengthen Nonprofits' Resilience: Lessons from India

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Pay-What-It-Takes Terminology

- **Programme costs:** Expenses directly attributable to a specific project. Also referred to as direct costs.
- **Core costs:** Shared administrative or support-function expenses not tied to a specific programme (e.g. salaries of nonprogramme employees, rent and utilities for a central office, human resources, finance and accounting, fundraising, communications, technology, and measurement and evaluation). Also known as indirect costs and nonprogramme costs.
- **Organisational development:** Investment in institutional growth and sustainability, such as in strategic planning, leadership and talent development, financial management, fundraising, measurement and evaluation, and technology. Organisational development can overlap with core costs. For instance, an initial development investment in technology could become a recurring core cost in subsequent years.
- **Financial resilience:** A nonprofit's ability to sustain its operations over the long term and withstand external stresses and shocks. Nonprofits cultivate financial resilience by developing prudent financial plans, monitoring financial performance, diversifying their funder base, and building reserve funds.
- **True costs:** Includes core costs, organisational development costs, and reserve funding, along with programme costs.

Introduction

Funders and their nonprofit partners share a commitment to making progress on some of society's most pressing problems. Yet, while many funders back programmes that are making a big difference for communities and the environment today, they have a huge opportunity to amplify that impact by also investing in their grantees' organisational strength and resilience.

That means covering core costs associated with shared administrative and support functions, supporting organisational development (OD) initiatives like strategic planning and technology upgrades, and backing efforts to advance financial resilience such as contributing to reserve funds. Today, chronic underfunding of nonprofits' true costs blunts the impact funders and nonprofits strive for.

The Bridgespan Group, along with five anchor partners, launched the Pay-What-It-Takes (PWIT) India Initiative in 2020 to understand the extent of this underfunding problem in India and seek solutions.¹ What we found makes a compelling case for change.²

83% of 388 nonprofits responding to a Bridgespan survey found it challenging to recover their core (or indirect) costs from funders. Amongst nonprofits reporting a shortfall, there was on average a 13-percentage-point gap between actual expenditures and allocations from their major funders.

72% of nonprofits stated that lack of funding for organisational development left them unable to make key investments in capabilities required to deliver better programme outcomes and impact.

54% of nonprofits had less than three months of reserves in September 2020; this proportion was also large before COVID, with 38 percent of nonprofits being below that threshold.

70% of Dalit, Bahujan, and Adivasi-led nonprofits reported no reserve funds, a sign of particularly acute financial weakness for these historically marginalised groups.

- 1 The Pay-What-It-Takes India Initiative was seeded by five anchor partners: A.T.E. Chandra Foundation, Children's Investment Fund Foundation, EdelGive Foundation, Ford Foundation, and Omidyar Network India. Omidyar Network India co-sponsored the initiative only in 2020. In 2023, two other anchor partners joined the initiative: Forbes Marshall CSR and the Bill & Melinda Gates Foundation.
- 2 Pritha Venkatachalam, Donald Yeh, Shashank Rastogi, Anushka Siddiqui, Umang Manchanda, Kanika Gupta, and Roger Thompson, *Building Strong, Resilient NGOs in India: Time for New Funding Practices*, The Bridgespan Group, March 2021.

We spoke with several funders who have embraced practices that strengthen nonprofits in India. Their efforts guided us in developing a set of PWIT principles all funders can adopt to support strong, resilient nonprofit partners:



Develop multiyear funder-nonprofit partnerships



Pay a fair share of core costs



Invest in organisational development



Build financial resilience



Embed diversity, equity, and inclusion in grantmaking

“Our grantmaking journey continues to evolve as we work more with organisations and with communities. Over this journey, Pay-What-It-Takes principles have played a catalytic role in helping us think about our funding practices in a structured fashion and enabled us to deliver better on our two major focus areas — social-sector strengthening and community development.”

RATI FORBES, DIRECTOR, FORBES MARSHALL, AND HEAD, FORBES FOUNDATION

Supporting the true cost needs of nonprofits can amplify their impact potential

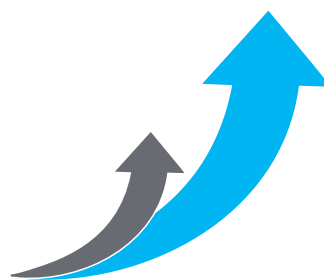
True costs = direct programme costs + core costs + organisational development (OD) investments + reserve funding

83%



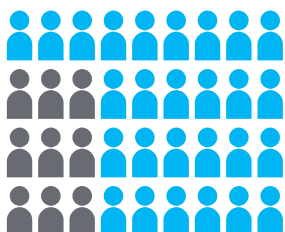
277 nonprofits who have received unrestricted multiyear grants said they will **significantly strengthen their organisation's ability to achieve its mission**

2x



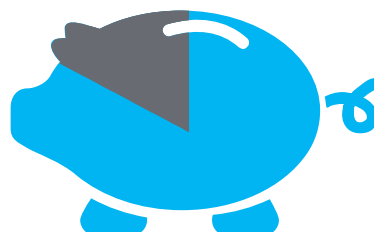
Nonprofits investing in OD **grew 2x faster** than those that did not invest

4x



Nonprofits investing in OD saw an average **4.05x increase in stakeholders served**

83%



of nonprofits were **more financially resilient by the end of the Ford Foundation's Building Institutions and Networks (BUILD) initiative than at the beginning**

Note: Ford Foundation's BUILD grant includes multiyear, unrestricted funding combined with dedicated funding for institutional strengthening.

Sources: [Giving Big](#), Center for Effective Philanthropy; Bridgespan Pay-What-It-Takes analysis; [Atma evaluation report](#) on the 85-plus nonprofits they have supported for OD needs.

Aligning funder operations and grantmaking practices with these principles won't be easy. Chronic underfunding is a complex issue, and all stakeholders need to work together to solve it. But funders hold the purse strings, which puts responsibility for leadership in their court.

But where to begin? There isn't one set way to "pay what it takes." Rather, funders have the flexibility to tailor their own approaches. While some funders start with unrestricted, flexible funding as their cornerstone, for many, the process begins with gradual steps that help build mutual trust with grantees, paving the way for more expansive forms of true-cost investment. In the next section, we offer a menu of ways funders are living into these principles.



“Funders should trust NGOs. They know what they are doing and are closer to the field to understand the right true costs needed to bring about change.”

MAHARSHI VAISHNAV, CEO, EDUCATE GIRLS

Pay-What-It-Takes Principles in Action



Develop multiyear funder- nonprofit partnerships

- Work with values-aligned partners
- Commit to multiyear partnerships with grants renewed annually
- Use pilot grants to explore long-term partnerships



Pay a fair share of core costs

- Provide need-based coverage
- Set a core cost range with flexibility provided on a case-by-case basis
- Focus on the total cost to deliver a programme
- Provide unrestricted/flexible funding



Invest in organisational development

- Make dedicated organisational development grants
- Provide nonprofit partners with access to organisational development expertise
- Fund initiatives that help nonprofits build their organisational capabilities



Build financial resilience

- Provide grants for reserves
- Make introductions to new funders



Embed diversity, equity, and inclusion (DEI) in grantmaking

- Bring an explicit DEI focus to grantmaking processes
- Adopt a DEI framework to guide internal operations

In this section, we describe each Pay-What-It-Takes (PWIT) principle and highlight stories of funders who have shared their experiences with making grants more supportive of their nonprofit partners.³ The funder list — which is in no way exhaustive — includes domestic philanthropy, corporate social responsibility (CSR) organisations, and global philanthropy. Our hope is that the experiences funders shared with us will help to guide others who seek to start or enhance similar efforts.

Attitudes and behaviors that help funders adopt PWIT principles

- **Shared values** — around how to work with one another as well as how to approach social change — form the bedrock of strong funder-nonprofit relationships.
- **Purpose-driven partnerships** between funders and nonprofits reflect a common vision for the change they'd like to see in the world and a strong, shared commitment to achieving it.
- **Learning mindsets** draw funders and nonprofit partners closer as they regularly seek feedback from one another and improve how they work together over time.
- **Transparent and open communication** goes beyond structured reporting to also include informal conversations, regular check-ins, and immersive field visits. Conversation spans both what's working well and where there are challenges.

³ Note that the funders pursued these actions while staying compliant with applicable government regulations.



Develop Multiyear Funder-Nonprofit Partnerships

Multiyear partnerships nurture trust as relationships deepen over time and mutual understanding of a nonprofit's needs and goals grows. Such partnerships allow nonprofits to plan and implement programmes and pursue new approaches that require sustained effort and long-term commitment. Predictable funding also allows nonprofits to focus on doing their best work instead of scrambling for money each year to sustain their efforts.

Funders also benefit. Multiyear commitments simplify grantmaking and reduce time spent on scouting new grantees and projects. Funders can then spend more time deepening their understanding of their target social issues, along with the nonprofit organisations and the communities they serve, and using that knowledge to help advance solutions. Funders also appreciate that the approach helps them increasingly focus on lasting change over immediate, superficial outputs.

Evidence from the Ford Foundation's BUILD initiative shows multiyear partnerships can lead to better results. Eighty-three percent of nonprofits receiving a multiyear BUILD grant reported that certainty of funding helped significantly strengthen their organisation's ability to achieve its mission, a win for the grantees and the foundation alike.⁴

Work with values-aligned partners

Funders who seek to build multiyear partnerships put a premium on choosing nonprofit partners whose work aligns closely with their core values and impact goals. Consider the [Ford Foundation](#)'s aforementioned BUILD initiative. In 2016, Ford launched BUILD to provide five years of general operating and organisational-strengthening support to a set of partners working for social justice. Ford recognised that with multiyear commitments their nonprofit partners could increasingly focus on their core mission and build long-term strategies to drive greater impact and advance systems change. Later, in 2021, it extended the BUILD support to nonprofit partners across all programme areas and regions.

Other funders pursuing this path include the [Children's Investment Fund Foundation](#), [IndusInd Bank CSR](#), [Rainmatter Foundation](#), and [Rohini Nilekani Philanthropies](#).

Commit to multiyear partnerships with grants renewed annually

Funders interested in developing multiyear commitments with their nonprofit partners may do so with the understanding that grants are renewed annually. This approach enables funders and nonprofits to align on and work towards a long-term impact objective. At the same time, the annual renewal provides room to evolve the specific approach to achieving that long-term objective based on how efforts are proceeding. Non-renewal decisions are rare.

4 Raphaëlle Bisiaux, Ron Dwyer-Voss, Maggie Bangser, Susana Morales, Anthony Boateng, and Florian Poli, [BUILD Developmental Evaluation](#), NIRAS, March 2022.

This pathway is common amongst CSR organisations. [ASK Foundation](#), [Axis Bank Foundation](#), [EdelGive Foundation](#), [Forbes Marshall CSR](#),⁵ [IndusInd Bank CSR](#), and [Thermax Foundation](#) all have multiyear nonprofit partnerships that stipulate annual grant renewal.

Use pilot grants to explore potential long-term partnerships

Funders use an initial pilot grant to get to know a nonprofit's work with an eye towards committing to long-term support. The pilot grant allows the funder and nonprofit to try out the relationship and build trust. Sometimes pilot grants also serve to ready a nonprofit to deploy larger grants by supporting investment in organisational capabilities that are critical for growth. Funders like [LGT Venture Philanthropy](#), [Mariwala Health Initiative](#), and [Rohini Nilekani Philanthropies](#) which are often the first institutional funders for early stage and grassroots nonprofits, use this approach.

“Developmental challenges exist within complex ecosystems. Solutions that can deliver impact in varying social, economic, and ecological contexts emerge from a series of experiments. Philanthropic capital has two distinct characteristics — risk and patience — making it an ideal fund for this kind of solutioning. Most of these solutions that can deliver sustainable impact take longer than a year to create, discover, implement, integrate, or influence. Consequently, relying on single-year grants would be short-sighted and inefficient.”

DHRUVI SHAH, EXECUTIVE TRUSTEE AND CEO, AXIS BANK FOUNDATION

5 For the purpose of this report, Forbes Marshall CSR represents the practices of Forbes Marshall's CSR and the Forbes Foundation.

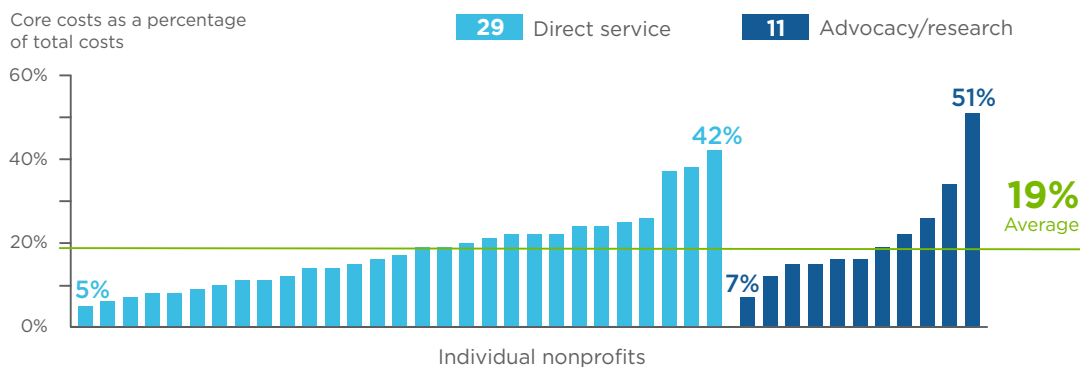
₹ Pay a Fair Share of Core Costs

Core costs⁶ — often referred to as indirect costs — are a nonprofit's shared administrative or support-function expenses. These include salaries of non-programme employees, rent and utilities for a central office, human resources, finance and accounting, fundraising, communications, technology, and measurement and evaluation. Such functions are essential for nonprofits to conduct day-to-day operations and deliver on their impact mandates. Adequate coverage of these costs allows nonprofits to make critical investments in operational effectiveness, governance, regulatory compliance, and financial management — all goals funders share.

Financial analysis by the PWIT India initiative in 2021 revealed that core-cost rates vary amongst nonprofits. The analysis, which was carried out for 40 leading and relatively well-funded nonprofits, revealed that actual core costs ranged from 5 percent to 51 percent of total costs and averaged 19 percent.⁷ The average core-cost coverage provided by key donors to these nonprofits was just 9 percent.

Actual core costs as a percentage of total costs

Bridgespan analysed expenditures of 40 nonprofits in India. Their actual core costs ranged from 5 percent to 51 percent.



Source: Financial analysis of 40 nonprofits conducted by a leading accounting firm for the Pay-What-It-Takes India Initiative in 2020–21.

Government regulations affect both perception and reality when it comes to funding core costs. Amongst CSR organisations, there persists a misconception that regulations cap the amount nonprofits may receive for core costs at 5 percent. In fact, this cap only applies to the amount a business may spend on its internal CSR programme administration.⁸ Regulations do not cap what a CSR programme may allocate to pay for a nonprofit's core costs. However, our research has found that many CSR programmes typically provide little or no support for core costs and attribute this to regulatory compliance.

6 As part of the PWIT India Initiative, The Bridgespan Group is partnering with Aria CFO Services to create guidelines for computing and communicating the true costs of a nonprofit. These guidelines aim to provide guidance to nonprofit teams and chartered accountants supporting nonprofits in determining how to prepare budgets and account for different cost heads that a nonprofit may incur.

7 Venkatachalam et al., *Building Strong, Resilient NGOs in India*, The Bridgespan Group.

8 Government of India Ministry of Corporate Affairs, [Frequently Asked Questions \(FAQs\) on Corporate Social Responsibility \(CSR\)](#), 25 August 2021.

Regulations also impact foreign donors. The Foreign Contribution Regulation Act (FCRA) amendments passed in September 2020 cut by more than half (from 50 percent to 20 percent) the percentage of total funds that foreign donors can give to cover a nonprofit's core costs.⁹ To be sure, that's still more than twice the average currently provided by key donors.

However, regardless of the funding source, 83 percent of nonprofits responding to our 2021 survey reported that they struggle to get adequate core-cost coverage. At the same time, roughly 68 percent of funders reported that they have flexible core-cost policies. This disconnect strongly suggests the need for better communication and more funder flexibility towards covering their fair (or proportionate) share of nonprofit partners' actual core costs. Otherwise, the chronic underfunding that nonprofits experience will continue to undermine the lasting social impact funders and nonprofits strive for.

Provide need-based coverage

Funders adopting this approach do not have a predetermined percentage or cap for core costs. They seek to understand a nonprofit partner's budget and cost structure, recognising that core costs vary depending on the type of organisation and the nature of its programmes. Funders adopting this approach include [Forbes Marshall CSR](#), [IndusInd Bank CSR](#), [Axis Bank Foundation](#), and [LGT Venture Philanthropy](#).

Set a core-cost range with flexibility provided on a case-by-case basis

Funders that support similar kinds of organisations over many years may develop a preferred or predetermined core-cost range based on their experience and in consultation with nonprofit partners. [ASK Foundation](#) pursues this approach while also recognising the need for flexibility and making exceptions for nonprofits that offer a persuasive case for above-range coverage.


Focus on the total cost to deliver a programme

Some funders focus on the total cost of delivering a programme, including core costs. They provide nonprofits with the flexibility to use funds across budget line items, as needed.

“To run good programmes you need good talent, who need to be well compensated. We cannot expect work to happen if we are not providing at least that basic cost to them [nonprofit partners].”

SIDDHARTHA IYER, SENIOR MANAGER AND HEAD OF CSR, ASK FOUNDATION

83% of **388** nonprofits responding to a Bridgespan 2021 survey found it **challenging to recover their core (or indirect) costs** from funders.



Source: The Bridgespan Group

9 Puja Saha and Rahul Rishi, “[FCRA Provisions Further Tightened, Non-profits to Face Increased Government Scrutiny](#),” *The National Law Review* 13, no. 258, 27 October 2020.

[Mahindra Group CSR](#) works with nonprofits to develop an understanding of total costs to achieve a desired outcome and track a cost-per-programme-participant metric. This helps Mahindra Group understand the total cost — including and going beyond direct programme costs — to achieve impact on a unit level. [Mariwala Health Initiative](#) and [Thermax Foundation](#) adopt a similar approach.

Provide unrestricted/flexible funding

Unrestricted funding is another way funders support nonprofit partners in covering their core costs. Given the flexible nature of such funding, nonprofits are free to deploy it on their core costs and wherever they see the highest needs. [Mariwala Health Initiative](#), [Rainmatter Foundation](#), and [Rohini Nilekani Philanthropies](#) pursue this approach, which is rooted in mutual trust and a collective vision of change. (See sidebar below.)

Unrestricted/flexible grantmaking benefits funders and nonprofits

Of all the approaches to paying for core costs, unrestricted/flexible grants stand out as the optimal solution, giving nonprofits maximum flexibility to decide how to cover expenditures associated with shared administrative and support functions. But the benefits extend beyond core costs. Nonprofits can spend their unrestricted/flexible funds in ways that allow them to do their best work, including on programmes or organisational development.

For funders and nonprofits, unrestricted/flexible funds reduce time-consuming paperwork. Nonprofits are freed from mapping restricted funds to eligible cost categories. And funders spend less time on the logistics of grantmaking and reporting and more time on impact-focused efforts.

When combined with multiyear commitments, unrestricted/flexible funding positions nonprofits to plan for the future, strengthen organisational capabilities, and achieve stronger outcomes. Nonprofits characterise unrestricted/flexible, multiyear grants as “a game changer” and “transformative.”

[Mariwala Health Initiative](#), [Rainmatter Foundation](#), and [Rohini Nilekani Philanthropies](#) are amongst the Indian funders who practice unrestricted/flexible multiyear grantmaking. They trust their nonprofit partners to allocate funds across programme and operational needs. These grants allow recipients to experiment and innovate to identify better solutions. Deepa Pawar, the managing trustee and founder director of Anubhuti Charitable Trust, put it this way:

“फंडर द्वारा हम पर जताए भरोसे ने हमें प्रयोग करने और सीखने का आत्मविश्वास प्रदान किया है। हम यह जानकर सुरक्षित महसूस करते हैं कि वे इस सफ़र में हमारे साथ हैं। हमारा संगठन छोटे, ग्रामीण समुदायों में मानसिक स्वास्थ्य मुद्दों पर काम कर रहा है, और हमारे लिए यह बहुत महत्वपूर्ण है।”

(“The trust imposed in us by the funder has given us confidence to experiment and learn. We are secure in the knowledge that they are with us in this journey. For our organisation, which works on mental health issues in small rural communities, this is very important.”)




Invest in Organisational Development

Organisational development (OD) investments build and strengthen a range of critical efficiency and growth-oriented capabilities that enable nonprofits to deliver greater impact. These include strategic planning, leadership development, finance and accounting, and human resources. (See “[How to Build an Organisational Development Plan Resources](#)” on The Bridgespan Group’s website.)

Research shows significant benefits to OD investment. Nonprofits that invested in OD grew their annual budgets twice as fast over a five-year period compared to nonprofits not making those investments.¹⁰ They also doubled their programme output over a three- to five-year period¹¹ and became more financially secure.¹²

Funders increasingly recognise the catalytic role OD plays in unlocking a nonprofit’s impact potential. Investing in OD strengthens their nonprofit partners, thereby increasing the likelihood that funders and nonprofits will achieve their goals.¹³ It helps when nonprofits identify and prioritise their OD needs and clearly communicate those needs to their funders. To help make this happen, funders can connect nonprofits with resources and advisors to help shape their OD priorities.

72% of nonprofits stated that **lack of funding** for OD left them **unable to make key investments**



in capabilities required to deliver better programme outcomes and impact.

Source: The Bridgespan Group

Make dedicated OD grants

Some funders provide OD-specific grants or dedicate a portion of broader grants for nonprofit partners to build and strengthen organisational capabilities. The [Children’s Investment Fund Foundation](#) and [A.T.E. Chandra Foundation](#) have dedicated OD functions that provide multiyear grants for this purpose. [Forbes Marshall CSR](#) and [IndusInd Bank CSR](#) earmark a percentage of their grant support towards OD and help their nonprofit partners identify OD needs that are most critical for their stage of growth.

Provide nonprofit partners with access to OD expertise

Funders can connect nonprofit partners with functional OD experts that provide either one-on-one advisory support or cohort-based services. Some funders tap in-house

10 Venkatachalam et al., *Building Strong, Resilient NGOs in India*, The Bridgespan Group.

11 Analysis done by A.T.E. Chandra Foundation and The Bridgespan Group for the NGO capacity-building grant portfolio in 2020.

12 Bisiaux et al., *BUILD Developmental Evaluation*, NIRAS.

13 Fabio Almeida, Simon Mériaux, Thierry Renaud, Andrew Holland, Adriana Crăciun, Carole Frampton De Tschanner, and Claudia Genier, *Funding Organisational Development: A Smart Investment to Multiply Impact*, Laudes Foundation, MAVA Fondation, Mercator Foundation Switzerland, Oak Foundation, PeaceNexus Foundation, and RoCKK, 10 September 2020.

talent for this purpose, while others engage external experts or intermediary organisations. The focus of the support can range from developing an overall OD plan to addressing specific needs (e.g. establishing a measurement, evaluation, and learning framework; strengthening financial planning capabilities).

For instance, [Axis Bank Foundation](#), [Children's Investment Fund Foundation](#), and [Forbes Marshall CSR](#) have engaged intermediary organisations to provide OD support to their nonprofit partners. [LGT Venture Philanthropy](#) has a fellowship programme that selects experienced business professionals and places them with partner nonprofits for one year to support building or strengthening organisational capabilities. Other funders pursuing this pathway are [IndusInd Bank CSR](#), [Mahindra Group CSR](#), [Mariwala Health Initiative](#), and [Rohini Nilekani Philanthropies](#).

Fund initiatives that help nonprofits build their organisational capabilities

In the aftermath of COVID-19, there has been a growing recognition of the importance of organisational strength and resilience for nonprofits to deliver and sustain impact. In 2021, the [Grassroots Resilience Ownership and Wellness \(GROW\) Fund](#) and [Rebuild India Fund](#) were launched to support grassroots nonprofits to build their organisational capacity and capabilities.

The [EdelGive Foundation](#) launched, with several other funders, the GROW Fund. The GROW Fund's objective is to dispense Rs 100 crore (US \$12 million) to build the capabilities and financial strength of 100 growth-ready grassroots organisations across India over a two-year period.¹⁴ Similarly, Dasra, along with Tarsadia Foundation, launched the Rebuild India Fund to provide multiyear flexible funding and OD support to 100-plus grassroots nonprofits every year for a period of five years.¹⁵ Other funders who support similar initiatives are [A.T.E Chandra Foundation](#), [Ford Foundation](#), and [Rohini Nilekani Philanthropies](#).

“Due to OD funding support, we hired fundraising personnel within our team that helped streamline internal processes and meet the high compliance requirements of donors and funders. Investing in OD capabilities such as fundraising and donor engagement has helped build long-term partnerships, grow fundraising efforts by 3x, increased our ability to support over 388 athletes from an earlier 180, and reduce leadership bandwidth on day-to-day operations to focus on strategy.”

NEHA AGGARWAL, HEAD OF PARTNERSHIPS AND COMMUNICATIONS, OLYMPIC GOLD QUEST

14 Pritha Venkatachalam, Donald Yeh, Shashank Rastogi, Anushka Siddiqui, Kanika Gupta, Lahari Shekar, and Roger Thompson, [Bridging the Gap on Funding the True Costs of NGOs in India](#), June 2022.

15 [Rebuild India Fund](#) website, n.d.



Build Financial Resilience

Financial resilience refers to a nonprofit's ability to sustain its operations over the long term and withstand external stresses and shocks (e.g. the COVID-19 pandemic, the end of a key funder's support). Nonprofits boost their long-term stability by developing prudent financial plans, monitoring financial performance, growing reserve funds, and diversifying their funder base.

Note that the previously described OD investment approaches apply here, allowing funders to support their nonprofit partners in strengthening their financial management capabilities. In addition, funders can more directly boost financial resilience by contributing to reserves and making introductions to new funders.

Our 2021–2022 research indicates that just 9 percent of funders provided direct support for building nonprofits' reserves (corpus). That level is low in part given legal barriers, as by law CSR programmes cannot contribute to a nonprofit's reserves. However, domestic foundations and high-net-worth individuals face no such barriers.

Azim Premji Foundation believes that financial resilience allows nonprofits to strengthen long-term planning and build capacity. It also enables the leadership to effectively focus on delivering impact rather than disproportionately investing time on fundraising. It supports nonprofit partners to build financial resilience by providing corpus grants, which help create a steady income for nonprofits to tide over unforeseen risks.¹⁶

Funders more commonly support their nonprofit partners in accumulating an operating surplus that the nonprofit can then transfer to its reserves. The Income Tax Act allows up to 15 percent of an organisation's income to be transferred to a nonprofit's reserve fund.¹⁷

“We believe that, along with core cost support, organisations need to also build financial resilience. We support this through capital and connections to other funders, peers, and the larger ecosystem that we have access to.”

GAUTAM JOHN, CEO, ROHINI NILEKANI
PHILANTHROPIES

54% of nonprofits had less than three months of reserves in September 2020; this proportion was also large before COVID, with **38 percent** of nonprofits being below that threshold.

Source: The Bridgespan Group

¹⁶ [Azim Premji Foundation](#) website, n.d.

¹⁷ “[Accumulations Under Section 11\(1\) & 11\(2\)](#),” Financial Management Service Foundation.

Provide grants for reserves

[Rohini Nilekani Philanthropies](#) provides grants to select nonprofits to build their reserves. Grant size depends upon the size and scale of the nonprofit's operations. The foundation also allows nonprofits to use a certain percentage of unrestricted grants for building reserves.

Make introductions to new funders

[Mariwala Health Initiative](#) often is the first institutional funder for its grantees. As it plans to exit a nonprofit partnership, it identifies and connects the nonprofit to mission-aligned funders who can step in with grant support. Other funders that connect their nonprofit partners with new funders are [A.T.E Chandra Foundation](#), [EdelGive Foundation](#), [LGT Venture Philanthropy](#), and [Rohini Nilekani Philanthropies](#).



Embed Diversity, Equity, and Inclusion in Grantmaking

As funders live into the first four principles for building strong, resilient nonprofits, paying careful attention to DEI considerations can help funders identify and address inequity — with associated gains accruing to funders, nonprofits, and communities alike.

India has a long history of systemic inequities based on factors such as caste, gender, tribal origin, and religion. Nonprofits benefit from having leaders and staff with lived experience of the individuals and communities they serve. It puts them in a strong position to take into account the distinctive strengths and needs of diverse, historically marginalised communities, helping them design more effective programmes that consider the root causes of social problems.

Yet our research has shown that problems of underfunding, lack of reserves, and inability to create operating surplus are more frequently encountered by nonprofit organisations with Dalit, Bahujan, or Adivasi (DBA) leaders, as well as those not located in major cities. For instance, 70 percent of nonprofits led by members of DBA communities did not report any operating surplus in the three years prior to our 2020 survey, compared to 45 percent for non-DBA-led nonprofits. Two-thirds of the non-metro and rural nonprofits reported no surpluses in the same period, compared to 39 percent of metro-based nonprofits.¹⁸ Similarly, a higher percentage of DBA-led nonprofits demonstrated financial vulnerability against the comparison set.

An intentional focus on DEI can help to address the disproportionate financial gap these critical agents of social change face and thus accelerate progress on India's steepest challenges. It's important for funders to understand the unique context of nonprofit partners who may have faced systemic marginalisation and to walk the extra mile to support their organisational development and financial resilience. A number of funders spoke about the importance of DEI and indicated that they are early in their journeys towards integrating DEI principles in their grantmaking.

70% of DBA-led nonprofits reported **no reserve funds**, a sign of particularly **acute financial weakness** for these historically marginalised groups.

Source: The Bridgespan Group

Bring an explicit DEI focus to grantmaking processes

Some funders have changed how they select grantees by bringing equity considerations into the process. The [Ford Foundation](#), [Rohini Nilekani Philanthropies](#), and the GROW Fund anchored by [EdelGive Foundation](#) are amongst the funders that have integrated DEI principles into sourcing and due diligence processes. This approach involves, for example, soliciting grant applications in multiple languages; creating a support infrastructure, such as a helpline in multiple languages, to assist applicants; and ensuring geographic representation.

¹⁸ Venkatachalam et al., *Building Strong, Resilient NGOs in India*, The Bridgespan Group.

[IndusInd Bank CSR](#) focuses on gender and inclusion throughout its grantmaking process. For example, it collects DEI-related data as part of grant management in order to support nonprofit partners in identifying and serving community needs with existing and potential programmes.

Funders can also track DEI-related indicators amongst their grantees (e.g. nonprofit leadership and team composition, the composition of communities served). Setting targets for a more representative portfolio can help maintain focus on DEI during the sourcing and due diligence process. For example, the GROW Fund pays particular attention to gender diversity among leadership teams and boards when selecting organisations for the GROW cohort.

Adopt a DEI framework to guide internal operations

The Bill & Melinda Gates Foundation has made a [public statement](#) about incorporating DEI as a core tenet of its grantmaking. This commitment creates accountability within the organisation to integrate DEI into its leadership, talent, culture, and partnerships with public [progress reports](#).

Similarly, in addition to keeping the focus on supporting nonprofits working with and led by historically marginalised communities, [Mariwala Health Initiative](#) has embedded DEI principles in its hiring and human resources policies to build more diverse, inclusive, and resilient teams and programmes. It places particular emphasis on ensuring that its team and advisory board have representation from the communities it serves.

Funders have a significant distance to travel to incorporate DEI principles into their internal and external operations. Sharing more with peers about what they have learned can help accelerate learning about what works and what doesn't.



How a Diverse Group of Funders Have Put Pay-What-It-Takes Principles into Practice

The profiles that follow show the range of approaches 14 funders have taken to pursue one or more of the Pay-What-It-Takes (PWIT) principles. This is a starting point, and we aspire to add the approaches of additional funders who are pursuing these principles in their grantmaking.

For funders open to exploring change, we have found a three-step process to be helpful:

- **Reflect** on your current grantmaking policies and how they may limit the effectiveness of your nonprofit partners. For example, consider whether your practices (current or proposed) impede equity in addressing the needs of historically marginalised groups. Engage your staff in conversations about how changes in funding practices can advance your organisation's mission.
- **Reach out** to nonprofit partners to identify priorities for true-cost funding and organisational development (OD) through ongoing conversation. Engage with peers who are already funding true costs to learn from their experiences.
- **Refine** your grantmaking policies and practices as needed by continuously engaging with nonprofit partners along the five PWIT principles outlined above, as relevant. Draw on the experiences of funders who have already taken steps to help their grantees build stronger, more financially resilient organisations.

For their part, nonprofits can support their funders in this journey of change by being clear about their own true costs and needs for OD and resilience. Transparency helps to create the mutual trust needed for nonprofits and funders to work together more effectively.

Pursuing this path to change will require patience and perseverance to overcome deeply ingrained attitudes and practices cultivated over many years. The funders highlighted in this section show a variety of ways to adapt grantmaking practices to invest not only in programmes but also in strengthening the organisations that deliver them. Working together as long-term partners, funders and nonprofits can build a stronger, more effective social sector that delivers a much higher trajectory of social development for India.






Funder Profiles

This section includes detailed funder profiles that capture the journeys and approaches of 14 funders — across corporate social responsibility (CSR), domestic philanthropy, and global philanthropy — whose grantmaking practices are aligned to one or more of the PWIT principles.



We developed these profiles based on secondary research and multiple interviews with the funders' leaders and programme managers. To help substantiate the insights and learn more about the impact of the grantmaking practices, we also spoke with 14 nonprofit partners who have received funding from these funders. While not a rigorous impact study, the conversations with nonprofit partners helped to mitigate bias. The funders reviewed and approved their profiles to ensure the depictions captured the essence of their grantmaking practices. For a full description of our research methodology, please see the [Appendix](#).

Please note that the profiles reflect the funders' approaches at the time of our study and may very well evolve further given the dynamic nature of funders' grantmaking practices. We aspire to add more funders to the set of profiles, including additional segments such as ultra-high-net-worth individuals and philanthropic collaboratives.

We hope this compendium can serve as input for funders who are seeking to improve their grantmaking practices to better support their nonprofit partners.

Funder	 Develop Multiyear Funder-Nonprofit Partnerships	 Pay a Fair Share of Core Costs	 Invest in Organisational Development	 Build Financial Resilience	 Embed Diversity, Equity, and Inclusion in Grantmaking
Corporate Social Responsibility					
ASK Foundation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Axis Bank Foundation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Forbes Marshall CSR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
IndusInd Bank CSR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mahindra Group CSR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thermax Foundation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic Philanthropy					
A.T.E. Chandra Foundation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EdelGive Foundation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mariwala Health Initiative	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rainmatter Foundation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rohini Nilekani Philanthropies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Global Philanthropy					
Children's Investment Fund Foundation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ford Foundation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LGT Venture Philanthropy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Corporate Social Responsibility

ASK Foundation	
 <p>Annual budget: Rs <10 crore Year established: 2008 Team size: <10</p>	<p>Mission: To empower rural communities in India to be prosperous and self-reliant by enabling better livelihoods and increasing their infrastructure capacities.</p>
Investment Philosophy	
<p>ASK Foundation works with nonprofits that have the capabilities, track record, and mission alignment to achieve the objectives and goals defined in the foundation's board-approved strategy.</p> <p>The foundation believes communities should play a central role in their own change and thus seeks nonprofit partners with interventions and implementation plans that centre community needs. ASK tailors its grant process to the intensity, length, and scale of a given project.</p>	
Pay-What-It-Takes Principles in Action	
 <p>Develop multiyear funder-nonprofit partnerships</p>	<ul style="list-style-type: none"> • ASK enters into multiyear partnerships with nonprofits. It evaluates and renews these partnerships annually depending on their execution and results. The annual renewal helps in reflecting on and learning from implementation. If required, it also helps the partners and foundation to pivot in their approach or even bring in other nonprofit partners to supplement efforts. • The foundation strives to build mutual trust with nonprofit partners by prioritising communication and feedback loops. This helps all partners understand what is working and where there is room for improvement. • The foundation also shares what it has learnt across its portfolio with its nonprofit partners to help them improve their programmes.



Pay a fair share of core costs

- ASK believes providing core-cost support helps its nonprofit partners execute their work effectively. Based on conversations with nonprofit partners and the foundation team's own expertise, the foundation has arrived at a preferred percentage of a grant's budget that can go to cover core costs.
- The foundation allows for flexibility in core costs when a nonprofit demonstrates the need for more than the preferred percentage.

Pay-What-It-Takes Journey So Far

ASK Foundation has embarked on a journey to change its funding practices. Prior to 2018, the foundation provided annual grants to multiple organisations. Realising that sustainable impact requires a longer-term outlook, it conducted a strategy refresh to identify ways to make its grantmaking more effective. Based on this exercise, it decided to enter into funding partnerships spanning a minimum of five years and to increase allocations to core costs.

ASK says that success for its new approach starts with ensuring that staff and senior leadership understand and support the foundation's vision for impact and approach to grantmaking. To garner support, the foundation shared examples from peer funders that demonstrated the role core-cost support can play in a nonprofit partner's ability to achieve its desired results. ASK also arranged an immersive experience for senior leadership, taking them to see nonprofit partners in action so they could observe firsthand how critical this sort of support is.

Initially, ASK faced regulatory ambiguity around whether the 5 percent cap on administrative costs for internal management of its CSR operation also applied to its nonprofit partners' core costs. Amendments to the CSR law clarified that the 5 percent cap only applies to administration of a CSR programme. The foundation firmly believes that its core-cost support has made it possible for partner nonprofits to work more effectively and achieve greater impact.

Another challenge was that several of its nonprofit partners had difficulty articulating their core costs. Investing in communication and building greater trust with its partners have led to some improvement, but the foundation acknowledges that more is needed here.

The success of the foundation's practice changes has also created a virtuous cycle. Internal interest in the foundation's CSR work has increased as a result of featuring its efforts in employee town hall meetings and new employee inductions, which now have a CSR module. The marketing team has also been able to increase its dissemination of the foundation's success stories.

As the next step in this journey, ASK intends to further strengthen its community-centric approach. It aspires to integrate the voice of communities at the beginning of programme design and plans to adapt its grantmaking policies accordingly.

Axis Bank Foundation


Annual budget:

Rs 51-100 crore

Year established:

2006

Team size: 10-19

Mission: Axis Bank Foundation (ABF) places community and community engagement at the center of its work to enable inclusive and equitable economic growth. The foundation prioritises sustainable livelihoods with a focus on rural communities, the skilling of youth, and women's empowerment.

Investment Philosophy

ABF was set up long before the Government of India's mandate for CSR. The bank's leadership was motivated by a desire to contribute to the betterment of society.

The foundation approaches grantmaking as an investment for the community and focuses on maximising impact while keeping the community's needs and aspirations in focus. Typically, the foundation works with nonprofits with strong community connections. It identifies them through referrals or proactive outreach and conducts due diligence to make final selections.

ABF considers itself a collaborator in change. It recognises that its nonprofit partners are the programme experts, and it shares strategic input based on its understanding of macroeconomic and sectoral trends as well as learnings from across its portfolio.

The foundation bases funding decisions on a nonprofit's ability to demonstrate strong governance systems, convergence with government programmes, community centricity, and alignment with the foundation's strategic objectives.

Pay-What-It-Takes Principles in Action



Develop multiyear funder-nonprofit partnerships

- ABF provides multiyear grants and establishes long-term partnerships with nonprofits. The typical duration of its grants is four to five years, with many partnerships continuing for a longer duration.
- The foundation's community centricity also influences how the grants are structured. Its grants allow flexibility to nonprofits to iteratively improve programmes, with a focus on serving the community's evolving needs.
- It has a thorough process for annual reviews, renewals, and disbursements which enables the foundation and nonprofit partners to reflect on their progress and learnings and iterate on their approach as required. The process takes into consideration the complex social problems that the nonprofits are working to address while also remaining consistent with the strategic objectives of the grant.



Pay a fair share of core costs

- ABF co-creates budgets in a consultative process with its nonprofit partners. It provides flexibility within the budget for a nonprofit to allocate the resources based on its needs. It also encourages nonprofits to apply ABF funds to critical costs not covered by other sources. ABF believes this flexibility can allow nonprofits to deliver better impact to the communities they serve.
- The foundation conducts frequent project reviews to ensure that, if required, budgets can be reallocated to activities with high community acceptance and high impact, or to cost heads with inadequate coverage.



Invest in organisational development

- ABF provides its nonprofit partners with OD support, focused on the capabilities that are critical for ABF funded programmes to achieve the desired impact objectives. It does this by providing funding for OD (as part of its overall support), and by engaging intermediary organisations to help nonprofits strengthen specific capabilities.

Pay-What-It-Takes Journey So Far

Over the past decade, ABF has developed strong nonprofit partnerships that have made it possible to deepen its commitment to creating sustainable livelihoods. Placing the community at the center of its work, the foundation has adopted a long-term outlook, supporting its nonprofit partners to design and deliver their programmes based on the evolving needs and aspirations of the communities they serve. Through this approach, the foundation has also gained a deeper understanding of community needs, allowing it to act as a thought partner for the nonprofits it supports.

ABF's long-term partnerships coupled with its consistent vision for impact have provided stability to its nonprofit partners. That stability allows them to focus on deep-rooted complex issues, plan ahead and gain efficiencies accordingly, and deliver programmes at scale.

ABF actively encourages its nonprofit partners to create financial leverage and diversify their funding base by drawing in other philanthropic or CSR funders, and by harnessing government programmes directed towards community, commercial capital, and community contributions. ABF's long-term commitments also help nonprofits to attract other funders who may have a shorter-term outlook (e.g. CSR funders with annual grants). This allows nonprofits to direct ABF's funding to newer and evolving needs of the community, while others fund the more stable, proven elements. More generally, ABF's funding can go towards important budget heads that other sources may not fund (e.g. core costs or OD).

(continued over)

The foundation has found that building greater trust in its relationships with nonprofit partners requires establishing transparency and accountability on both sides and takes continuous attention. Having a common understanding of true costs has been critical to ensure that the nonprofits are able to cover their costs and deliver impact to the communities they serve. ABF's long-term commitment, a shared purpose with the nonprofit, and deep understanding of on-the-ground challenges along with their nonprofit partners' willingness to discuss challenges they face and seek necessary support have been critical in building this trust. The foundation has observed that when other funders are actively building a trust-based relationship with a particular nonprofit partner, it's easier to do the same.

Over the course of its journey, ABF has also focused on strengthening its nonprofit partners beyond their programmes, so they can both sustain their impact and pursue new approaches to delivering greater and lasting results. At times, ABF and the nonprofit may not be fully aligned on OD priorities, given their different context and information availability (e.g. ABF may want to support an OD need based on its understanding of long-term macroeconomic indicators that may not be readily apparent to the nonprofit). To help the foundation and its nonprofit partners align on specific OD needs, the foundation encourages them to define impact goals and set up systems and processes to help achieve them.

ABF believes that its grantmaking practices have enabled it to accelerate impact and better support organisations and community institutions to grow over the long term. It has emerged as a funder of choice for leading nonprofits. ABF's track record combined with its nonprofit partners' advocacy of its funding approach has helped to validate its grantmaking model, with indications that more funders are gradually adopting its approach.

Forbes Marshall CSR



Annual budget:
Rs <10 crore

Year established: 2012

Team size: <10

Mission: Forbes Marshall CSR aspires to create a positive impact on local communities where Forbes Marshall works by focusing on education, skilling, healthcare, financial inclusion, livelihoods, and governance, as well as on the larger society by contributing to a resilient social sector.

Investment Philosophy

The vision of Forbes Marshall's founder to support underserved communities led the company to engage in CSR initiatives long before it was mandated by law. Forbes Marshall CSR takes a community-centred approach to identify social-sector needs and collaborates with values-aligned nonprofits to create impact at scale. The CSR team has social-sector experience, which helps the organisation approach its partnerships with nonprofits from a place of understanding and empathy and builds trust.

Pay-What-It-Takes Principles in Action



**Develop
multiyear
funder-
nonprofit
partnerships**

- Due to its long-term outlook and commitment to social development, Forbes Marshall CSR commits funding for a minimum of three years and up to 10 years, with grants renewed on an annual basis. The annual grant-review process supports learning for both Forbes Marshall CSR and its nonprofit partners as they reflect on progress and identify areas where adjusting the strategy may be warranted.
- Some partnerships have continued for more than a decade, with a focus on creating sustainable change.



**Pay a fair share
of core costs**

- Forbes Marshall CSR determines core-cost support based on discussions with nonprofits about programme budgets and cost structures rather than by prescribing a set rate.
- It provides nonprofits with the flexibility to reallocate funds based on their needs, helping build trust and supporting transparency around true costs.
- During the initial grant phase, Forbes Marshall CSR provides one-on-one guidance to nonprofits that have difficulty allocating costs across budget categories. The foundation also conducts internal audits of its projects to ensure that the true costs of delivering the projects are allocated appropriately by the nonprofit partners.



Invest in organisational development

- Forbes Marshall CSR engages with nonprofits to identify specific OD needs during the grant-application stage. It provides financial support through a combination of earmarked funding within programme grants and often engages with intermediaries to provide OD support.
- It also provides separate funding for nonprofit leaders to attend OD courses conducted by leading intermediaries and funds ecosystem-level initiatives and collaboratives on OD to help advance the field.
- For community-based nonprofits operating near Forbes Marshall factories, company employees may volunteer to share their expertise in areas such as HR policy, regulations, and accounting.



Embed diversity, equity, and inclusion in grantmaking

- From the start, Forbes Marshall CSR has integrated DEI into its activities by deeply engaging with communities and nonprofit partners.
 - Forbes Marshall CSR has helped conceive and fund programmes focusing on women and girls as well as LGBTQ+ communities.
 - It ensures that programmes are designed in an inclusive manner and support people from Dalit, Bahujan, and Adivasi communities and other historically underserved communities. These interventions are co-designed with community-based nonprofits and seek community input at each stage.
- In specific cases, Forbes Marshall CSR supports niche inclusion efforts, such as a legal fellowship programme for students from an underserved community.

Pay-What-It-Takes Journey So Far

Forbes Marshall CSR's practices for creating lasting impact have evolved over time. The company founded its CSR work on the principle that the business organisation can only grow as much as the community grows. As a result, it has developed a deep understanding of communities, and its work has continued to evolve to address communities' needs.

With its philanthropic goals focused on supporting historically underserved communities, Forbes Marshall CSR engages with nonprofits across different sectors and with varying sizes and approaches to support communities. Working with local partners who have deeper context of the issues helps it to be responsive to the specific needs of communities.

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Being a relatively small funder, Forbes Marshall CSR is constrained both in terms of the number of nonprofits it can support and the amount of funding it can provide. It has strived to provide additional value to its nonprofit partners by offering internal expertise as well as by leveraging its connections with other funders and intermediaries. Forbes Marshall CSR has also brought together CSR funders to collaborate on the social development of a specific geography.

Forbes Marshall CSR has undergone a learning journey to design its approach towards OD. Conversations with peers, experts, and its own nonprofit partners have prompted it to evolve to provide more targeted support for OD. It has also stepped in to support certain early stage nonprofit partners to build their OD capabilities. It has seen this kind of support help its nonprofit partners operate more effectively, attract new funders, and improve their programmes to deliver more impact.

The approach of supporting nonprofit partners on OD and core costs has helped Forbes Marshall CSR better understand the ground-level challenges and support required by nonprofits, especially grassroots organisations, to deliver impact. That knowledge has also allowed it to contribute beyond funding by providing strategic support to nonprofit partners.

In the future, Forbes Marshall CSR intends to explore how to provide a part of its giving as unrestricted grants. It also wants to understand how systemic marginalisation affects underserved communities more deeply.

IndusInd Bank CSR

IndusInd Bank

Annual budget:

Rs 101-150 crore

Year established:

1994

Team size:

<10

Mission: IndusInd Bank CSR (IBL CSR) is based on the principle of “good ecology is good economics” and a strong CSR brand of “Sattvam — Our Country. Our Commitment.” It aims to design sustainable programmes to “empower the marginalised and weaker sections of society, and high-risk and high-stressed communities.” IBL CSR’s focus areas include sustainable environment, inclusive sports, education, rural development with climate resilience and adaptation, gender diversity, and inclusion.

Investment Philosophy

IBL CSR recognises the community as a core stakeholder in its business and hence puts emphasis on responsible business growth. Community centricity to enable grassroots-level change is a core tenet of its CSR programmes.




IBL CSR collaborates with implementation partners, the government, and other corporates to accelerate change at scale. It selects its implementation partners after careful screening that goes beyond compliance checks and focuses on values alignment, programme impact, equity, and potential for systems change and convergence with the government.

Pay-What-It-Takes Principles in Action



Develop multiyear funder-nonprofit partnerships

- IBL CSR has adopted a multiyear funding approach across its programmes to maximise its social impact and drive sustainable change for the communities it serves. It categorises its programmes into two portfolios:
 - **Flagship programmes.** The Holistic Rural Development Program is designed to improve the income levels and standard of living of marginalised communities included in the government’s [NITI Aayog Aspirational Districts Program](#) over a five- to 10-year period. IBL CSR partners with values-aligned nonprofits and the government and plays a key role in designing and implementing these programmes.
 - **Strategic projects.** These projects span three to four years in areas such as education, inclusive sports, and environmental sustainability. IBL CSR runs them in partnership with nonprofits that have strong community connections in urban and peri-urban areas across the country.

 <p>Pay a fair share of core costs</p>	<ul style="list-style-type: none"> • IBL CSR does not have a fixed limit for core-cost coverage. For both strategic initiatives and flagship programmes, it endeavours to understand and cover the costs required to deliver programmes. When it co-funds projects, IBL CSR encourages partner nonprofits to ask the other funders to cover their proportionate share of core costs.
 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • IBL CSR provides both financial and non-financial OD support to its partners. <ul style="list-style-type: none"> - Financially, it allows nonprofit partners to use a certain percentage of grants towards OD initiatives. It encourages nonprofits to have a cost apportionment policy in place so they can seek proportionate support from other funders and thereby reduce the risk that they become over-dependent on IBL CSR. - Non-financially, IBL CSR organises workshops, trainings, and webinars for all nonprofit partners to build their capabilities in thematic areas like systems thinking, financial modelling, and monitoring and evaluation.
 <p>Embed diversity, equity, and inclusion in grantmaking</p>	<ul style="list-style-type: none"> • IBL CSR has a strong commitment to gender equity and incorporates inclusivity in all of its programmes and grantmaking practices. It encourages nonprofit partners to identify the specific needs of women within existing programmes and potential intervention areas. It makes a core commitment to support women and girls, people with disabilities, and marginalised and vulnerable communities across its programmes. • To track progress on DEI, it regularly seeks DEI-related data from partner nonprofits.
<p>Pay-What-It-Takes Journey So Far</p>	
<p>Since its inception, IBL CSR has pursued a long-term approach to creating sustainable change for marginalised, vulnerable communities and the environment. It adjusts its grantmaking to the changing needs of the communities served, helping nonprofits refine programme designs, test their approaches, expand their reach, and transfer ownership to communities.</p> <p>IBL CSR strongly believes in making CSR expenditures catalytic in nature to attract additional funders or secure government and community support for a programme. It also facilitates introductions to other stakeholders (funders, nonprofits, and government officials) that enable nonprofit partners to explore collaborations to achieve better outcomes and impact.</p> <p style="text-align: right;"><i>(continued over)</i></p>	

IBL CSR has pursued bold aspirations with encouragement from the bank's leadership and board members. With their support, IBL CSR also has identified ways to strengthen internal processes and systems including governance and impact assessment to better support its nonprofit partners.

To affect these practice improvements, IBL CSR has built a strong CSR team with a mix of corporate- and development-sector experience. It believes that maintaining an empathetic approach towards nonprofits and the communities they serve is a critical success factor. To ensure compliance with CSR regulations, the IBL CSR team actively engages with nonprofit partners and helps them course-correct if required.

IndusInd Bank CSR is also exploring innovative funding mechanisms to make CSR funds more catalytic. It has in the past successfully floated instruments like [development impact bonds](#) and [blended finance](#) for large-scale impact. Overall, IndusInd Bank CSR believes that its approach has helped it achieve greater social returns on its CSR investments.

Mahindra Group CSR



Annual budget: NA
Year established: 2005
Team size: NA

Mission: Mahindra Group CSR is a diversified conglomerate that has brought its many CSR activities under a single umbrella — Rise for Good. Mahindra is committed to advancing positive change in the lives of individuals and the communities it serves and believes “only when we enable others to rise will we rise.”

Investment Philosophy

Mahindra Group CSR aspires to improve the lives of girls and women by funding innovative programmes in education (including skill building and livelihood development) and the environment. It seeks to achieve outcomes at scale by partnering with like-minded funders and values-aligned nonprofits.



Mahindra Group believes that nonprofits are the best equipped to design programmes to meet the specific needs of the communities they serve. Hence, it takes a flexible approach to funding nonprofit partners while supporting them in becoming more effective.

Pay-What-It-Takes Principles in Action



Develop multiyear funder-nonprofit partnerships

- Respecting the expertise of its nonprofit partners and recognising the complex nature of the social issues it aspires to solve, Mahindra Group CSR takes a multiyear approach to funding.
- Mahindra Group CSR funds pilot projects to assess nonprofits' ability to implement and scale programmes and build trust with them. Pilots serve as a learning, testing, and, potentially, a failure space for both Mahindra Group CSR and the nonprofits. Mahindra Group often builds long-term partnerships based on these efforts.
- Mahindra Group CSR often enters three- to five-year partnerships (in the form of a memorandum of understanding) with nonprofits, subject to annual grant renewal in compliance with CSR law. These long-term partnerships (which span multiple funding agreements) have resulted in high-impact programmes like Nanhi Kali, which supports the education of girls from low-income families. Though Mahindra Group CSR was established in 2005, Mahindra Group CSR has been involved with philanthropy since the founding of the K.C. Mahindra Education Trust in 1953. The support of Nanhi Kali started in 1996, and the partnership continues to this day through Mahindra Group CSR.

 <p>Pay a fair share of core costs</p>	<ul style="list-style-type: none"> • Mahindra Group CSR believes that funding core costs enables nonprofits to deliver programmes more effectively and efficiently. It understands the challenges nonprofits face in covering core costs and the negative consequences insufficient core-cost coverage can have on achieving the desired impact. • Mahindra Group CSR focuses on understanding the true cost of achieving desired impact and considers the total cost of programme delivery (e.g. total cost per person trained) as an essential metric. Nonprofits can, as needed, reallocate grant funds to meet specific organisational or programmatic needs.
 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • Mahindra Group CSR provides non-financial support for its nonprofit partners' OD needs. Its CSR team organises workshops, provides advice, and shares knowledge of policies and processes in areas such as human resources and governance. • Mahindra Group CSR encourages employees to give back to communities through its Employee Social Options Programme. This programme provides nonprofits with an opportunity to take advantage of employee expertise for OD. For example, Mahindra Group teams supported development of a digital monitoring system for Nanhi Kali, helping to streamline policies and improve programme activities.
<p>Pay-What-It-Takes Journey So Far</p>	
<p>Mahindra Group CSR has been synonymous with philanthropy since the establishment of the K.C. Mahindra Education Trust in 1953. Its group companies have pursued social activities in their own capacities ever since. As part of its 60th-year anniversary celebration in 2005, it announced its commitment of 1 percent of profit after tax towards CSR activities.</p> <p>Mahindra Group CSR has found that multiyear partnerships and a flexible approach to funding lead to more effective nonprofit programmes. Its experience indicates that leaders at its nonprofit partners benefit from multiyear funding, as it frees them to spend more time on operations and programme delivery and less on fundraising. Mahindra Group CSR has also seen that long-term engagements build mutual trust while helping nonprofits establish credibility with other funders.</p> <p>The partnership-focused approach has also allowed Mahindra Group CSR to monitor its nonprofit partners' evolving needs and tailor its support accordingly. For instance, when Mahindra Group CSR learned that a nonprofit partner was incurring higher costs than originally proposed, it changed its funding structure for the project. It revised costs upwards to ensure that the grant provided the true cost (on a per-participant basis) of programme delivery.</p> <p style="text-align: right;"><i>(continued over)</i></p>	

Mahindra Group CSR has seen many gains come from its approaches to covering costs and providing OD support. For example, supporting core costs, including non-programme staff salaries, has made it easier for nonprofit partners to attract and retain quality talent, which is critical to achieving Mahindra Group CSR's as well as its nonprofit partners' impact ambitions. Its employee volunteering and mentoring programme not only has allowed Mahindra Group CSR to support its nonprofit partners' OD needs but also has boosted employee morale and benefitted the company's public image. The CSR team also consults internal and external legal experts in case of any regulatory changes and facilitates workshops on regulatory changes and compliance for nonprofit partners.

Thermax Foundation



Annual budget: Rs <10 crore

Year established: 2007

Team size: <10

Mission: Thermax Foundation (TF) — the CSR arm of Thermax Ltd — believes that quality education is the most important factor to empower and transform lives. It focuses on providing access to quality education to children from economically underprivileged backgrounds.

Investment Philosophy

TF was set up with the belief that corporates must think beyond profits and look at the well-being of society at large. TF provides patient funding to nonprofit partners to support innovative projects and programmes. It strives to create an environment of trust and mutual respect with its nonprofit partners in order to create sustainable impact for the community.

In addition to advancing quality education, TF funds skill building in communities where its factories are located. As a member of the [Social Compact initiative](#), TF promotes greater dignity and well-being for industrial workers. The initiative draws attention to wages, health, skilling, access to entitlements, safety, and gender issues in the workplace.

Pay-What-It-Takes Principles in Action



Develop multiyear funder-nonprofit partnerships

- TF strongly believes that social impact requires a long-term commitment and hence enters into multiyear partnerships spanning from three years to over a decade.
- TF invests in strengthening these relationships and building mutual respect. It demonstrates an openness to innovate and experiment and a willingness to share learnings across partner organisations. The foundation engages frequently in discussions with its nonprofit partners to foster a trust-based relationship.



Pay a fair share of core costs

- TF views core costs as intrinsic to its nonprofit partners' budgets and does not have any stipulated upper limit for core-cost coverage.
- It believes core costs may vary based on the nature of the initiative and the organisation. It engages in conversations with nonprofit partners at the proposal stage to understand their cost structure.
- When the core costs of an existing programme increase significantly, TF engages with the nonprofit partner to understand the rationale and provide guidance on how to manage the costs.
- TF conducts an internal analysis of nonprofit partners' cost per beneficiary, which has enabled the foundation to better understand partners' budgets and provide support to optimise costs, where possible.

Pay-What-It-Takes Journey So Far

TF has been providing support to improve educational quality for underserved communities for almost two decades, which has resulted in establishing strong, trust-based partnerships with nonprofits. Given its focus on sustainable impact, TF over the years has pivoted towards a co-creation and learning approach with its nonprofit partners to advance innovation, experimentation, and continuously enhancing programmatic impact.

TF is cognisant of not making nonprofits overly dependent on its own funding. Hence it encourages nonprofits to diversify their funder base for proven programmes and to use TF's support for new or untested programmes. To reduce dependence on one funder, it has also started entering into partnerships with other funders to increase the nonprofit funder base.

The family philanthropy of Thermax Ltd founders from time to time joins with TF to cover costs outside the scope of the foundation's CSR funding (e.g. support for setting up or expanding a fundraising team). In this way, the family philanthropy and CSR programme work in tandem to meet the holistic funding support needs of selected nonprofits.

To help strengthen the organisational capacity of nonprofit partners, TF is exploring a peer-learning programme to enlist Thermax Ltd employees to volunteer time to help nonprofits on their OD priorities. In addition to providing needed support for nonprofit partners, this programme would be instrumental to promoting firm building.

Domestic Philanthropy

A.T.E. Chandra Foundation



Annual budget:

Rs 10–50 crore

Year established: 2015

Team size: 10–19

Mission: A.T.E. Chandra Foundation (ATECF) aims to transform the lives of historically marginalised people by investing in rural development projects and building capacities of social-sector organisations to sustainably scale their impact.

Investment Philosophy

ATECF's grantmaking principles stem from its leadership's focus on making catalytic investments that are instrumental in driving sustainable social impact at scale. The foundation invests in research on underserved issues in the sector and develops solutions to fulfill unmet needs. It places an intentional focus on measuring the effectiveness of those solutions and sharing their learning with critical stakeholders. ATECF partners with government and other donors to scale the impact of the solutions it develops as well as to influence other critical stakeholders (such as policy makers and think tanks) to embrace evidence-based decision making.

With a common theme of making high-impact investments, the foundation engages in philanthropic grantmaking in the following distinct ways:

- **Sustainable Rural Development.** Over the years, ATECF has identified specific niches in rural development, where it works in partnership with government and nonprofits. Currently, its focus is on rejuvenating water sources to ensure water security in drought-prone regions and advocating for natural farming practices.
- **Capacity Building.** ATECF focuses on building social-sector capacity at three levels: individuals, organisations, and ecosystems. It believes that investing in people and in organisations' core functions results in a high social return on investment.
 - It supports learning and development programs that build the leadership capabilities of nonprofit founders and senior leadership, middle management, and other domain heads (such as fundraising and communications) — enabling them to build efficient and effective organisations.
 - At the organisational level, it has set up a capacity-building Centre of Excellence program (CoE), where it funds a selected set of nonprofits. The key objective of the CoE is to build evidence of the benefits of supporting OD and make the case to other funders.
 - At an ecosystem level, it identifies white spaces and creates solutions to help make the sector more efficient or effective and funds relevant programs or initiatives — for example, building the retail giving platform [GivelIndia](#) and the knowledge platform [India Development Review](#).

Pay-What-It-Takes Principles in Action



Develop multiyear funder-nonprofit partnerships

- ATECF enters into multiyear partnerships with nonprofit partners across its portfolio.
 - For rural development, the foundation partners with governments (both union and state) and works with a set of nonprofits with strong programme implementation capabilities and community connections. ATECF defines the specific locations and projects in consultation with the government; a partner with on-ground presence and sector expertise undertakes the implementation.
 - For capacity building, ATECF provides multiyear support in different ways across its portfolio, depending on the specific goals of a given nonprofit partnership. Specifically, it commits to supporting the OD needs of a select group of nonprofits for three years as part of the CoE programme. For its investments in learning and development programmes, ATECF works with established nonprofit partners and starts with one-year grants.
 - For investments in ecosystem building projects, it works with partners on building solutions and starts with one-year grants. It follows with multiyear support for two to three years to help the partner fine-tune and sustain the solutions.



Pay a fair share of core costs

- ATECF aims to support nonprofits to achieve their impact and outcome goals in a cost-effective manner. Its approach to covering core costs varies across its programme areas.
 - For rural development, the foundation has fine-tuned its programme design over the years in partnership with the government and nonprofits. It provides proportionate core costs based on standardised programme designs.
 - Under its learning and development programmes and ecosystem projects for capacity building, the foundation helps partners estimate costs and then provides “all in” project funding. This approach provides nonprofit partners flexibility to allocate core costs according to their needs.

 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • Under the CoE programme, ATECF supports a cohort of nonprofit partners to build their OD capabilities in six core areas: leadership, organisation strategy, monitoring and evaluation, fundraising, communication, and human resources. Each grant under this programme also includes a component to cover the additional costs of documenting and tracking the nonprofit's progress on its OD initiatives. • ATECF has identified the need for more intermediary organisations to help nonprofits with learning and development. Hence, it funds intermediary organisations to develop and offer OD programmes to nonprofits. It also supports programmes focused on non-English-speaking nonprofit leaders, aspiring to break down the language barrier that can affect their OD and hence their impact potential.
 <p>Build financial resilience</p>	<ul style="list-style-type: none"> • The foundation encourages nonprofits to diversify funding sources and supports fundraising initiatives through matching grants and by supporting giving platforms such as GiveIndia. • It encourages nonprofit partners to focus on financial resilience from the outset by engaging in detailed conversations about finance and budgeting. • If sought by a donor, ATECF will refer partner nonprofits to a peer, thus helping partner nonprofits diversify their funder base.
<p>Pay-What-It-Takes Journey So Far</p>	
<p>ATECF's founders' background as entrepreneurs and investors contributed to its focus on long-term, sustainable impact. By working closely with nonprofit partners, ATECF has been able to better understand and support the unmet needs of the communities it serves as well as the social-sector ecosystem. This approach has also advanced the foundation's goal of playing a catalytic role in strengthening the social sector.</p> <p>ATECF has focused on multiyear partnerships and targeted OD support since inception, driven by the founders' desire to achieve a high social return on investment and contribute to a stronger social sector. The foundation identified OD as an underfunded, high-impact opportunity that aligned with its strengths and impact vision.</p> <p style="text-align: right;"><i>(continued over)</i></p>	

To this end, ATECF strives to help its nonprofit partners address their pain points. For example, partner nonprofits often do not have a well-defined, long-term plan or a list of OD priorities, making engaging in multiyear partnerships and providing OD support challenging. ATECF encourages its nonprofit partners to take a longer-term view of their programmes and engages with them to collaboratively prioritise OD needs and identify potential ways to build the necessary capabilities. The foundation also gathers evidence in support of OD investments and helps to make the case for more funding to be directed towards strengthening nonprofit capabilities.

Long-term partnerships give their nonprofit partners a sense of security and flexibility, allowing for heightened focus on strengthening organisational capabilities and enhancing the quality and effectiveness of their work. Additionally, OD support has helped nonprofit partners build the capacities needed to partner with additional stakeholders to advance their work.

Looking ahead, ATECF is interested in providing more multiyear funding aligned with its focus on building nonprofit partner capacities. It also intends to embed diversity, equity, and inclusion within its learning and development programmes to account for regional, linguistic, and other forms of diversity and extend support to a wider set of nonprofits.

EdelGive Foundation



Annual budget:
<Rs 51-100 crore

Year established: 2008

Team size: 30+

Mission: EdelGive Foundation, the philanthropic arm of the Edelweiss Group, works to enable the growth of grassroots organisations working with vulnerable communities across India.

Investment Philosophy

EdelGive takes a distinctive approach to its philanthropy through a dual role of grantmaking and grant advising. It provides nonprofit partners with initial grants and also acts as a philanthropic asset manager and advisory partner to funders ranging from high-net-worth individuals to global foundations. It looks at grants as investments in nonprofit organisations to unlock greater impact, with a key focus on capacity building.

EdelGive often acts as the anchor partner for creating issue-focused collaboratives. For example, the Grassroots Resilience Ownership and Wellness Fund ([GROW Fund](#)) is a collaborative anchored by EdelGive to support OD and key organisational functions for 100 nonprofit partners.

EdelGive prioritises mission-aligned nonprofits based on their impact potential, needs of the community served, evidence of desired change and acceptance by the community, and feasibility and sustainability of the model. It provides financial and non-financial support for building nonprofits' operating and growth capabilities.

Pay-What-It-Takes Principles in Action





Develop multiyear funder-nonprofit partnerships

- EdelGive enters into multiyear partnerships spanning three years. It is open to extending the support beyond the three-year mark based on the need and context.
- The GROW Fund is a two-year commitment towards core costs and the development of key organisational functions with a focus on building future readiness.



Pay a fair share of core costs

- EdelGive engages with its nonprofit partners to understand how best to support their core costs. In cases of exigencies (e.g. where a shortfall in core-cost coverage in a programme funded by multiple funders may adversely affect the nonprofit's ability to deliver impact), it does support organisations beyond the programmatic grant, with an understanding that over time this support will be tapered to avoid over-dependence.
- The GROW Fund is entirely focused on core-cost needs and OD and provides its nonprofit partners complete flexibility to use its funding to cover their core costs.

 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • EdelGive provides financial and non-financial OD support based on a nonprofit's needs. <ul style="list-style-type: none"> - Financial support: <ul style="list-style-type: none"> • Even when funding a specific programme, the foundation earmarks a percentage of a grant for the nonprofit to invest in OD needs. • The GROW Fund conducts a prioritisation exercise with its nonprofit partners to help assess their OD capabilities across 12 dimensions and provides non-binding recommendations for the three highest-priority areas for investments. Nonprofits are given the flexibility to focus on the recommended capabilities or identify any other OD priorities (up to three capabilities). - Non-financial support: <ul style="list-style-type: none"> • EdelGive partners with experts to support nonprofit partners in their OD efforts. • The GROW fund focuses on strengthening management capacities and operational efficiencies of partner nonprofits by conducting cohort-based workshops and trainings, as well as by providing customised guidance and frameworks through experts they partner with.
 <p>Build financial resilience</p>	<ul style="list-style-type: none"> • EdelGive helps nonprofit partners diversify their funding base. On the nonprofit side, it provides connections to other funders. On the funder side, it helps inform funders' giving and recommends nonprofit partners. • In providing nonprofits with both funding as well as guidance for fundraising, it helps enable parallel fundraising for both programmatic and non-programmatic needs, which is often larger than the size of the grant from the GROW Fund.
 <p>Embed diversity, equity, and inclusion in grantmaking</p>	<ul style="list-style-type: none"> • The foundation brings a deep commitment to inclusiveness as a fundamental operating principle and places communities at the centre of all efforts. This is reflected in the way EdelGive conceptualises and develops initiatives, such as its women's empowerment campaign. The commitment also comes through in its selection of nonprofit partners. For example, EdelGive has supported grassroots nonprofits working on gender-related issues such as freedom from violence and discrimination; leadership of women and girls; access to justice, rights, and entitlements; and economic empowerment. <p style="text-align: right;"><i>(continued over)</i></p>

- Within the GROW Fund, EdelGive considers DEI in its proposal solicitation and selection processes to ensure that nonprofits are not passed over because of factors such as language and geography. This includes:
 - Making proposal materials available in seven languages and enhancing outreach through 84 publications.
 - Accounting for bias and barriers in the shortlisting of applications.
 - Ensuring geographic representation within the cohort of applicants.
 - Taking an intentional step to select organisations who have gender diversity on their leadership teams and boards.

Pay-What-It-Takes Journey So Far

Eight years ago, EdelGive changed its approach to grantmaking after analysis of its portfolio showed that its one-year grants pushed nonprofits to focus on short-term outputs instead of prioritising long-term outcomes. Ever since, EdelGive has engaged primarily in multiyear partnerships focused on delivering sustained impact.

While EdelGive believed in the importance of OD from the outset because of its founders' entrepreneurial experience, the foundation learned over time how lack of funding leaves nonprofits unable to invest adequately in OD. To bridge this gap, it placed an increased focus on providing both financial and non-financial support for OD. For instance, EdelGive has supported 75 nonprofits to take advantage of training opportunities and workshops.

EdelGive believes that any organisation — for-profit or nonprofit — needs strong structures and systems to operate. It sees funding that caps critical OD investments, such as leadership training and accessing better systems and technologies, as counterintuitive to what is needed to build an effective nonprofit organisation. In EdelGive's experience, a nonprofit with well-supported administrative functions can better serve individuals and communities in need.

EdelGive believes these efforts have been rewarded by clear evidence of the merits of capacity building among its nonprofit partners and participants in the GROW Fund. Moreover, as nonprofits have built organisational strength and begun to think more strategically about their long-term goals, they have learned to articulate their total funding needs more clearly. This, in turn, has helped them attract new funders.

Mariwala Health Initiative



mariwala
health
initiative

Annual budget:

Rs <10 crore

Year established: 2016

Team size: 10-19

Mission: Mariwala Health Initiative (MHI) works to make mental health accessible to historically marginalised individuals and communities. It also seeks to visibilise their voices and to create narratives that highlight the structural determinants of mental health.

Investment Philosophy

MHI provides support for innovative organisations and collectives that aspire to make mental health accessible to historically marginalised communities. It seeks to create an environment of accessible, affirmative, rights-based, and user-centric mental health care. It prefers to fund organisations led by people from historically marginalised communities or coming from low-resource geographical regions.

MHI is typically a nonprofit's first institutional funder, and it also provides nonfinancial, strategic support. It believes in trust-based funding and provides its nonprofit partners with considerable decision-making flexibility. Its selection process focuses on understanding the ways in which the nonprofit's work is community-centred, its aspirations and approaches for impact, and its alignment with MHI's values. There is no financial or other documentation due diligence at the time of onboarding.

Pay-What-It-Takes Principles in Action






Develop multiyear funder-nonprofit partnerships

- MHI considers multiyear partnerships essential for delivering impact in the field. Partnerships typically last for three to eight years, and MHI exits after it has introduced its nonprofit partners to new funders who can match an amount equivalent to MHI's funding.
- With the grassroots organisations it supports, MHI often begins by providing a short-term grant, based on the readiness of the partner nonprofit. It then works with the organisation to build a longer-term relationship.



Pay a fair share of core costs

- MHI supports the overall costs of a programme or project and does not differentiate between programme and core costs. This flexible approach stems from its belief that ensuring core-cost coverage will help nonprofits deliver greater impact in the long run.
- For nonprofits where MHI is one of several funders, it tries to provide funding for specific core costs that may not be supported by other funders. It also encourages nonprofits to leverage MHI's support to seek proportionate core-cost coverage from the other funders.

 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • MHI aims to understand its nonprofit partners' OD needs, with a focus on investments required to support plans for growth. It also encourages nonprofit leaders to begin engaging in conversations about their OD needs during the initial grant stage. • MHI provides both financial and nonfinancial OD support, including: <ul style="list-style-type: none"> - It makes dedicated OD grants and funds intermediaries to help nonprofits develop and implement OD plans. - It provides nonprofits with access to MHI staff and external experts. MHI employees have provided nonprofits with advice on communications, programme design, human resource policies, and technology.
 <p>Build financial resilience</p>	<ul style="list-style-type: none"> • MHI generally does not provide grants for corpus building. • When planning to exit a nonprofit partnership, it identifies and makes connections to mission-aligned funders. • MHI also provides nonprofit partners with opportunities to present their work in various funders' forums.
 <p>Embed diversity, equity, and inclusion in grantmaking</p>	<ul style="list-style-type: none"> • MHI focuses its grantmaking on the interconnected nature of gender, sexuality, caste, religion, geographical location, and occupation. To identify often-overlooked nonprofits, MHI seeks advice from other funders and references from partner nonprofits. It has also taken measures to make its online grant-application process more inclusive by incorporating design elements that make it accessible to people with disabilities. • MHI ensures that its team and advisory board have representation from the communities it serves. It has instituted processes (e.g. internship programmes for people from historically marginalised groups, a buddy programme for new team members, and orientation sessions for the team) to achieve this goal.
<p>Pay-What-It-Takes Journey So Far</p>	
<p>Founded with a DEI-focused mission, MHI has adopted DEI practices since inception. Its commitment to DEI stems from the foundation's mission to enable community-driven organisations to lead innovative mental health initiatives. This approach has helped MHI to support grassroots organisations in their efforts to elevate conversations that address marginalisation in mental health care.</p> <p style="text-align: right;"><i>(continued over)</i></p>	

MHI sees itself as a support organisation for nonprofits. From the beginning of its philanthropic journey, it has taken a multiyear, flexible funding approach given how critical such support is for grassroots organisations to grow and deepen impact. Its funding practices have also evolved over the years based on what it has learned from partnering with grassroots organisations—with MHI advancing its own goals of inclusion and equity across every pillar of its work, including grantmaking.

To ensure internal diversity, MHI removed inequitable eligibility criteria from job descriptions when it struggled to get sufficient applications from historically marginalised groups. Having a diverse staff has helped MHI identify and support nonprofits with a DEI mission.

MHI regularly conducts employee trainings on organisational values and culture, including DEI. MHI also encourages field visits by all levels of employees to deepen understanding of the need to centre communities and of challenges in programme implementation. This helps MHI provide appropriate support to nonprofit partners.

MHI continues to evolve its grantmaking process in a participatory model by involving people from the community in grant evaluation.

Rainmatter Foundation


Annual budget:

No fixed budget

Year established: 2021

Team size: 10-19

Mission: Rainmatter Foundation strives to become a platform for stakeholders working in the climate space to collaborate, support ideas, and advance progress on issues affecting forests, water, soil, farm, food systems, ecology, energy, and transport.

Investment Philosophy

Rainmatter uses a multi-pronged approach that focuses on the impact potential of its portfolio rather than on a single organisation. It supports a variety of problem-solving approaches and identifies grantees that are mission-aligned and agile in operations. It disburses funds as grants and fellowships to nonprofits and individuals, and as investments in for-profits and start-ups working in the climate space.

The foundation engages with organisations that have a bottom-up approach to addressing environmental issues that centres on communities and place.

Pay-What-It-Takes Principles in Action





Develop multiyear funder-nonprofit partnerships

- Rainmatter supports grantees for a minimum of three years under its organisational grants programme. It believes in providing the scope and flexibility to experiment with ideas, keeping the focus of its support on long-term goals.
- While the foundation encourages partners to identify quantitative metrics of progress, it also considers qualitative, anecdotal evidence – recognising that impact comes in a variety of ways. It views evidence of any form as critical to gauging progress and sharing learning.



Pay a fair share of core costs

- Rainmatter provides unrestricted funding rooted in the principles of trust-based philanthropy. It provides flexibility to nonprofits to allocate costs based on their needs. This flexible approach is grounded in Rainmatter's trust in the nonprofit's vision, capabilities, and knowledge.
- To enable the foundation to best support them, Rainmatter expects its nonprofit partners to share all necessary financial needs upfront. Rainmatter considers providing additional funds over and above the grant if the nonprofit can justify the need.

 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • Rainmatter’s organisational grants allow nonprofits the flexibility to use the funding to develop or strengthen organisational capabilities. It provides nonfinancial support by conducting visioning workshops, facilitating access to outside expertise, and creating opportunities for nonprofit partners to network with others in the sector.
 <p>Embed diversity, equity, and inclusion in grantmaking</p>	<ul style="list-style-type: none"> • Community is at the centre of Rainmatter’s philanthropic approach and shapes its goals. It believes in change from the ground up and involves a diversity of stakeholders in its work.
<p>Pay-What-It-Takes Journey So Far</p>	
<p>In its initial phases as an organisation, Rainmatter adopted principles of transparency and openness in grantmaking, along with the supporting systems and processes. Historically, nonprofits have had difficulty addressing community needs when funders step in to determine their mission and goals. Rainmatter aims to address this potential loss of nonprofits’ agency through open communication and transparency with its partners.</p> <p>Rainmatter asks its grantees to conduct self-assessments to identify gap areas and define future direction. It encourages grantees to adopt a learning and growth mindset so they can be agile in their problem solving and pivot if the need arises. Rainmatter’s approach to supporting true costs has helped its nonprofit partners focus on delivering impact given the assurance of core-costs coverage and opportunities to build organisational capabilities.</p> <p>Rainmatter uses an iterative approach to problem solving that it borrowed from for-profit start-ups to help unlock new solutions. This approach allows it to fund risky and unconventional bets.</p> <p>Rainmatter engages with other funders to understand their philosophies, values, and grantmaking approaches to improve its ways of working. For example, it applied what it learned about trust-based philanthropy from the Rohini Nilekani Philanthropies to build more meaningful and effective relationships with partner organisations and thus advance its overall impact goals.</p> <p>Over the next few years, Rainmatter intends to advance the domestic philanthropic ecosystem through role modeling, messaging, and peer-to-peer engagement. In doing this, it hopes to inspire a number of new philanthropic actors to support nonprofits, changemakers, and anyone out there trying to serve those in need.</p>	

Rohini Nilekani Philanthropies


Annual budget:

Rs >150 crore

Year established: 2010

Team size: <10

Mission: Rohini Nilekani Philanthropies (RNP) seeks to support those doing ground-breaking work anchored in networks and movements to build and strengthen communities that work for their own betterment. At the core of this work is the intent to create a resilient, active, and compassionate *samaaj* (society).

Investment Philosophy

Rohini Nilekani's personal giving philosophy has translated into the establishment of RNP, an organisation that aspires to strengthen civil society in India. RNP focuses on enabling collaborative approaches to systems change.

The foundation invests in creating strong social-impact organisations by supporting nonprofits' leadership and teams to reach their full potential. RNP adopts a trust-based approach in its grantmaking and provides nonprofits with flexibility to decide how to use their funding. The foundation and the nonprofits it supports learn from each other as partners, supported by relationships that are rooted in trust, transparency, and open communication.

Pay-What-It-Takes Principles in Action



Develop multiyear funder-nonprofit partnerships

- RNP supports entities working on large, systemic issues — such as access to justice, gender equity, conservation, and biodiversity — that necessitate long-term funding given the time horizon of the change efforts. It typically provides three-year grants that enable nonprofits to strengthen their operational capabilities.
- RNP provides three additional types of grants to support nonprofits in building the expertise needed to expand their ambition and attract future funding. These grants may also form the basis for future multiyear partnerships:
 - Learning grants that explore new areas of interest;
 - Adjacent grants that expand current areas of interest; and
 - Collaborative grants that bring existing grantees together to explore new areas of interest.



Pay a fair share of core costs

- RNP provides flexible funding. Their nonprofit partners decide how best to use grant money to pay for core costs. This approach enables nonprofits to take ownership of core-cost spending.

 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • RNP provides nonprofits with both financial and non-financial support for organisational strengthening in several ways. These include: <ul style="list-style-type: none"> - Flexibility to allocate a portion of unrestricted grants to OD needs. - Separate grants to participate in capacity-building programs conducted by intermediaries. - Storytelling grants to help nonprofits communicate their organisation’s work and thoughtfully engage their key stakeholders. - Access to organisations, resources, experts, and toolkits for OD. • RNP also supports ecosystem-level OD initiatives for nonprofits. For example, RNP is one of the funders supporting the GROW Fund. It also builds social-sector infrastructure around capacity-building services and products.
 <p>Build financial resilience</p>	<ul style="list-style-type: none"> • RNP provides both monetary and non-monetary support to nonprofits to build their financial resilience: <ul style="list-style-type: none"> - It allows its nonprofit partners to use a percentage of unrestricted grants for building a reserve and also provides separate grants to long-term partners to build a corpus, based on their scale and operations. - It creates opportunities for nonprofit partners to connect with other funders, peer nonprofits, and experts in the field to build relationships, share learning, and grow their networks.



Embed diversity, equity, and inclusion in grantmaking

- RNP focuses on supporting organisations that work to strengthen communities. By doing so, it seeks to elevate the voices of historically marginalised groups.
 - It supports ideas, institutions, and organisations that are rooted in the contexts where they work — including a range of nonprofit partners that work with tribal communities, gender issues, and people marginalised by religion.
 - It also provides relevant expertise and resources to help strengthen the capabilities of the leaders of such grassroots organisations.

Pay-What-It-Takes Journey So Far

Rohini Nilekani’s giving spans over two decades. In 2005, even before RNP was formally established, she pivoted her approach to provide long-term, trust-based support to enable systemic changes. Since then RNP has continued to advance how it articulates, practices, and embodies trust in grantmaking — with this evolution and deepening commitment representing the most significant set of shifts in the foundation’s work over its history. Trust in its nonprofit partners is now the cornerstone of RNP, shaping funding policies and practices, how it interacts with those partners, and how it measures impact.

RNP recognises that nonprofits are closest to the communities they serve and require agility and flexibility to deliver in a dynamic and evolving environment. Constant learning, innovation, experimentation, and acceptance of failure are principles integral to the foundation’s internal operations and its grantmaking. Field visits and deep engagement with diverse stakeholders help the RNP team (including Nilekani) understand needs and challenges at a sectoral level.

The foundation develops and maintains trust with nonprofit partners through constant collaboration that lays the groundwork for mutual learning and sharing. The foundation provides its nonprofit partners with the flexibility and ownership they need to confidently share their truest needs and collaborate with RNP on problem solving. RNP takes an approach of co-creation with its nonprofit partners and emphasises learning from each other. It supports a portfolio of nonprofits working on the same problem using different approaches to develop a more comprehensive understanding of what works and what doesn’t.

RNP also provides grants for less “traditional” topics, such as working on gender equity through engagements with men and boys and access to justice. By doing so, it helps increase the visibility of these approaches, which can subsequently lead to greater support from other philanthropists.

Global Philanthropy

Children's Investment Fund Foundation


Annual budget:

Rs >150 crore (South Asia, primarily in India)

Year established: 2002 (CIFF India was set up in 2007)

Team size: 30+ (in India)

Mission: Children's Investment Fund Foundation (CIFF) is an independent philanthropic organisation working in India since 2007, with a wide range of local partners to co-create programmes that support the Government of India (at national and state levels) with demand-driven technical and implementation assistance to drive local solutions that transform the lives of children and adolescents. It does this by focusing on a range of child health and developmental issues, including safe and healthy births and child nutrition, school-to-work pathways for girls and young women, reproductive health services and family planning, and climate-resilient development.

Investment Philosophy

CIFF is a catalytic funder that works with mission-aligned nonprofit partners to pursue its philanthropic priorities. Over time, CIFF develops multiyear partnerships with nonprofits that demonstrate the ability to focus on transformative change and integrate their work into the government's social-development efforts. As part of its annual planning exercise, CIFF rebalances its portfolio to prioritise initiatives with potential for systemic change.



CIFF evaluates nonprofits on key parameters, including potential for sustainable impact at scale; use of evidence-based approaches; focus on monitoring, learning, and evaluation; and cost-effectiveness.

Pay-What-It-Takes Principles in Action



Develop multiyear funder-nonprofit partnerships

- CIFF enters into multiyear grant agreements, which typically span three to five years. In collaboration with its nonprofit partners, it conducts progress reviews at intervals (every 12 to 18 months of the programme's life) to track developments and make necessary course corrections.

 <p>Pay a fair share of core costs</p>	<ul style="list-style-type: none"> • CIFF engages with its strategic nonprofit partners (those receiving long-term commitments for systemic change) to understand the core-cost support they need to run their programmes without over-stretching their internal resources. The appropriate range of core costs is based on specific needs and the internal benchmarks that CIFF has developed over years of experience in grantmaking. (CIFF has predefined core-cost limits for other nonprofit partners.)
 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • CIFF believes that nonprofits need to develop overall organisational strength to deliver high-impact programmes. To that end, CIFF supports its nonprofit partners in developing a range of organisational capabilities, including governance and leadership, strategic clarity, risk management, human resources, financial management, and technology. CIFF delivers support in three ways: <ul style="list-style-type: none"> - It provides dedicated capacity-building grants for its strategic nonprofit partners to scale up operations and programmes. They jointly decide on the focal capability areas to ensure maximum value to partners. - It leads a year-long cohort programme for a group of nonprofit partners that share a common purpose and similar OD learning needs. The programme builds a community of practice among the partners to enable cross-pollination of ideas, continued collaboration, and learning that extends beyond the programme's lifespan. - It provides “seed-to-scale” support to grow and scale programmes that are early in the development stage.
<p>Pay-What-It-Takes Journey So Far</p>	
<p>CIFF has evolved its grantmaking practices over the years, recognising the importance of trust in working effectively with its grantee partners. As CIFF makes bigger, longer, and bolder investments with trusted strategic nonprofit partners, it helps them build the organisational capabilities essential to deliver the desired impact. For example, CIFF reports that an OD grant made it possible for a leading global sexual health and reproductive rights organisation to develop actionable and realistic goals as part of its strategic plan. OD support also has helped its nonprofit partners increase their resilience to withstand both internal (e.g. leadership transition) and external (e.g. closure of a significant grant) shocks. Given the effect OD support has on unlocking growth and impact, CIFF has found that providing such support has helped it build trust and credibility among nonprofits.</p> <p style="text-align: right;"><i>(continued over)</i></p>	

For CIFF's staff, making longer, larger grants has brought clarity to the foundation's funding strategy and helped them to develop clearer impact objectives. Moreover, CIFF has observed how multiyear funding mitigates the fundraising risk for its nonprofit partners and allows them to increasingly focus on serving communities. CIFF has also seen its multiyear support help nonprofit partners raise more funding from others.

CIFF's experience working on a range of thematic areas with different implementation models and partners of different scales and sizes has informed its "no-one-size-fits-all" budgeting approach. It works closely with nonprofits to develop tailor-made budgets that reflect their true costs and helps them build cost efficiencies. Programme managers report that they are able to play more of a strategic advisor role to nonprofits, moving away from a "comptroller" role.

CIFF also recognises that embedding an equity approach in its operations will produce better policy and programmatic outcomes. To that end, it has created an Equity, Gender, and Youth team that supports the organisation's efforts to embed equity in its grantmaking, advocacy, and partnerships.

Ford Foundation

Ford Foundation

Annual budget:
Rs 51-100 Crore

Year established:
1952 (India)

Team size: 31

Mission: Ford Foundation's global mission is to reduce poverty and injustice, strengthen democratic values, promote international cooperation, and advance human achievement. Ford's India office was set up in 1952 on the invitation of the Government of India to support key national development priorities. Ford provided foundational support to reputed institutions including the Indian Institutes of Management, Indian Institutes of Technology, think tanks, agricultural research institutions, and cultural organisations, amongst others. Currently, the India office focuses on two global programme areas: Gender, Racial, and Ethnic Justice; and Civic Engagement and Government. In addition, it has deep engagements through its Future of Work(ers) and Technology & Society programmes. Ford also supports effective philanthropy in the region.

Investment Philosophy

In strict compliance with Indian regulations, Ford provides grants to community organisations that work to alleviate inequality. Ford strives to build institutions and networks, investing in leadership and supporting new ideas.





Ford's programme team seeks out people and organisations with innovative and scalable ideas. The team applies a rigorous due diligence process to select grantees and works with them to write grant proposals. Once a grant is deployed, the team closely monitors progress and stays in close contact with the individuals and organisations they support.

Pay-What-It-Takes Principles in Action



Develop multiyear funder-nonprofit partnerships

- Programme grants range in duration from one to three years.
- The [Social Justice Bond](#), which launched in June 2020, doubled the annual level of the foundation's global grantmaking between 2020 and 2023. Most of the Social Justice Bond's grants span three to five years.
- Through the global [Building Institutions and Networks](#) (BUILD) initiative, Ford provides grantees with five years of funding for general operating and core support for OD. This mix varies depending on a recipient's organisational needs. In India, Ford looks for clear progress in institution building. (BUILD is open by invitation only to current grantees.)

 <p>Pay a fair share of core costs</p>	<ul style="list-style-type: none"> In India, the Foreign Contribution Regulation Act (FCRA) limits the amount of foreign funding nonprofits can spend on “administrative” or (non-programme) core costs to 20 percent. Globally, effective 1 January 2023, Ford raised its minimum core (indirect) cost rate from 20 percent to 25 percent where local regulations permit. Under certain circumstances, the rate could be even higher.
 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> Ford has created an open-source Organizational Mapping Tool designed to provide a nonprofit with an assessment of the organisation’s current OD needs along with a roadmap for improvement. BUILD grantees receive funding to help them develop and implement an institutional strengthening plan. Ford participates in sector-wide efforts to create information, tools, and resources for nonprofits and funders about core (indirect) cost recovery and multiyear flexible funding. It also has organised workshops (e.g. audit and governance for nonprofits when FCRA was amended) on financial aspects, including true cost estimation and financial sustainability.
 <p>Build financial resilience</p>	<ul style="list-style-type: none"> As part of most grant relationships, particularly new ones, Ford conducts a Financial Health Analysis that assesses, over the prior three years, an organisation’s level of reserves, patterns of surplus or deficit, and timeliness of financial audits. This analysis informs conversations on building financial resilience with grant partners throughout the grant period. The BUILD initiative offers a variety of programmes through third-party providers, including cohorts on financial management, accounting for growth, and executive transitions.
 <p>Embed diversity, equity, and inclusion in grantmaking</p>	<ul style="list-style-type: none"> Ford applies DEI principles within the organisation as well as in its grantmaking. To support the latter, Ford has developed a toolkit to help funders, organisations, and the larger philanthropic community identify and instill best practices for DEI-related issues. Ford is also putting significant effort into deepening its work on disability inclusion and raising the visibility of the need for more focused disability inclusion efforts in the philanthropic and nonprofit sectors.

Pay-What-It-Takes Journey So Far

In 2015, Ford launched *FordForward*, a strategic framework that shifted Ford's grantmaking approach away from the dominant model of short-term, project-specific grants to a more adaptive and collaborative practice. The BUILD initiative embodies this commitment by placing the grantee in control of how funds are used. Ford provides the trust, flexibility, and support that grantees require through this journey.

BUILD continues to influence the foundation's overall grantmaking, aspiring to move it away from strictly project grants to also include support for general operating and OD expenses. Providing nonprofits with the tools and encouragement to think holistically about their organisational needs has helped the foundation develop stronger relationships with grantees. Ford has found that these trusting relationships help overcome nonprofits' hesitation to share information candidly, which is critical to funders' ability to provide adequate support.

Ford also took the necessary steps to fully embody this approach in its systems and processes. For instance, its preexisting budget model disincentivised multiyear grants by counting them in the year they were made, rather than distributing the grants over multiple years. Evolving this approach required developing a new multiyear budget model with input from Ford's finance and investment teams.

Initially, some Ford programme teams resisted the BUILD initiative out of concern that it could reduce their programme budgets and thus the foundation's ability to help grantees focus on marginalised populations. The BUILD team worked with programme teams to clarify the initiative's process and help in the adoption of the new approach.

The [BUILD developmental evaluation report](#) concludes that multiyear, unrestricted funding in combination with dedicated institutional development leads to stronger and more resilient organisations. Ford has seen gains both for its nonprofit partners and internally for its programme teams. The nonprofits indicated that flexible, multiyear funding combined with institutional capacity building has enabled them to plan and implement internal and external organisational priorities, and that they also were able to expand the range of their institutional strengthening efforts over time.

LGT Venture Philanthropy



Venture
Philanthropy

Annual budget:

Rs 10–50 crore

Year established: 2007

Team size: 10–19

Mission: LGT Venture Philanthropy (LGT VP) strives to improve the quality of life of people facing disadvantages; contribute to healthy ecosystems; and build resilient, inclusive, and prosperous communities. Its work in India focuses on education, skilling, health, and the environment.

Investment Philosophy

LGT VP seeks systemic change in its target issue areas by creating a portfolio of thesis-driven complementary solutions. It also works to establish long-term, trusted partnerships with locally rooted nonprofits. It has adopted a philanthropic approach to grantmaking that features:

- Funding mission-driven organisations with a potential to scale impact.
- Focusing on funding organisations rather than specific programmes.
- Providing flexible funding support tailored to the needs of nonprofits.
- Offering non-financial support for in-house strategic expertise and access to funder networks.

LGT VP's due diligence process allows it to carefully select its nonprofit partners and also provides an opportunity to develop trust-based relationships.

Pay-What-It-Takes Principles in Action





**Develop
multiyear
funder-
nonprofit
partnerships**

- LGT VP makes long-term, flexible grants to its nonprofit partners to support them in pursuing systemic change.
 - LGT VP typically starts with a one-year grant to get a deeper understanding of the partner's approach and needs, which also helps develop a trust-based relationship. Thereafter, it enters into a multiyear partnership.
 - Once the partner nonprofit is able to thrive without financial support from LGT VP, it may continue to support the organisation as a strategic advisor.



**Pay a fair
share of
core costs**

- LGT VP does not have a strict policy for core-cost support. It builds core costs into programme grants and decides the amount based on the nonprofit's needs. It is also flexible about mid-grant adjustments to line-item allocations, which it approves in consultation with the nonprofit partner.

 <p>Invest in organisational development</p>	<ul style="list-style-type: none"> • LGT VP's grantmaking predominantly focuses on OD. It collaborates with nonprofits to decide the proportion of a grant to be allocated to OD and how it will be used. • LGT VP conducts an OD assessment for each nonprofit during the due diligence process and periodically measures progress and sets new goals. It has developed a capabilities assessment tool that evaluates various aspects of the organisation, from monitoring and evaluation to technology and leadership. This helps LGT VP identify the areas where its support can have the maximum positive impact. • LGT VP provides OD support through a combination of internal expertise (e.g. strategy and finance) and support from external agencies (e.g. consultants and communications professionals). It also runs a fellowship programme that pairs experienced business professionals with nonprofits to strengthen their organisational capabilities.
 <p>Build financial resilience</p>	<ul style="list-style-type: none"> • LGT VP strives to help its nonprofit partners build financial resilience. As one of the first institutional funders for many of its nonprofit partners, it supports increasing their visibility by connecting them to other funders, thus helping them to broaden their funding base.
<p>Pay-What-It-Takes Journey So Far</p>	
<p>Since its inception in 2007, LGT VP has gone beyond funding to help nonprofits develop operational expertise and access supportive networks. For example:</p> <ul style="list-style-type: none"> • It has also developed a diagnostic survey, the M&E Healthcheck, that helps nonprofits assess the state of their measurement and evaluation tools and data-management systems and make recommendations for improvement. • Its fellowship programme supports nonprofits to help build their organisational capabilities by engaging mid-to-senior-level talent from the private sector who bring strong professional experience and a passion for scaling impact. • It helps nonprofits set up data dashboards that inform future strategic choices for their programs. • It captures learning from nonprofit partners to create a resource base of good practices and promote learning across its portfolio. <p style="text-align: right;"><i>(continued over)</i></p>	

LGT VP's emphasis on OD stems from its belief that philanthropic funding can have a transformative effect when it supports organisation-level strengthening to deliver effective solutions that result in significant and sustainable impact. It believes that providing nonprofits with strategic support, including OD support and peer-learning opportunities, helps them enhance their impact.

LGT VP has found that its nonprofit partners often do not have prior experience working intensively with a funder to build their operational strength and resilience. Thus, LGT VP invests significant time during the due diligence phase to foster a mindset shift for nonprofits. It encourages them to think beyond immediate programmatic requirements and increasingly consider long-term priorities. In addition, LGT VP has joined other funders to establish a group to share learning, anecdotal evidence, and success stories as a means to influence change in the wider ecosystem in support of organisational strengthening.

LGT VP is on a journey with regard to its approach to diversity, equity, and inclusion (DEI). It plans to undertake a strategy refresh that will include DEI as an area of focus. As an initial step, it has started collecting data on the participation of specific historically underserved communities, such as women and tribal community members, from its nonprofit partners. It also tracks data such as the diversity of a nonprofit's board, the number of women it employs, and the number of women it serves. LGT VP is working towards building a gender-diverse and equitable organisation by ensuring greater board-level participation and adopting a DEI lens in its internal hiring.



Appendix

Acknowledgments

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Fundors	
A.T.E Chandra Foundation	IndusInd Bank CSR
ASK Foundation	LGT Venture Philanthropy
Axis Bank Foundation	Mahindra Group CSR
Children's Investment Fund Foundation	Mariwala Health Initiative
EdelGive Foundation	Rainmatter Foundation
Forbes Marshall CSR	Rohini Nilekani Philanthropies
Ford Foundation	Thermax Foundation

Intermediaries	
Aria CFO Services	Noshir Dadrawala (Centre for Advancement of Philanthropy) ¹⁹

Nonprofits	
Akanksha Foundation	<i>India Development Review</i>
Anubhuti Charitable Trust	iTeach Schools
Antara Foundation	Naandi Foundation
BAIF Development Research Foundation	Olympic Gold Quest
Educate Girls	Professional Assistance for Development Action
Foundation for Ecological Security	Vidhi Centre for Legal Policy
GuideStar India	Watershed Organisation Trust

¹⁹ We engaged Noshir Dadrawala from CAP to get an expert view on the parameters of CSR regulations and understand the regulatory aspects of reserves and endowments.

Anchor Partners in the Pay-What-It-Takes Initiative

[A.T.E. Chandra Foundation](#)



[EdelGive Foundation](#)



[Bill & Melinda Gates Foundation](#)



[Forbes Marshall Foundation](#)



[Children's Investment Fund Foundation](#)



[Ford Foundation](#)



Research Methodology

This report showcases the journeys and approaches of 14 funders (including five anchor partners of the [Pay-What-It-Takes India Initiative](#)) whose grantmaking practices are aligned to one or more of the Pay-What-It-Takes principles. To ensure this resource is useful for the larger philanthropic ecosystem, we included funders across three funding segments: CSR, domestic philanthropy, and global foundations.

We started with a list of more than 25 funders. We filtered the list down to the 14 featured in this report using a variety of screening criteria. For example, we focused on funders that had been applying PWIT principles for long enough to reasonably see results. We also prioritised funders that had adopted unique approaches in order to showcase a wide range of ways funders can embrace PWIT principles. Additionally, some funders fell off the list because we were unable to develop a detailed-enough picture of their grantmaking practices or because they were hesitant about sharing their practices publicly.

For each of the 14 funders we profiled in depth, we conducted multiple interviews with their leaders and programme managers to gain a deeper understanding of their grantmaking practices across the five PWIT principles, their organisation's journey of evolving these practices, and the benefits associated with such grantmaking practices. To help substantiate the insights emerging from the funder interviews and to learn more about the impact of the grantmaking practices on their nonprofit partners, we conducted interviews with 14 nonprofit partners who have received funding from these funders. While not a rigorous impact study, the conversations with nonprofit partners helped to mitigate bias. Based on the interviews and secondary research, we drafted the funder profiles. The funders reviewed and approved the profiles to ensure the depictions captured the essence of their grantmaking practices.



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