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Fundraising: Nurturing Nonprofit Lifeline

A Perspective on the Challenges of Fundraising

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A few weeks back I was attending a workshop with small and big not-for-profits. We all reflected upon our organizational journeys and also indulged in the mandatory 'how times have changed' discussion. Samerth Charitable Trust (SCT), though registered in 1992, has been actively working since the early 2000s. I have been with SCT since 2009, in some or the other capacity. Along with my other roles, one of my chief responsibilities has been fundraising and engaging with donors.

Coming back to the workshop, fundraising emerged as one of the most complex and challenging aspects of our work. It was an area where everyone wanted support. Every organization on the forum picked fundraising as their choice of area for expertise development. We all lacked a well-defined strategy – in line with the current external environment.

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The younger organizations felt lost – with the due diligence processes required to even apply to funding sources other than individual donations from friends and family. Those that had been around for a few years like Samerth had their own sets of challenges. So, when I was requested to write this reflective piece

on our challenges surrounding fundraising, we did a deep dive into our own needs, what and where were we heading, and tried to crystalize our thoughts on these themes.

Due Diligences and the Demand for Articulation

Most Non-Government funding opportunities now require a certain finesse and articulation – in English. Usually, formats are to be filled online, expecting logical reasoning and clarity of ideas to be articulated well. There are few donor agencies that are open to small grassroot organizations, since the focus is on presentation.

Increasing requirements of due diligences need dedicated human resource to focus on just doing the basic paperwork. It also requires financial stability to be able to invest in doing the same. In the last few years, new opportunities have opened up through Corporate Social Responsibility (Section 135, Companies Act, 2013). This has made it mandatory for corporates to spend a percentage of profits, thus opening up new avenues of funding. But the requirements for accessing these funds are stringent and time consuming, making it difficult for small organizations.

This has resulted in more and more grassroot organizations shutting operations every year. In the past any big civil society organization when entering a new, remote area, would look out for a robust grassroot organization to partner with. The grassroot organization would bring in expertise of understanding the pulse and needs of the area, while the bigger organization would bring in technical expertise.

Every year we see fewer grassroots organizations, especially in remote locations. They have not been able to keep up with new rules and regulations. This makes programs less effective. Organizations coming from outside do not enjoy the same level of trust as grassroots organizations, not to mention here the duplication of time and efforts involved.

The Urban v/s Rural Divide

As discussed in the above section, the development sector is becoming more and more professional and process oriented – which in turn gives more opportunities for ‘Urban’ organizations – as they have the required skills and access. But, in our experience, quite a few donors still prefer rural areas to fund. According to current reports we are one of the nations with fastest levels of growth in urbanization. Currently more than 38% of the total population lives in urban areas. Yet there still seems to be some hesitancy to support these first-generation migrants, who have come leaving their families and social fabric behind in search of better lifestyle for themselves and the people back home. Agriculture is no longer the primary source of income for most rural families, and migration contributes to access to cash.

Urban poverty is stark. The traditional work that was done by the DNT (De-Notified Tribe) communities has dwindled. They come looking for work in cities, and often lack skills for urban jobs. They are pushed to take up begging, become child laborers, and sometimes are forced into prostitution. Entitlements of these migrants are not clearly defined and this leads to non-accessibility of small loans for micro-enterprises.

Children are not admitted to schools and they end up joining the informal workforce - selling balloons and other petty items at traffic signals - or begging. Thus, along with rural areas, marginalized communities and

domains in urban areas also need urgent funding support.

We have realized that it is imperative to work on a fund-raising strategy and pipeline. To identify one’s strengths and work towards finding the right partners – rather than donors.

Empowerment/Awareness Building Issues

In my experience, it is relatively difficult to get funding support for work related to empowerment and awareness building. Sometimes due to this perception, certain niche organizations find it difficult to obtain funding after they grow to a certain size.

This is true especially for CSR funding. It is sometimes difficult to show demonstrable impact on empowerment and awareness building programs over the short term. This usually deters CSR donors. The CSR work then acts as a band aid, and fails to reach to the core of the problem.

The Focus on Impact

Let me begin by saying that, donors demanding measurability and accountability has led to more robust strategies. This has helped program teams design sustainable and impactful programs. But sometimes the stress on quantitative impact – reaching out to maximum population with multiple activities - takes away its essence.

The expectation of impact sometimes feels like the need for instant gratification – expecting immediate results in a sector that prides itself in having its heart at the right place. Impact is long-term. Donors have to be patient and invest in long-term associations with civil society groups. Unless the approach is not fundamental to the issue that is being supported, the impacts end up being superficial.

The External Environment

In the past, not-for-profit NGOs commanded a certain respect for the work they did at the grassroots level and otherwise. They were seen as acting as a bridge, a support mechanism, and contributing towards making the government answerable. We now see a paradigm shift in the way people perceive non-profits. Today they are seen as anti-nationals, expected to have non-scrupulous dealings. This not only impacts the overall morale of the people within the community but also deters outsiders – other talented, skilled people to offer support.

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The environment of distrust towards civil society groups needs to be changed. These organizations have an advantage of reaching out to the remotest areas. They have built strong relationships and developed a good rapport. They are usually the ones who are the first to reach in times of disasters and emergencies. This should be looked upon with respect if not admiration. The donor world, along with bringing in robust systems, could be more emphatic.

Limitations of Funding

All donors, whether corporates, individual philanthropists or international agencies, now focus on sustainability of the initiative that they are supporting. And yet, most funding is directed towards field-based activities – direct service delivery models. Very little or almost negligible amounts are earmarked for capacity building of

organizations, or for covering expenses such as HR costs for the people who will be delivering those services.

This leaves very little room for planning capacity building activities or for extending any kind of benefits to the staff. Most donors do not allow the funding to be used for building a corpus fund – for the organization to survive during a lean period. Thus, very little investment can be made for organizations' future plans or to strengthen the core for long-term impact.

Lessons Learnt

In spite of all these challenges, the communities that we work with, peers of the sector, and finally our donors help us grow and keep the sector dynamic. At times a gap is felt between the two worlds (Civil Society Organizations and Funders), both working towards a common vision but facing different sets of challenges. Bridging this divide and coming to a common ground would make a difference and help us all work better towards our goals.

We have realized that it is imperative to work on a fund-raising strategy and pipeline. To identify one's strengths and work towards finding the right partners – rather than donors. In today's times, it is imperative to work towards getting organization's due diligences in order, to create a robust finance system from the initiation of the organization itself. Finally, one has to focus on capacity building of the team, and work towards sustainability and long-term impact of programs.

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