Give more | Give sooner | Give better

GOOD PRACTICES IN GRANTMAKING

Insights from conversations with 20+ Philanthropic Actors

Index

- Executive Summary
- Grantmaking Lifecycle: Overview
- Stage 1: Grantmaking strategy
- Stage 2: Sourcing
- Stage 3: Assessment
- Stage 4: Monitoring & Evaluation
- Stage 5: Post-grant support
- Conclusion
- Acknowledgements
- References
- Appendix

AIP engaged with philanthropic entities in India and abroad to understand their approach to grantmaking

Our exploration of the grantmaking lifecycle had two objectives

Understand, define and describe the grantmaking lifecycle

Rapid growth in individual and family philanthropy over the last decade in India.

Paucity of publicly available resources on grant-making thesis and standard operating processes.

Hence, AIP seeks to define and describe a framework for robust grantmaking.

Elicit good practices to facilitate ecosystem cohesion

Highly evolved philanthropic ecosystem in the Global North that is driven by foundations and donor advised funds, unlike grantmaking in India which is often family-driven.

The study outlines good practices and case studies from the Indian ecosystem to inform the general discourse on robust grantmaking in India.

Foreword

Philanthropy has long been embedded in the fabric of Indian society and contributed heavily to the creation of modern-day India. Pre-industrial Indian society saw business families giving away a proportion of their income to local charities. Even with India's history of giving and rapid wealth creation in the last few decades, challenges that have inhibited Indian philanthropy include a trust deficit between new philanthropists and the impact sector, the parochial nature of giving, and programmatic giving that doesn't lead to system-wide impact. Despite the challenges, I believe Indian philanthropy is now poised to take off, particularly with the recent uptick we've witnessed in domestic philanthropy.

While there are a myriad approaches to philanthropy, grantmaking is often a starting point for many individuals as they embark on their giving journey. In fact, grantmaking was an integral part of operations at Central Square Foundation in its early phase, with a focus on supporting young partner organizations developing innovative, systemic solutions in primary education. For grantmaking to be effective and lead to sustainable impact, philanthropists must have a well-thought-out, cogent, decision-making framework and grantmaking must ultimately be strategic in nature with a broader objective. There are four strategic ways that philanthropists can drive grantmaking to create outsized impact: 1) give grants to build new institutions; 2) provide flexible grants that can fund innovative models and test new ideas to function as risky R&D for the government; 3) support governments to improve the system of delivery; and 4) channel capital to engines of economic growth, which philanthropy traditionally doesn't focus on. While there are many philanthropists in India who have been doing this effectively, with Azim & Yasmin Premji and Nandan & Rohini Nilekani leading the way, there is an opportunity to build more knowledge resources to support wealth creators to give more, sooner and better.

This report by the AIP team attempts to provide decision-making frameworks for effective grantmaking through the culling of insights and experiences across a cross-section of philanthropic actors. The underlying idea is to encourage many of us to think about grantmaking in a structured and strategic manner. We must keep in mind that strategic philanthropy and trust-based philanthropy are intertwined. At the heart of strategic philanthropy are the non-profit organizations, and their teams and leaders who make the impact possible. By enabling them to reach their true potential, philanthropists

can come closer to their goal of creating sustainable economic growth. I believe Indian philanthropy is now poised to take off with many modern-day philanthropists showing the power of strategic giving. I hope this study serves as a useful addition to the body of ecosystem resources that help channel effective grantmaking by many more philanthropists.

Ashish Dhawan,
Founder-CEO, The Convergence Foundation

We Interviewed 20+ Organisations & Individuals Across Categories

International Foundations

Bill & Melinda Gates Foundation

Ford Foundation

Michael & Susan Dell Foundation

Omidyar Network

Domestic Foundations

Azim Premji Foundation

A.T.E. Chandra Foundation

Deshpande Foundation India

Rainmatter Foundation

The Convergence Foundation

WISH Foundation

Veddis Foundation

Family Foundations and Individuals

Chintu Gudiya Foundation

Jaideep & Rachel Khanna Foundation

Ms. Karishma Shanghvi

Rohini Nilekani Philanthropies

Shibulal Family Philanthropic Initiatives

Mr. Vikram Lal

CSR Foundations

Dr Reddy's Foundation

Natco Trust

HCL Foundation

Max India Foundation

Collectives

ACT

India Climate Collaborative

Note: In case of CSR foundations, most of the promoter families layer CSR funding with their personal resources and funding.

We Interviewed 20+ Organisations and Individuals

Based on the type of actor, we categorized them into 3 distinct personas which have been used across the study.

1 **Large**

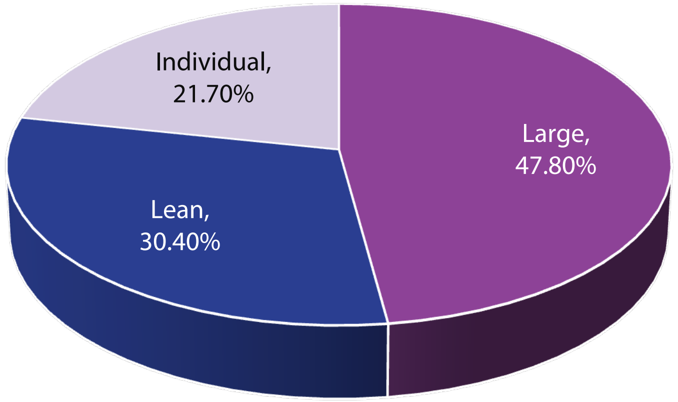
Entities with large teams of >20 employees

2 **Lean**

Entities with a lean team size of <20 employees

3 **Individual**

Philanthropists who operate individually or through their family office



The Grantmaking life-cycle consists of 5 distinct stages that span across Pre and Post grant processes

Grantmaking thesis

It serves as a beacon to grantmaking, setting a framework for decision-making on what, whom and how to support, thus translating vision into concrete efforts

Sourcing

The process of identifying implementing/partner organisations and receiving applications based on the grantmaking thesis

Assessment

Assessing NPOs[1] based on defined metrics/criteria, and determine alignment with funder's vision & mission

Monitoring & Evaluation

Robust M&E to enable accountable, evidence-based partnerships, to aid with ongoing and future funding decisions

Post-grant support

The qualitative relationship between the funder and NPO which sets the foundation for an effective and fulfilling partnership

[1] *Non-profit organizations*

Grantmaking Thesis

What

A Grantmaking Thesis sets out a framework for decision-making on what, whom and how to support. It is an articulation of the funder's giving philosophy and sets out what needs to happen for goals to be reached, how those actions fit together, and where to act, answering questions like 'why do you want to give?', 'what cause(s) do you deeply care about?', 'what is your philanthropic risk tolerance?',' how does this align with your values?', and 'what change do you want to create?'

Components

Focus area

Choice of focus area can be:

- **Broad:** Overarching theme identified (eg. economic reform)
- **Narrow:** Specific sectors identified (eg. job creation)

Facilitates decision-making based on the following factors:

- **Functional:** Focus on a theme/sector (eg. judicial reforms, mental health, art & culture)
- **Demographic:** Focus on the beneficiary group (eg. women/girls, adolescents, tribals)
- **Location:** Focus on geographic reach (eg. in a particular state, region or rural area)

Approach

Impactful giving can follow one or more of five broad approaches:

- **Build:** Build innovative solutions or a new field
- **Scale:** Scale existing solutions
- **Inform:** Inform public policy
- **Strengthen:** Strengthen / reform systems
- **Support:** Support community-driven development

Type of funding

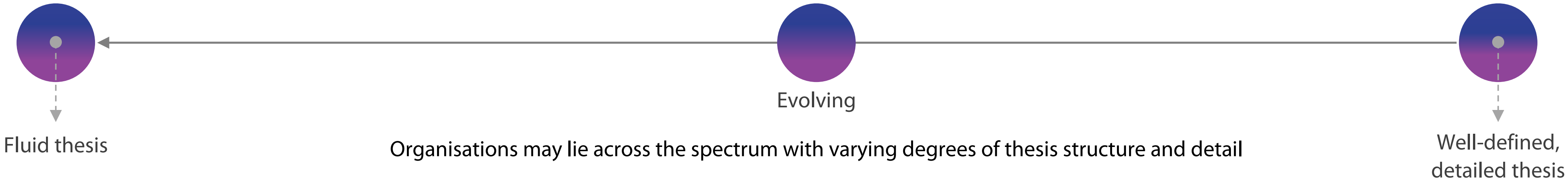
Based on stage of organisation being supported:

- **Catalytic funding:** Early stage funding akin to risky seed capital
- **Growth funding:** Funding to mature organisations that have demonstrated proof of concept and impact

Based on type of support being offered:

- **Programmatic support**: for a specific project or activity of the NPO
- **General operating support:** unrestricted support for an NPO, including its operating expenses and overheads.

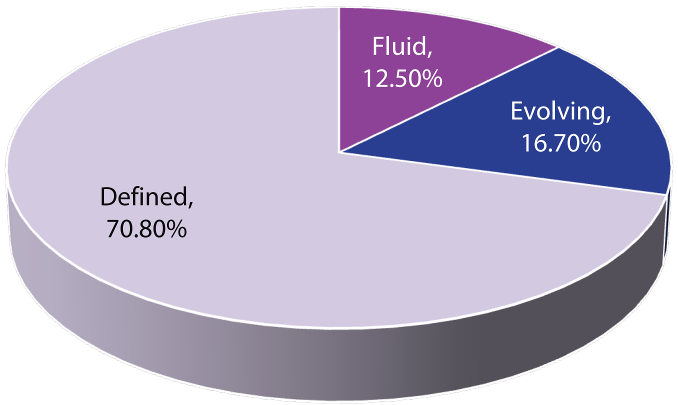
Framework

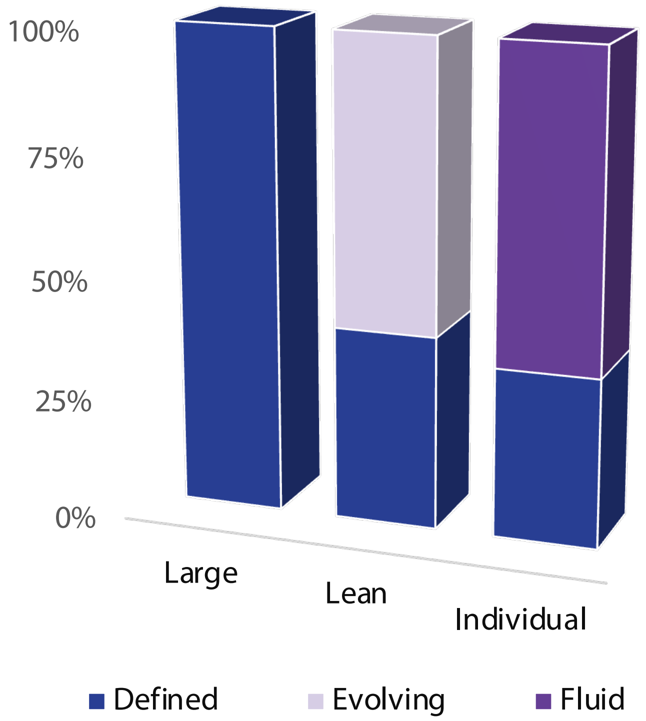


Organisations may lie across the spectrum with varying degrees of thesis structure and detail

Data from Funders

Thesis type





Comments

- Over two-thirds (71%) of funders interviewed had a defined grantmaking thesis.
- While all large entities have a defined grantmaking thesis, majority (57%) of lean entities have an evolving thesis and majority (60%) individual/family led entities have a fluid thesis.
- As an organisation grows in experience and team size, it tends to develop a more structured approach to grantmaking with a well defined thesis.

Funder insights: The Convergence Foundation and Omidyar Network India

	Focus area	Approach	Type of funding
The Convergence Foundation	**1. Engines of economic growth:** Regulatory reform, Ease of doing business, Macroeconomic policy, Urbanization/housing, women's economic empowerment **2. Equality of opportunity:** Education, Philanthropy, Social sector capacity building, Governance, Neurodiversity **3. Sustainability:** Environment, pollution	Build system-change organizations to fill key gaps by creating new orgs, partnering with entrepreneurs, or supporting existing early-stage orgs ***"The best of philanthropy is flexible, innovative, and audacious enough to attempt system-change."***	• Provide **early-stage funding**, strategic and operational support • **12+ orgs** in the portfolio including Central Square Foundation, Centre for Effective Governance of Indian States (CEGIS), and Air Pollution Action Group (A-PAG)
Omidyar Network India	1. Digital society 2. Emerging technology 3. Education 4. Financial inclusion 5. Cities and innovation 6. Property inclusivity	• Build innovative solutions or a new field • Inform public policy • Strengthen or reform systems ***"Apart from our focus areas, we also earmark some funding for a few test portfolios. This offers us the opportunity to experiment and learn. It also allows us to be nimble and flexible to unforeseen opportunities or challenges"***	• Make **equity investments** in early-stage startups and provide **core grants, programme grants and project grants** to NPOs • **37 nonprofits** and **59 start-ups** in the portfolio including Janagraaha, Education Alliance and Zest

Good Practices

The importance of being specific

A well-defined thesis is the backbone to giving better as it built on well-reasoned intention which:

- Helps narrow down organisations from a universe that is otherwise too large.
- Leads to a more efficient spread of resources and overall coherence in the philanthropic portfolio.

Therefore, a well-defined thesis is something to work towards. That said, organisations in the process of defining their thesis will have a fluid thesis which allows for:

- Flexibility in terms of high impact opportunities in any sector,
- Space and opportunity to remain agile in funding decisions.

It is recommended that funders spend some time articulating their vision in the form of a thesis at the outset before deciding on where and what to give grants to. **Having even a skeletal framework in place allows funders to give better and more as it enables them to focus their philanthropic efforts on what is most important to them.**

Sourcing

What

Sourcing is the process through which funders explore the sectoral landscape in a systematic manner, to identify opportunities that align well with the grantmaking thesis. Issues, organizations, and geographies are identified and researched in the process of discovering implementing organizations that can be potential partners.

How

Reflecting on these questions might help to choose one or more approaches for sourcing:

- How well do you know the issue?
- Are you clear about the interventions/solutions?
- Do you know organisations working in your focus area(s)?
- What kind of portfolio are you aiming for?

Approaches

Outbound

- The individual or organisation leans toward investing in the process of discovery and identifies partners it would like to potentially work with.
- This approach relies on research and leveraging personal networks.
- No unsolicited applications are accepted.

Restricted inbound

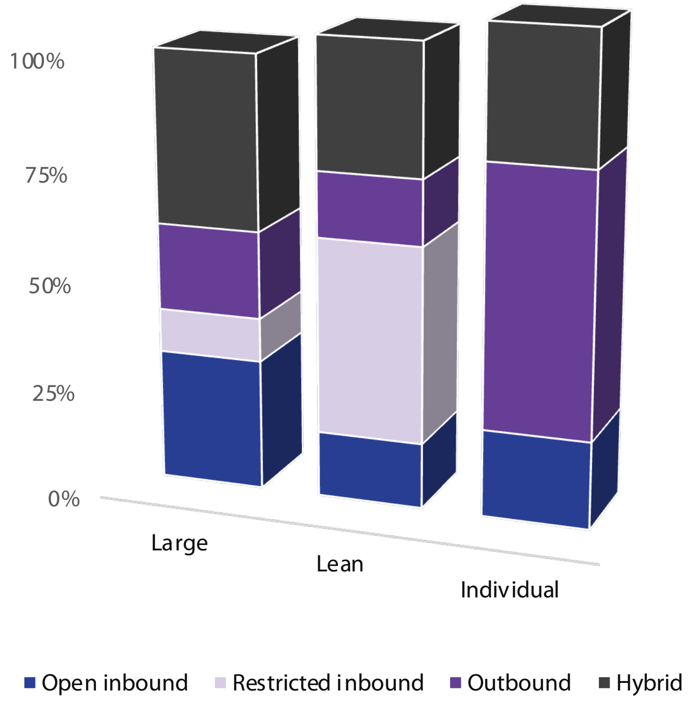
- The individual or organisation develops a request for proposal that lays out the specific project approach and goals.
- Only a handful of organizations are invited to propose – namely those which are considered a good fit and have come in through referrals.

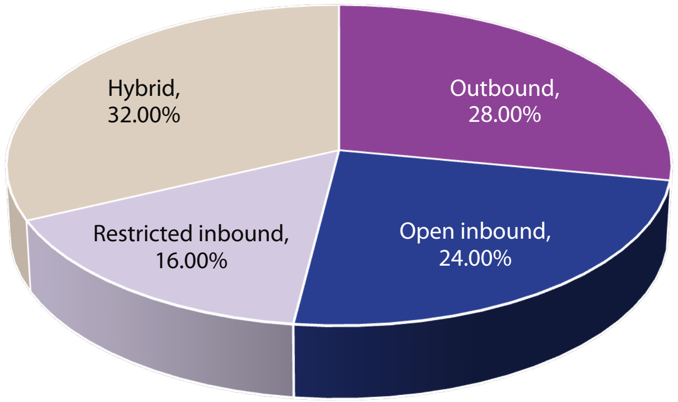
Open inbound

- The individual or organisation invites ideas and interest from the ecosystem.
- This approach relies on strong ecosystem integration by the funder in order to be able to attract potential grantees to apply for grants.

Data from Funders

Sourcing type





Comments

- Nearly one-third of the respondents interviewed have a hybrid sourcing process, followed by an outbound system.
- 60% of respondents who have an open inbound process are large organizations, while 75% of respondents with a restricted inbound process are lean organizations.
- Individual funders, on the other hand, largely rely on outbound sourcing.
- Therefore, nature of sourcing tends to be a function of size.

Funder insights: Veddis Foundation

"Our job is to find out who is doing what, how well they are doing it, and then assess the opportunity to fund them. The downside of this process is that we may not know a lot of organizations doing excellent work as they may not be in the radar of our network."

Outbound: Veddis Foundation

Veddis Foundation is the philanthropic arm of UK-based philanthropist Vikrant Bhargava. In Oct 2020, they launched the Social Impact Fund. Given the fund's age and stage of operations, they actively seek references from individuals and organizations they trust, incorporating a robust process to assess the recommendations. These internal processes are clearly defined and documented to ensure consistency and quality across partners selected. Veddis currently has ~20 organisations in their funnel.

Funder insights: Azim Premji Foundation

Civil society organizations are requested to register and apply through the Foundation's website. The Foundation uses an application, Fluxx, that keeps track of all requests received. There is an automated pipeline and a team processes every application received and passes it on to respective thematic leaders.

Inbound: Azim Premji Foundation

The Azim Premji Foundation has been working since 2000 with the elementary education system in rural government schools. In 2014, the Foundation built a significant thrust to its work by setting up the Philanthropy - a grants organization which provides financial support through multi-year grants to NPOs. In addition to having an inbound approach to sourcing and processing applications from all those who apply, the Foundation also researches and uses its expansive networks to identify partners. The high volume of applications processed every month (100+) necessitates the use of a grant management system to ensure that requests are not tied to individual ids.

Good Practices

The importance of being proactive

The open inbound method of sourcing is not the most optimal for the Indian ecosystem where funders are likely to be inundated with a large volume of applications that can vary in quality.

In order to give better, we recommend funders spend time identifying organisations working in their areas of interest through an outbound approach. This approach offers the following benefits:

- By conducting their own due diligence, funders ensure a more equitable grantmaking process as NPOs identified by them align with their grantmaking thesis and stand a legitimate chance of being awarded the grant.
- It is more efficient as does not require onerous administrative resources and processes.

In order to create equal opportunities (that are inherent in an inbound approach) and to make sourcing less reliant on established funder networks, we encourage funders to **invest in the process of discovery while adopting an outbound approach.**

Assessment

What

Funders consider a range of factors to assess how well an organization or project will fit with the funder's objectives and priorities.

How

- The application or proposal is the primary tool for assessment; field visits and beneficiary conversations can be useful as a secondary tool.
- Potential partners are looked at through the lens of predetermined criteria which can be either partner-specific or internal i.e. funder-specific.

Assessment dimensions

Partner specific

Leadership and Governance

- Relevant experience and education
- Quality of the Board
- Transparent operations

Track record and Impact

- Quantitative and qualitative impact on its target issue
- Years of existence
- Independently assessed impact

Sustainability and Scale

- Ecosystem partnerships and integrations
- Existing donor pool
- Consistent track record of growth

Funder specific

Strategy and Vision Alignment

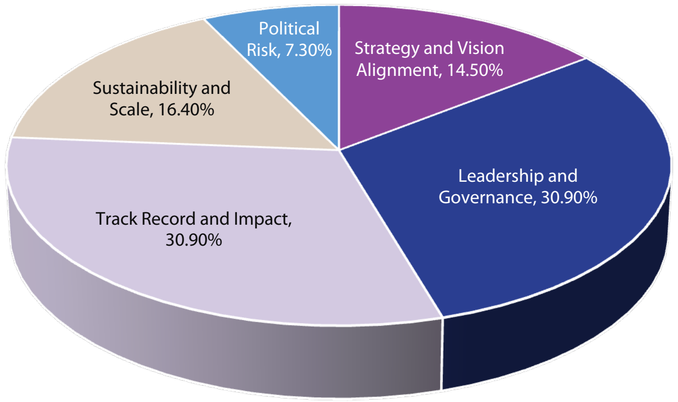
- Convergence in overall mission and focus areas between partner and funder
- Program alignment with internal strategy

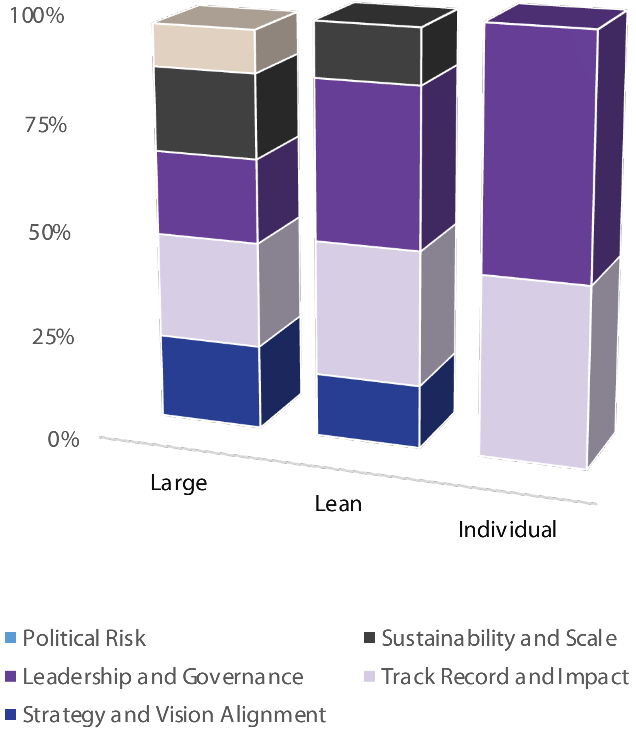
Political Risk

- Degree of exposure to adverse political spotlight and government resistance

Data from Funders

Assessment type





Comments

- Respondents across categories consider two factors
  (i) Leadership and Governance, and
  (ii) Track Record and Impact of a potential partner as the most important, with 62% of them indicating that either of these are key factors in their assessment metrics.
- Sustainability and Scale, which loosely refers to the financial well-being and scale of operations, is a key factor for 16% of respondents.
- Strategy and Vision Alignment, at 15%, is largely relevant to large and lean entities who tend to have a clearly articulated mission and vision in comparison to individuals.
- The absence of Political Risk tends to be an important criteria for CSR foundations, and is probably a function of the governing regulatory provisions.
- As figure 2 suggests, larger organisations tend to consider a wider range of factors in their assessment framework.

Funder insights (2/2): Michael & Susan Dell Foundation and ACT

Michael & Susan Dell FOUNDATION

The Michael & Susan Dell Foundation is dedicated to transforming the lives of children and their families living in urban poverty in India. The foundation has committed nearly INR 16 billion to its core programs in education, jobs and livelihoods, and financial services, and deploys a range of tools, from traditional philanthropic grants to mission-driven impact investments. At MSDF, the resource deployment is guided by the following factors:

- **Impact, Sustainability & Scale:** It is critical for prospective partners to demonstrate measurable social impact, the potential to be a sustainable institution through proof of concept and a diversified funder base, and a roadmap to substantial scale.
- **Field visits:** Field visits are mandatory for grant assessment and project management. The Foundation also engages third-party impact measurement firms to assess beneficiary feedback.

"We are a hands-on funder and strive towards an inside-out relationship with our partner organisations. Our goal is to achieve measurable and positive impact on the lives of children and their families living in urban poverty, while at the same time catalysing systemic change."

act

ACT is a non-profit venture philanthropy platform that was born in 2020 in response to the COVID crisis. It provides seed capital to organisations working on innovations in the education, health, environment and gender sectors. For ACT, the founder and founding team of prospective grantees are critical to grant decisions.

- **Founder first:** ACT teams undertake extensive due diligence, including in-depth conversations, to understand and assess both mission centricity as well as the vision, ambition, bias for action and overall potential of the founders and their approach.
- **Stakeholder centricity:** It is pivotal to their assessment framework and end users are interviewed to understand pain points, to hear about alternative solutions they're using for those needs, and to further validate the impact metrics shared by potential partner organizations.

"Our solutions don't just need to work, they need to work for and with our intended users. The proof of the pudding is in what the end beneficiary says. Therefore, we believe it is critical to supplement research studies and independent evaluations that establish outcomes, with meaningful user feedback - the latter is a very important factor we check for in our assessment process."

Good Practices

Decision-making framework

The importance of being reasonable

- A due diligence or assessment mechanism should be looked at as an opportunity to learn more about, and empower potential partners.
- Since due diligence processes can stretch potential partners, try to minimize the burden by only asking for essential information. Use detailed requests in a focused manner with a few high-potential applicants.
- The decision-making framework outlined herein, while indicative, ***outlines the different options available to a funder*** when considering grant decisions post assessment.

Source: UBS Philanthropy Compass

Post-grant Support

What

Qualitative support geared towards enhancing the partners' development impact, organizational resilience, and financial sustainability.

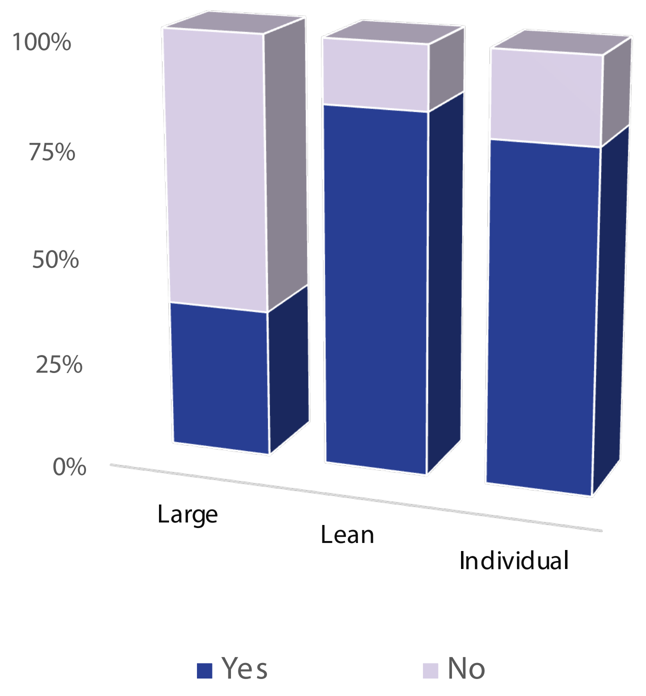
Why

The nonprofits you support are crucial to the results of your philanthropy. If they aren't successful, it's essentially impossible for you to achieve success. That's why learning how to truly partner with NPOs and supporting them in a way that creates the best conditions for success is important.

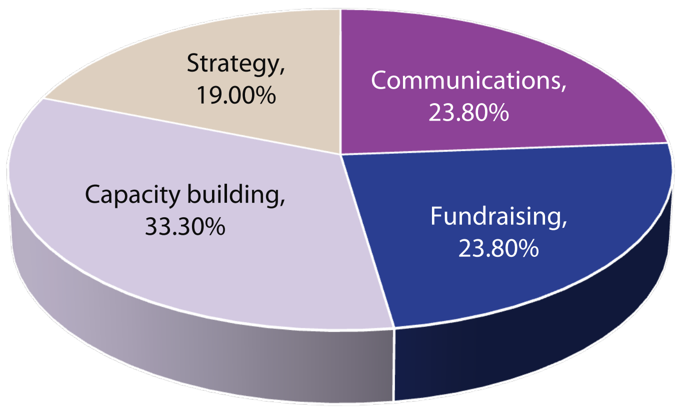
Types of non-financial support by funders

Data from Funders

Provision of non-financial support



Types of non-financial support provided by funders



Comments

- Large foundations prefer to restrict their support to financial support with 62.5% of them choosing not to provide non-financial support.
- Most lean foundations (85%) and individuals (80%) provide some kind of non financial support to their grantees as part of their post-grant process.
- Capacity building is the most popular kind of support provided by funders, followed by fundraising and communications support.

Funder insights: Rohini Nilekani Philanthropy and Rainmatter Foundation

ROHINI NILEKANI philanthropies

- **Trust-based support and capacity building:** RNP is deeply respected across the non-profit ecosystem as a funder that truly cares. They provide their partners support with capacity building, story-telling, sense making through knowledge products and technology tools.
- **Systems Convener:** They are vocal about their desire to be a catalytic funder — one that helps grantees find their voice, amplify their impact and foster connections. They endeavour to play a convening role, leveraging the power of their network to create connections for learning and collaboration amongst their partners by building alliances, hosting convenings, knowledge sharing and thought leadership.

"A single solution will not work, no matter how great it is. If our aim is to solve the problem at the root cause, and scale, we have to design to distribute the ability to solve. We need to trust people and their ability to be part of the solution implicitly."

Rainmatter Foundation

- **Unrestricted funding:** Provides organizational funding that is unrestricted in nature and allows the organization to invest in additional resources required to enhance operations and build capacity.
- **Commons Goods:** Deeply committed to funding open source efforts that help create platforms for climate change and related efforts - funding a digital knowledge commons platform which seeks to be a repository of environmental data and tools sources such as grassroots organisations, academia and government
- **Knowledge-sharing: Facilitates town halls and cross-learning opportunities to promote convergence amongst various actors.**

"Rainmatter Foundation is a small team but we are deeply invested in our grantees. We leverage the power of collaboration to provide the right support to our grantees. For instance, we engaged a firm working on gamification to assist our partners in their organisation building"

[1] *Samaaj, Sarkaar, Bazaar: A Citizen-First Approach, written by Rohini Nilekani, (© Rohini Nilekani, 2022)*

Good Practices

The importance of being holistic

In order to *give better* and build impactful partnerships with NPOs, we recommend that funders supplement cheque writing with targeted qualitative support aligned with their experience, passions and bandwidth:

- Based on the funder's grantmaking thesis and the partner's Theory of Change, funders should identify the types of non-financial support that they can constructively provide to their partners.
  The funder's team should possess requisite skills and bandwidth to deliver this core non-financial support.
- A needs-based approach should be adopted, rather than a 'one-size-fits-all' approach. The type of support being provided should be carefully considered based on the partner's needs.
- While larger funders may not have the bandwidth to engage extensively with grantees, they can open up their network and encourage cross-pollination of ideas by facilitating interactions between grantees and other organisations, influencers and funders.

Monitoring and Evaluation

What	Systematically gathering and reviewing information
Why	To determine the extent of impact, whether it had achievements or ramifications beyond the anticipated, and what its long-term and wider impact is likely to be.

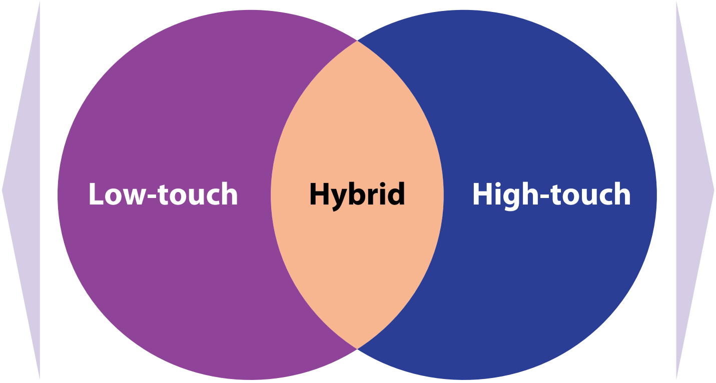
Monitoring attempts to answer the question, "Did the grantee fulfill the agreement?"

versus

Evaluation attempts to answer the question "So what?" or "What is the impact of the grant?

M&E models

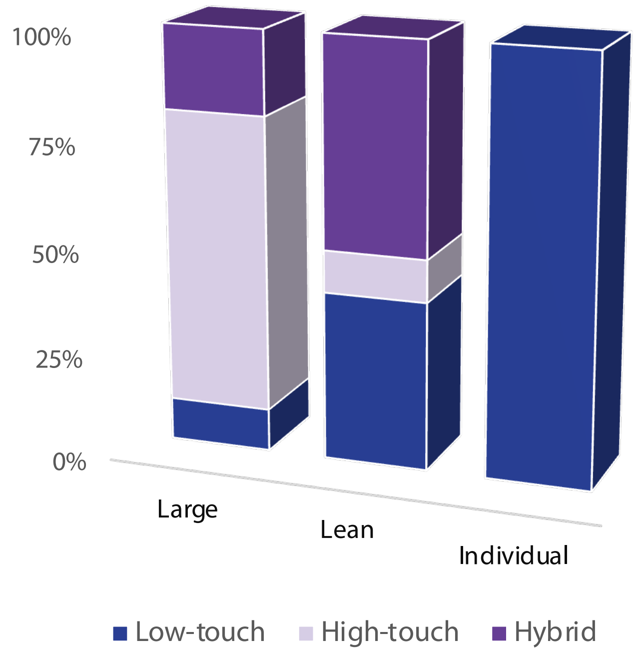
- Focus on only essentials in a smart, efficient manner
- Information collected in a staggered manner (bi-annually or annually)
- Does not burden partners

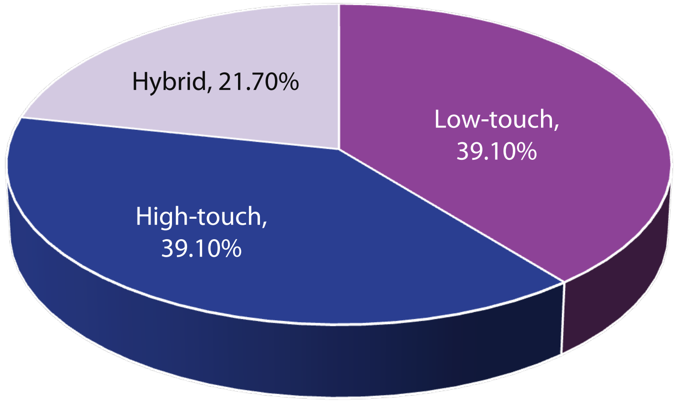


- Intensive approach that requires in-depth levels of engagement
- Data continuously collected and monitored
- Resource-intensive process for partners

Data from Funders

M&E type





Comments

- An equal number of respondents indicated having a low-touch and high-touch system of M&E.
- However, this preference is not equally distributed across categories.
- There is a clear preference for a high-touch model amongst larger organizations, while all individual entities indicated their preference for a low-touch mode of M&E.

"While formal reporting happens every quarter, our field teams carry out day-to-day observations and recordings of the work carried out by our partners. These give far richer insights than any formal reports, and allow us to provide a lot of feedback to our partners."
Swathi K., NATCO Trust

Funder insights: ATE Chandra Foundation and Chintu Gudiya Foundation

Hybrid: ATE Chandra Foundation

The ATE Chandra Foundation (ATECF), which focuses on Social Sector Capacity Building (SSCB) and Sustainable Rural Development (SRD), looks at data through a specific lens, viz. to build evidence of impact at scale and thus facilitate systemic change through advocacy. In order to establish proof of concept for their interventions, data-backed evidence becomes critical. As such, they often have rigorous reporting requirements; and while this can be an exacting process for their partners, their partners understand the larger picture that ATECF is aiming at. They see themselves as partners in bringing about that change. As an acknowledgement of the time and effort required to comply with this, ATECF provides an additional 10% of the grant amount to their partners to help with the M&E requirements.

Low-touch: Chintu Gudiya Foundation

A family foundation based in San Francisco, CA, Chintu Gudiya funds organizations developing open source software for the public good, and working in sectors like Sanitation, Health, Education, Adolescent Girls, Sports for Children and Philanthropic Giving. While the foundation engages with philanthropy support organisations for its grantmaking, a chunk of the operations of the foundation are also managed internally.

There is no formal M&E process for the grants that are managed by the family themselves. Rather, a one-page report is required every 3 months in which the partner is encouraged to reflect on what went right and what went wrong in the previous quarter. Donald Lobo, the founder, recommends NPOs to send out quarterly newsletters to keep funders in the loop of activities and outcomes.

"Our emphasis is on making the barrier to reporting low. Hence, we encourage grantees to share any existing report sent to other funders; We do not have our own reporting format." – Donald Lobo, Chintu Gudiya Foundation

Good Practices

Framework for funders to make the right M&E choice

The framework below provides funders with a structure to think about their choice of monitoring and evaluation based on the desired outcomes:

What am I funding?	What do I intend to do?	What kind of bandwidth/support do I have?	
A new field or innovation (eg - technology for PHCs)	Policy advocacy/create replicable models	Large team and/or 3rd party evaluators	**High-touch**
Scaling an existing solution (eg – teacher training modules)	Share learnings with peers	Small team	**Hybrid**
Singular point of intervention not intended for scale (eg - own school)	Monitor progress to ensure my money is being used efficiently	Individual philanthropist/family office	**Low-touch**

The importance of being creative

- In a high-touch model, the frequency and nature of reporting requirements should be "right-sized" and proportionate to the amount and duration of the grant.
- The funder should consider the need for the information and what will be done with it.
- In a low-touch model, the focus should be on qualitative, rather than quantitative outcomes to optimise the M&E process and collect rich insights.
- The funder should maintain informal channels of communication to reduce reliance on end-of-year reporting.

Illustrative life cycle: Rainmatter Foundation

Thesis

Focus on climate change

Rainmatter supports organisations and individuals working on climate change, with a focus on afforestation, ecological restoration, and livelihoods. It provides long-term and annual grants upto 3 years to organisations, and fellowship funding to individuals working in these areas.

Sourcing

Inbound, organic sourcing

As a Foundation, Rainmatter places deep value is ensuring that any organization or individual working on climate change can reach out to them to collaborate and seek support. As such, they have a largely inbound approach to sourcing wherein partners organically reach out to them.

Assess

Internal assessment process

After the sourcing process, organisations are assigned for assessment to thematic leads who carry out due diligence and assessment conversations. The team's assessment is predominantly focused on long-term dent, replicability, and stakeholder-centricity.

M&E

Supporting capacity building efforts

The Foundation provides unrestricted organizational funding and facilitates investment in additional resources required to enhance operations and build capacity. It also offers cross-learning opportunities amongst stakeholders.

Post-grant support

Light-touch monitoring and evaluation

Grantees are required to fill an onboarding form which is updated quarterly. The template is qualitative in nature and covers aspects like progress on goals, challenges faced, collaborations undertaken, outcomes for the next quarter, and areas of further support from Rainmatter.

Illustrative life cycle: Natco Trust

Thesis

Focus on education, health, and livelihood

The Natco Trust focuses on community-centric and grassroots programmes in education, health care and livelihood. They operate primarily in the states of Telangana and Andhra Pradesh.

Sourcing

Largely outbound approach to sourcing

Natco Trust relies largely on word of mouth to source prospective partners. Their network includes other CSR foundations and bureaucrats. In the case of novel initiatives where they cannot source suitable organisations from their network, they float an RFP.

Assess

Evidence based assessment

Organisations are required to submit a project proposal based on which their suitability is assessed. The proposal outlines the geographical coverage of the project, frequency and nature of work, and associated timelines. The Natco teams give a large weightage to previous work done by the organisation.

M&E

High-touch monitoring and evaluation

As Natco Trust works with the government on policy reform, the objective of the M&E is to gather evidence to support the same. As a result, partners are required to comply with detailed reporting templates that are collected monthly and quarterly. In addition, Natco field staff monitors the project on an ongoing basis and provides real-time feedback.

Post-grant support

Ongoing support

The Natco Trust provides ongoing support in all their direct service delivery programs. For instance, the Trust set up a comprehensive cancer care centre at the Government General Hospital in Guntur in a PPP model. In addition to providing financial resources, Natco Trust continues to work closely with the hospital's doctors to identify the most critical gaps in infrastructure and equipment, and sharing regular insights with government authorities.

Conclusion

Philanthropy must come from the heart, in resonance with the term's origins from the Greek 'philos' and 'anthropos' meaning 'love of humanity'. But for philanthropy to be both effective and fulfilling, it must be led with a combination of the head and heart. Our study shows that while there is no 'one size fits all' approach, there are some good practices that philanthropists must adopt to get desired outcomes from their grantmaking efforts. We conclude with some pragmatic advice from **Mr. Vikram Lal**, who has a portfolio of 45 partner organizations that he has been supporting over the last 20-25 years:

"There are any number of reasons for not giving; we are always worried whom (what) should I give to, is it going to the right place, is it going to be used properly, have my resources made any real difference? But then I say that you must trust, and after a year or two or after three years, you take stock and take a call again. And if one can overcome this inherent resistance, the outcome can be extremely fulfilling and satisfying."

Good practices

- It is important to develop a well-defined grantmaking thesis founded on the funder's beliefs, objectives and values.
- It is advisable to invest time and effort in discovering potential partners through a combination of referrals from the network and their own due diligence.
- Funders must build a collaborative, trust-based relationship with the implementing organizations, viz. treat them as partners, create appropriate feedback loops to hear from them, facilitate ongoing learning, reflection and calibration.
- Combining flexible long-term financial support with need-based non-financial support is an effective approach in returning robust outcomes.
- Good M&E strategies are integrated at an early stage of the grantmaking process – through early discussions with partners about success metrics and progress indicators, aligning these with the partner's objectives and the funder's priorities, ongoing interactions and feedback, all of which feed into the grant renewal process.

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