TRANSFORMING PHILANTHROPY:

To Channelise Donations From Charity to Empowerment

Presentation By

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COVA

EXECUTIVE SUMMARY

Give Donations → To Initiate, Promote And Support Organisation Undertaking Awareness And Facilitation

To Access Resources → To Fully Utlisie Massive Government Budget Allocations For Education, Scholarships, Health, Housing, Livelihoods, Bank Loans, Etc

And Multiply Impact → Of Individual Donations From 20 To 100 Fold To Empower The Poor

Make Poverty History → 1% Tax Payers Can Free 3% Of The Poor From Destitution Through 3rd Generation Philanthropy Every Year!

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3 Generations of Philanthropy

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CHARITY

What is this all about?

Direct giving: Donors themselves provide food, clothing, money etc. to poor

Character

Guided by religious sentiment of gaining God's 'Grace" "Punya" "Sawab"

Advantage

Most widespread. Can help real destitute
Provides immediate Satisfaction

Does not involve any administrative expenses- all funds go to receiver

Focus

On Giving and not on legitimacy of the receiver- Able bodied also benefit and become parasites

Disadvantage

Does not develop the abilities of the receivers to make them self reliant

DEVELOPMENT

What is this all about?

Indirect giving by donating to organisations providing education, scholarships, healthcare, Livelihoods etc

Helps to promote capacity building of the deserving to enable them to become self reliant

Gaining currency in last Three to Four Decades

DEVELOPMENT

2nd Generation Philanthropy

Advantage

- Has enabled hundreds of thousands to get access to schooling, skill development, professional education, healthcare and capital for micro enterprises,
- Socially conscious people with larger volumes of funds are increasingly adopting the Second Generation approach

Disadvantage

- When education, skill training, healthcare etc are provided by philanthropists, people stop using government facilities like schools & hospitals
- Decreases pressure on the government and its accountability to provide basic services to the citizens that is its prime responsibility.
- Involves administrative expenses and there could be possibility of misappropriation and /or improper implementation if very high standards of implementation, transparency and accountability are not maintained

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CHANGING SCENARIO

Areas of Change

Education

Health

Banking

Civic Amenities

Livelihoods etc

Government of India is allocating
Large budgets for Social Development
Stipulating conditions for access to the poor
As a matter of mandatory and legal entitlements

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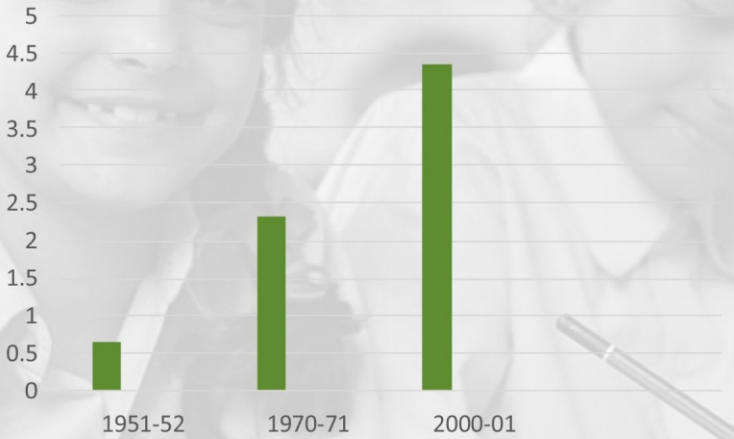
CHANGING SCENARIO IN EDUCATION

Expenditure on education:
from 0.64% of GDP in
1951-52 to 4.26% in 2000-01
Budget: 2016-17:
Rs. 68,968 Crores



Scholarships
Available with Central and
State Governments
Rs. 5482 Crores

Over 70 fold increase in the last 35 years enabling increase in literacy rates
from 18.3 in 1951 to over 74% at present

CHANGING SCENARIO IN BANKING

Bank Loan Allocations for Marginalised: 2016-17

Agriculture Credit: 9 Lakh Cr- 10 Crore Farmers to get 90K each

MUDRA:1.8 Lakh Cr-for 90 Lakh Entrepreneurs @ Rs 2 lakh each

DRI Loans of Rs 15,000 for 3.12 cr persons in Nano Enterprises

Average Loan per Enterprise: Rs. 79,358
Covering 14.2 crore Families
Total Population Covered in a Year:
78.1 cr Indians or 62% of the population

40% RESERVATION

If implemented properly, every poor in India can have access to enough Bank loan to come out of Poverty within a Year

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CHANGING SCENARIO IN HEALTH

Central and State Governments have Increased schemes for free treatment of poor and marginalised

Rs. 37330 Crores

The above budget was allocated by Ministry of Health & Family Welfare in 2013-14 as against Rs 5780 crore in 2000-01.

6.5 times increase in 14 years

CHANGING SCENARIO IN SOCIAL DEVELOPMENT

The Union Budget of Government of India also saw significant allocations for Social Sector.

Rs. 87,765 Crores

For Ministry of Rural Development for 2016-17

But, wait!

There is a fundamental problem here…

FUNDAMENTAL PROBLEM IMPLEMENTATION

THE CORE ISSUE STILL IS NOT ABOUT ALLOCATION BUT IMPLEMENTATION

"During 11th Plan we were able to spend only 20 per cent of the allocations which is not sufficient and therefore we need to remove the bottlenecks and implement them fast"

Sushma Berlia
- Reactions to Union Budget 2013-14

Challenges with Implementation

Gross Under Utilisation

Reasons for Under Utilisation

- Lack of Awareness About Schemes
- Limitations of Common Man to Apply
- Ignorance about Entitlements as Citizens
- Lack of Accountability of Government Officers
- No Mechanism to Provide Awareness and Facilitation

REQUIREMENT Enable Citizens to Secure Their Entitlements

Educate About Schemes → Facilitate to Apply → Advocate with Authorities → To Enable People's Access to Resources

The Way Forward

Promote and Support Organisations to provide Awareness and Facilitate People

To successfully access all schemes of Central and State Governments worth Lakhs of Crores every year

That could transform lives and eliminate poverty

Giving for Service Delivery
V/S
Giving to Access Resources of Governments

Most organisations receive generous contributions for Second Generation activities like starting schools, distribution of scholarships, operating dispensaries- The Service Delivery Approach

But hardly any donations to organisations to undertake Awareness and Facilitation to access government schemes and programs

Result: Donations in Crores that could be utilised to leverage Lakhs of Crores are wasted in attempts to provide direct services that cannot provide even a fraction of the development requirements of the country

Relative Impacts

2nd Generation Philanthropy

- Banking: Rs. One Lakh to start petty businesses can support:
  6 -7 people with One Lakh
- Education: 25 lakhs per year for
  One school for 300 to 400 students
- Scholarships: Rs. One lakh can support education for about
  20 students

3rd Generation Philanthropy

- Banking: Rs. One Lakh to leverage
  Loans can help over 130 people get loans over Rs. 20 lakhs
- Education: One time 25 lakhs for implementation of RTE Act:
  Free admissions for 2000 poor students
- Scholarships: Rs. One Lakh to access scholarships can enable:
  2500 students to get over 25 lakhs

Advantage

Impact: Multiplier Effect of Third Generation Philanthropy of 20 to 100 times the Second Generation Philanthropy

Long Tern Benefits: Results take time as policies have to be in place. Once in place, they give long term benefit without much investment

Accountability of Organisations: To seek repeat donations for Third Generation Philanthropy from individual donors, organisations will to become accountable, transparent and result oriented

A Small Drawback

Does not give immediate satisfaction of First or Second Generation Philanthropy of seeing our donations reaching people directly

To Strengthen Democracy And Transform Society

3rd Generation Philanthropy

Your Contribution to 3rd Generation Philanthropy:

Can educate people about their entitlements as citizens to strengthen Democracy

Help undertake Advocacy to change archaic rules and regulations of government schemes and programs

Facilitate organised follow up mechanisms to ensure officers deliver services as required

3rd Generation Philanthropy

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FINANCIAL INCLUSION	ACCESS TO HEALTHCARE	EDUCATION
Enabling Poor to Access Bank Loans under DRI and MUDRA	1100 Link Volunteers Help 1,00,000 poor To Access Govt, Medical Care Worth Rs 600 per year	Enabling poor students to Access Government Scholarships
Rs. 7 Lakhs were used to access Bank Loans worth Rs. 1.3 crores Impact: 1:18	Rs. 5.5 Lakhs used to help 1,00,000 Poor access Health Care Impact: 1: 90	Rs. 2 Lakhs can help 2500 children to get Government Scholarships worth Rs. 20,0000 Impact:1: 20

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3rd Generation Philanthropy

Support Pilot With COVA and 3 Partner Organisations

Helping Hands Foundation

Largest Socio-Medical Relief Service in South India-Facilitates 1.5 lac cases every year to access treatment at government and private hospitals through liaison with doctors and providing supplemental financial support for medicines and follow up.
Please Visit: http://www.helpinghandf.org/

SUPER

Pilot Program in Municipal Ward 136 of Hyderabad (Neredmet Division) for creation of a Model City Ward that will synergise different sections from elected representatives, officials, professionals, social activists, senior citizens, women and youth to enable access to civic amenities, education, health care and other services of the government, social organisations and corporate sector.

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3rd Generation Philanthropy

Support Pilot With COVA and 6 Partner Organisations

Aman Trust

Serving Weavers and Rural Poor
Baragaon Weaves- promoted by Aman Trust- works to provide dignified living to weavers suffering from mechanisation and exploitation in Baragaon village of Uttar Pradesh, weavers of Pashmina in Kashmir and of Tussar in Bihar AMAN also facilitates Community Mobilisation for Social Security Programs in 30 villages of Bihar to enable people to take charge over implementation of MNREGA, Pension schemes etc to ensure benefits reach the weakest.
Visit:http://baragaonweaves.com/#home, http://www.amanpanchayat.org/

CSEI

Center for Social Equity and Inclusion works in slums of Delhi and villages of Bihar with Women, Dalits, Minorities and Tribals to provide leadership training and facilitate self reliance. Seeks support to initiate programs to enable students to access scholarships and small entrepreneurs to secure loans from banks

Third Generation Philanthropy: Support and Output

Rs. 50 Lakh per Annum per A & F Organisation Could Enable

- Access to Scholarships, pensions, healthcare, bank loans, land pattas, housing etc To 11000 people
- Through 15 full time staff members and 30 volunteers
- Each staff and 2 volunteers enable 60 persons per month
- To access schemes worth Rs 20,000 each
- Target Achieved for One Year: Rs. 22 crores

Impact: 1:44 for Every Rupee Donated

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Third Generation Philanthropy: Support and Output

Promotion of 2000 **Awareness and Facilitation (A&F) Organisations** in India (four for each district) can be game changer in transforming lives of the poor and marginalized and eliminate poverty

Existing organisations working on service delivery can be easily oriented and transformed to become **A&F Organisations** with a Budget of only Rs 50 Lakhs per year

Total Donations Required a year: **Rs One Thousand Crores**

To Access Schemes Worth at least: **Rs.44 Thousand Crores & More**

Requirement:

Individual Donors to Reorient Perspective to Provide Funding Support to A&F Organisations

Third Generation Philanthropy- A&F Organisations: Possible Support Sources

India's Population with an income of over 2.5 lakhs per year: Over 7.25 Crores

All donate but mostly to Charity or Service Delivery of Second Generation

If 1% motivated to give for Third Generation Philanthropy: 7.25 Lakhs Donors

Each donates just Rs. 14,000 on average per year: 1000 CroresA & F Organisations that could be supported: 2000 -

Persons Enabled to Access Resource over Rs. 20,000: 2.2 Crore

Note: Foundations, Trusts and Corporate Bodies can also be approached to transform their philanthropy to support A&F Organisations

Third Generation Philanthropy can enable

1% of Individuals with income of over 2.5 lakhs and above per year to help

5% of India's poor to get Rs 20,000 to Transform their Lives!

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Time For Individual Donors To Modify their Giving Patterns

From Charity to Empowerment
To Promote and Support Organisations
That can access and utilise Resources of Government

To Make Poverty History!

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Thank You