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# 01

# The need for a rapid response funding initiative (RRFI)

COVID-19 represents one of the biggest challenges that humanity has ever faced. All over the world, governments, communities, donors, and investors are coming together to respond to these challenges. And it is the most vulnerable - the poor, those with chronic health issues, and the elderly who are most at risk from the pandemic. Omidyar Network India's focus segment is the Next Half Billion (NHB), the people in the bottom 60% of India's income distribution - migrants, daily wage earners, gig-economy workers, and small businesses. Given the massive ongoing impact on our target customer base, Omidyar Network India (ONI) was obliged to help.

We announced a call for proposals on March 24, 2020 for rapid response funding for solutions working on helping our focus segment to address these challenges. We initially committed Rs. 7.5 crore (\$1 million) to this initiative.

The overwhelming flow of proposals motivated our employees to contribute additional funds to increase the total funding available to Rs. 10.75 cr (\$1.4 million). We deployed this entire amount to fund 67 proposals in a period three months.

There are <u>surveys</u> showing that about 80% of non-profits have mobilised to respond to the <u>pandemic</u>, in many cases, being the first responders along with the government. However, there is no macro picture of the range and scale of these initiatives. Our analysis of the 2000-plus funding proposals received under RRFI can serve as a proxy indicator. We also wanted to share our learnings as a funder of this program. We hope this analysis can bring greater data and insight to the stories of effort and impact all of us have heard.

We hope this report will be useful for non-profit organisations, our fellow funders, the government, and interested observers. We also wanted to highlight some of the incredible impact that the organizations supported under RRFI had, with the hope that others may choose to collaborate with or fund them.



A summary of RRFI



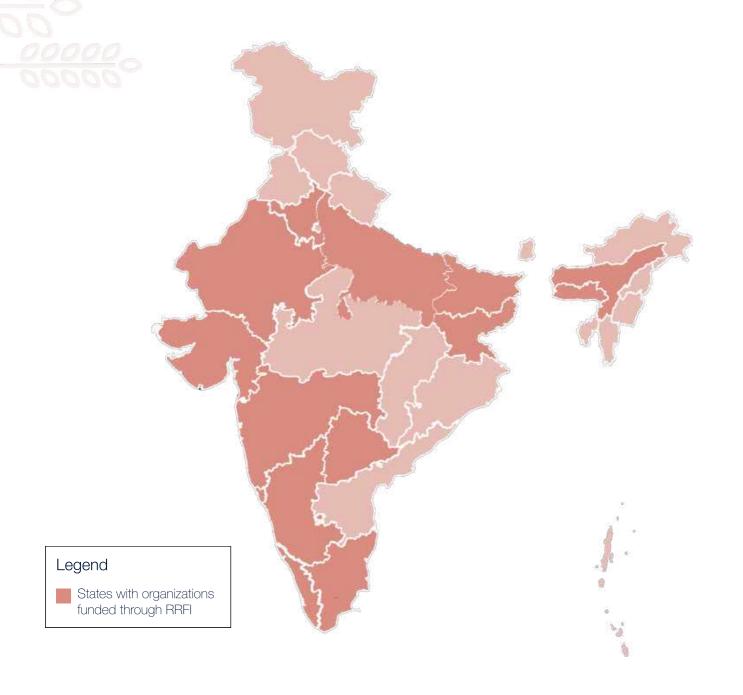












Days

**Proposals** 

159

Shortlisted

Organisations funded

average from receipt of proposal to disbursal for funded orgs

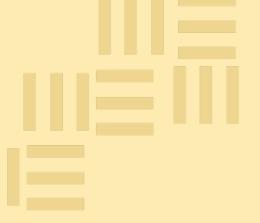
Avg = 28 daysRange = 7 days to 77 days

28 day ₹10.75 Cr

Deployed

52%

Proposals focusing on delivering direct-relief aid, i.e. money, temporary employment, food, and PPE to people



## 03 What we learnt

About the response of non-profits to COVID-19

## Non-profits mobilised quickly - debunking myths about how they operate

India detected the first Covid-19 case on its shores in January 2020. Non-profit organisations (and non-profit initiatives by businesses) mobilised quickly to provide direct (e.g., supplies, PPE, cash) and indirect (e.g., information) relief. The deep reach of civil society organisations positions them uniquely to serve those who are worst affected. This rapid and flexible response dispelled several myths about the non-profit sector.

#### **Non-Profit sector: Dispelling Myths**

Myths	Reality
1 Slow-moving	Among the first to respong to Covid-19 at frontlines
<b>2</b> Fixed in their ways	Pivoted rapidly to address challenges creatively (e.g. migrants), including outside traditional areas
3 Do not collaborate	Formed collaboratives to coordinate response; submitted joint proposals (e.g. RCRC)
4 Don't leverage tech	Moved field operations to tech (e.g. Gaon Connection using Cadasta app for surveys)

## Flexible capital will enhance effectiveness of non-profits

Given the unprecedented circumstances, the ability of non-profits to flexibly deploy funds would allow them providing relief where it is most needed. Yet, terms of most of their grants did not give them this flexibility. In their proposals, the largest 20 shortlisted organisations (average annual budget of Rs. 66 crore), asked for an average of Rs. 1.3 crore, or 2% of their budgets. In specific cases, we discovered that even large non-profits were unable to shift as little as Rs 25L to invest to enable their employees to work from home. Non-profits do not appear to have the flexibility to re-deploy funds to provide relief where it is most needed. As an example, we saw a non-profit with annual budget of Rs 150 crore was unable to redeploy Rs 25L to enable its employees to work from home.

We believe that flexible capital is really important for the non-profit sector to thrive, and that funder practices need to evolve to reflect the needs of non-profits. Several funders, including ONI, are moving towards providing flexible 'operating' grants (to be used by the organisation as it sees fit, from overhead to projects). You can find out more about Bridgespan's global initiative to 'Pay What it Takes' which has driven a large part of this sector level thinking.

## New funding is likely to decline significantly over the next 18 months

Not surprisingly, many donors re-purposed and front-loaded their funding towards COVID efforts. Non-profits surveyed by consulting firm FSG believe that after this initial burst, their funding during the second half of 2020 and 2021 is likely to decline by as much as 30-60%. A big contributor to this decline is the almost certain reduction in the mandatory Corporate Social Responsibility (CSR) funding which a major source of capital for the sector. CSR funding is tied to corporate profitability which is likely to decline. Additionally, the PM Cares Fund has attracted a considerable amount of CSR funding which otherwise might have gone to the non-profit sector.

To counteract these potential trends, we supported organisations (e.g., Give India, Milaap) that are looking to increase the level of philanthropic funding in India. These intermediaries make it easier for donors to find high quality NGOs that appeal to them quickly, which is very important in a time of crisis.

#### 3.4 There is increasing collaboration across the ecosystem

We have long believed that greater collaboration will increase the impact of the non-profit sector. The Covid pandemic saw the creation of many interesting partnerships, including many between non-profits, between governments and non-profits, and even among for-profits. We hope that these collaborative relationships will last beyond the pandemic.

#### Rapid Community Response to Covid-19 (RCRC)



RCRC is a collective of civil society organisations across the livelihoods, health and education sector. It started with 20 organisations in March, and as of this writing has 62 members with a total combined organisational budget size of over Rs. 2,000 Cr and a cumulative strength of over 10,000 on-ground staff members. So far RCRC has:

4M people

Brought physical distancing awareness

1M

Provided food supplies

500K

Manufactured enabling their women makers to earn over ₹325/day

11K participants

Conducted action research with

The collective has been successful so far because they leveraged the extensive experience, credibility and on-ground presence of their member organisations. It is likely to play a significant role during the Covid pandemic. Later, it could evolve into non-profit 'industry body' or consortium creating a larger voice for their members and greater impact for their beneficiaries.

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#### Action COVID-19 Team (ACT)



ACT is a Rs. 100Cr grant fund created by India's start-up community to give wings to ideas from the start-up community that could combat COVID-19 with immediate impact. Its portfolio organizations work across 18 states in India, with significant impact, including:

37M

individuals reached out to for awareness

**1M** 

face shields

300K

high-risk individuals tracked

170K

PPE kits delivered / week

## Behavioural change plays an important role in combating the pandemic

Somewhat naturally, at the start of the COVID-19 crisis, the focus was on direct relief. Over time, we saw increased focus on communication and awareness, particularly with a differentiated or behavioural science approach. These approaches can play an important role in combating the pandemic.

**SMART,** an NGO that uses mass media for education campaigns, organises a <u>COVID-19</u> focused outreach campaign through the local community radio station (Radio Mewat) in Haryana's Nuh district in the local dialect (Mewati). The campaign disseminates information on steps one can take to mitigate and contain the virus. In addition, the organisation is gathering feedback to understand the impact of communication through conversations with community influencers.

**Gaon Connection,** one of India's largest rural news platforms, is delivering information to the Next Half Billion and also enabling the rural population's voices reach policymakers. The organisation is conducting an ongoing campaign to provide knowledge on livelihoods to rural influencers through webinars and social media platforms. They are also amplifying the rural voice through a multimedia reportage project, sourcing and telling stories from across the country on the impact of COVID-19, intended to reach the policymakers.

**Gram Vaani,** a community outreach organisation, offers multi-way information sharing between communities, health workers, governments, and health experts to help flatten the curve. Using their existing network and platform (Mobile Vaani) to reach several districts in North and South India, Gram Vaani has created a feedback mechanism to increase awareness, and consolidate and share information with governments.

**Change.org,** a petition platform is enabling citizens provide information and feedback to the government which can be used in further strengthening programs against Covid.

#### 3.6

## There are clear windows of opportunity for paradigm shifts during the crisis

Responding to COVID-19 presents windows of opportunity for paradigm shifts in several areas.

**Re-positioning civil society**: According to <u>Edelman's Trust Barometer</u>, a measure of trust, non-profits in India are seen as somewhat less trustworthy than the government and private companies. An enhanced reputation, based on an objective assessment of their efforts, will increase resources available to them and allow them to serve the nation better. The Indian Development Review is working to to create a movement that will work to 'reposition' civil society in the eyes of the government, business and the broader public.

A 'New normal' for data privacy: Vidhi Centre for Legal Policy is developing a public health emergency data-sharing protocol. This protocol will create rules and a public platform for lawful and ethical sharing of data for formulating critical health responses to address the COVID-19 pandemic and future health emergencies.

**Accelerating the NHB digital journey:** Realising the need for a co-ordinated response by public school institutions, primary care-givers, communities and teachers at the frontlines, we funded 5 organisations focused on bridging the digital divide to ensure continuity of education. We think of this as 'accelerating' the digital journey of the NHB

- 1) Akshara is reimagining the way education is delivered in government run schools in line with physical distancing protocols. Akshara's pilot initiative in 12 schools across Odisha and Karnataka for the 2020-2021 school year will potentially encourage state governments to lease smartphones to help millions of public school children access ed-tech solutions.
- 2) Similarly, Saarthi aims to connect with parents through social media platforms to ensure students are engaged in daily activities at home. Through their Whatsapp instruction model, Saarthi plans to circulate daily arithmetic and English language learning worksheets to about 10,000 families.
- 3) Peepul is working towards engaging teachers. They have launched a digital teacher training program that seeks to equip 2.7 lakh teachers across 1.1 lakh schools in Madhya Pradesh (and consequently in other Hindi-speaking states) with the skills and knowledge required to support children through the pandemic.

#### Regulatory support

Regulatory reforms by the government would enable the NGO sector to play a bigger role in the development of India. A recent report by the our grantee Center for Social Impact and Philanthropy at Ashoka University identified several areas where regulatory support can make a significant impact on the work of non-profits. Those included:

- Modernising and streamlining registration
- Establishing a compliance grievance cell
- Simplifying taxation, particularly for small NGO
- Increasing cooperation and funding between government and non-profits
- Strengthening the non-profit ecosystem

In addition to this, the <u>June 2020 report issued by the SEBI Working Group for the Social Stock Exchange</u>, has made a number of holistic recommendations that would aid this sector.

#### **Increasing funding**

To meaningfully address India's many problems, it would help if Indian non-profits could raise significantly more resources. While this is a complex problem, there are at least two actions that can be taken by the sector - increasing trust by increasing transparency, and making retail fundraising cost-effective.

- 1) The Center for Social Impact and Philanthropy, is working on an initiative to streamline accounting norms for non-profits to ensure that there is clarity and uniformity on standards.
- 2) Guidestar, India's largest NGO information repository, is working to solve the identification and trust problems in the non-profit sector. Guidestar is an intermediary which assigns the organisation a <u>certification</u> level based on the quality of financial reporting. ONI worked with Guidestar to identify about 10 organisations based on its database and funded them after a simple diligence without an incoming proposal. This experience confirmed the value of strong intermediaries.
- 3) GiveIndia, an online donation platform channeling resources to credible NGOs across the country, was quick to respond to the crisis. They launched a Rs. 500 Cr+ COVID-19 response fund ("India Relief Fund") with a coalition of donors, CSR funds, HNIs, VCs, and a partnership with Facebook's charitable giving product. (See more about the product on Facebook here and in Fortune magazine here). While retail fund-raising can be more expensive it brings the greater credibility that comes from broad support.

# 04 The way forward

Five challenges

The following are five challenges facing India as we continue our battle with COVID-19.

## 4.1 Strengthening beneficiary identification can be a multiplier for aid efforts

There are significant weaknesses in our methods in identifying beneficiaries for aid efforts, and in the mechanisms to reach them with the result that many vulnerable do not receive their due entitlements. Dalberg's State of Aadhaar rapid response survey across 10 states suggests that only 56% of low-income households are registered for Jan Dhan scheme. A Jan Sahas survey in March 2020 showed that 94% of eligible recipients had not registered for government aid. Through some of the proposals we received, we learnt that large healthcare companies have faced challenges in training would-be essential workers in healthcare centres due to the risk of contracting and spreading COVID-19.

- 1) Jan Sahas seeks to reach out to one million migrant workers across the country with the use of its online tracking system and in-bound toll free helpline. Through nationwide as well as sector-specific rapid assessment studies, Jan Sahas is developing a relief and rehabilitation plan involving immediate food, cash and medical support, providing medium term social security entitlements and working on long term migrant centric policies at the state/national level.
- 2) Haqdarshak helps individuals identify schemes that they are eligible for and provide last-mile support to register for an applicable scheme. They leverage both online and offline channels to facilitate this. They have partnered with Sub-K, a fintech company that leverages a hyperlocal network of retail stores and mobile business correspondents. The two organizations are working to increase citizen benefit awareness and register successfully, up to the last mile.
- 3) Jan Vikas is imparting special online training to its existing network of 1600 community leaders to facilitate access to entitlements announced under the PM Garib Kalyan Yojna for the the most marginalised communities of dalits, adivasis, women, children and other religious minorities that are currently underserved, excluded and disempowered. This is in addition to providing immediate relief in the form of relief and hygiene kits.

#### 4.2 Facilitating safe return of migrants to cities

As of the first week of June, <u>7.5 million of the 40 million</u> migrant workers have returned to their family homes and native places. Seen as the <u>largest mass migration</u> in India's history since India's partition in 1947, this exodus has disrupted the economy. Some estimates suggest that <u>400 million workers in the informal economy are at the risk</u> of falling deeper into poverty as a result of the pandemic. Therefore, facilitating their safe return to the cities will be important.

In fact, the pandemic has forced us to recognise that migration is the greatest poverty alleviation program in the country. ONI will be doing more work in this area through its ReSolve initiative.

- 1) Janaagraha is working with the Housing and Urban Development Department of Odisha to develop an integrated civic technology platform to receive, quarantine, treat & track incoming migrant citizens and provide all auxiliary services that will ensure smooth management and implementing of adequate mitigation measures. They are also working with the Odisha government on an <u>initiative to guarantee employment to urban workers</u>, which could be a promising approach to addressing the issue of livelihoods.
- 2) Aajeevika Bureau is playing an important role in helping the country understand the very important played by migration and the needs of migrants in order to lead a productive life.

#### 4.3 Rejuvenating MSMEs

With a total of 63M MSMEs together employing over 110M Indians and contributing over 30% to the GDP, it is well known that MSMEs form the 'backbone' of the Indian economy, as well as the avenue from which future equitable development will arise. While the overall economy has suffered, COVID-19 has dealt a disproportionate blow to MSMEs, given their limited ability to withstand shocks. Loss of demand, labour constraints, supply chain disruptions, diminishing working capital and closure of already lean credit lines, forced many MSMEs to suspend operations during the lockdown. It is estimated that up to 35% of MSMEs could wind down their businesses permanently.

This is particularly true for under-financed 'micro' units which account for 99% of the total Indian MSMEs and have limited access to formal sources of credit.

We had identified rejuvenating MSMEs as a key focus area for RRFI - however, only ~1% of proposals were focused on MSMEs. Although we saw, and funded a few of those very impactful proposals, it's clear that more work needs to be done. ONI will be doing more work in this area through its ReSolve initiative.

1) Milaap, an online crowdfunding platform has launched a Small Business Relief Initiative, a fund for offering catalytic micro-grants worth Rs. 4,000 each to a total of 6,235 rural and semi-urban micro and small business in the most vulnerable clusters across rural India to help them tide through the crisis. We believe more such solutions are required to amplify the voice of MSMEs and create relevant market infrastructure.

#### 4.4 Increasing use of technology by non-profits

Although the non-profit sector is not considered tech savvy, we were consistently impressed by the various ways in which the sector deployed technology. Right from remote working (an adoption by necessity), to catalysing the front-lines of impact, to better organising and planning, non-profits did it all. Although many long-term outcomes of COVID-19 for India and the non-profit sector remain to be seen - one outcome is very clear. Technology will play a big part in a non-profit's way of working in the future, and those aspiring to be effective will have to make it a key part of everything they do.

1) **TechForGood**, bridges the gap between available technology tools and awareness/ability challenges that non-profits face in adopting them. They support non-profit organisations to use specific technology to a) measure impact of their work, learn from the data and improve their program effectiveness, b) deliver meaningful impact at scale, c) fundraise smartly by diversifying funding sources & improving donor journey, and d) efficiently manage their day to day operations through tools like Salesforce/GSuite for non-profits, online banking support, Tally, Slack, Cloudflare, etc.

2) Reap Benefit which launched the COVID Hub - a crowdsourced citizens' network that supports local citizens and governments in last mile delivery of healthcare, food and basic income relief to citizens that need it. Beyond the hub, REAP also offers a one-stop guide for information - COVID testing centers, shelter homes, food canteens, as well as tracking of need fulfilment of government aid policies, followed by sharing analytics and data with the local governments they work with.

#### 4.5 Ensuring safety of essential services

ndia is a population-dense country, and it will be difficult to maintain social distancing, or even habits of cleanliness and hand-washing as the specter of COVID begins to recede. Local trains and metros are a key example of where a future infectious disease may strike. Yet, affordable mass transit operations will need to continue to be a part of Indian daily life. So, more than 'hardware' (like anti-microbial coatings on hand-railings in trains), behaviour changes will also need to be a part of any effective solution. And so, understanding behaviour and then creating content to modify or encourage certain behaviour will be critical.

- 1) Dalberg has proposed conducting actionable behavioural design interventions for public transport systems post the lock down period in India. They are designing a solution to ensure a continuation of social distancing and hygiene measures for essential workers who cannot 'work from home' and even for the larger public, as the country slowly opens up.
- 2) Noora Health, a non-profit dedicated to patient and caregiver education, the Behavioural Insights Team and IDFC Institute, are building a communications toolkit for frontline workers. They are rapidly iterating and refining communications tools and templates for tackling fear, stigma and misinformation around COVID-19, and testing them using behavioural science frameworks.



## 05 Conclusion

A call to action

At the time of writing, India is attempting to return to some semblance of 'normalcy'. Attempts are on, in several sectors, to reignite the engine and bring people back to work, especially those who simply cannot work from home. At best, the on-ground efforts of the government and organisations, like the ones named above, will help India ramp up economic activity and help people, especially the vulnerable, return to livelihood. At worst, we might face another lockdown and have to start all over again.

While this uncertainty will remain until we have a long term, scalable and affordable medical solution like a vaccine, the socio-economic battle against the pandemic must continue to ensure more and more of India's NHB population is able to rebuild their lives.

Alongside the government, the non-profit sector is helping lives, livelihoods, families and communities emerge from this battle more resilient, with a stronger support system and with a deeper appreciation of how integral each and every member of this population is to the India success story. At the same time, these very non-profits are fighting a battle for their own survival.

It requires all of us to step up and support the NGOs that speak for those without voices, that create safety nets even when they don't have one themselves, organisations that help provide for those in need as they themselves remain unsure of who 'has their back'. If the bravery the non-profits have shown has been in the face of mounting odds, imagine the impact they could have if we all stood behind them. Imagine, how much stronger, resilient, and inclusive an India we could all create together.

### **Appendix**

#### 1. List of organizations

This is the list of the 67 organizations funded through our Rapid Response Funding Initiative. We commend their work combating the challenges posed by COVID-19, and we are inspired by how they tackled them.

	Organisation name	Primary Category
1	Centre for Civil Society	Containment
2	Gram Vaani	Containment
3	Akshara	Paradigm shifts
4	IDR	Paradigm shifts
5	Aajeevika Bureau	Resilience & Recovery
6	Access Life	Resilience & Recovery
7	ACT	Resilience & Recovery
8	Action Against Hunger	Resilience & Recovery
9	Akshar Foundation	Resilience & Recovery
10	Apnalaya	Resilience & Recovery
11	Association for Advocacy and Legal Initiatives (AALI)	Resilience & Recovery
12	Azad Foundation	Resilience & Recovery
13	Basic Health Care Services (BHS)	Resilience & Recovery
14	Bethany Society	Resilience & Recovery
15	Bombay Sarvodaya	Resilience & Recovery

16	Calcutta Rescue	Resilience & Recovery
17	Center for Advocacy & Research (CFAR)	Resilience & Recovery
18	Centre for Youth and Social Development	Resilience & Recovery
19	Change.org	Resilience & Recovery
20	Childline India	Resilience & Recovery
21	CORO	Resilience & Recovery
22	CPPR	Resilience & Recovery
23	CSE	Resilience & Recovery
24	Dakshin Foundation	Resilience & Recovery
25	Gaon Connection	Resilience & Recovery
26	GiveIndia	Resilience & Recovery
27	Gramya Vikash Mancha	Resilience & Recovery
28	Haqdarshak	Resilience & Recovery
29	IDFC/Noora	Resilience & Recovery
30	Involve Learning Solutions Foundation	Resilience & Recovery
31	Jan Sahas	Resilience & Recovery
32	Jan Vikas	Resilience & Recovery
33	Kailash Satyarthi Children's Foundation	Resilience & Recovery
34	Katha	Resilience & Recovery
35	Kaushalya Foundation	Resilience & Recovery
36	Keystone Foundation	Resilience & Recovery
37	Learning Curve Life Skills Foundation	Resilience & Recovery
38	Manav Lok	Resilience & Recovery
39	Meraki	Resilience & Recovery
40	Milaap	Resilience & Recovery

41	Million Sparks	Resilience & Recovery
42	Navya	Resilience & Recovery
43	PARI	Resilience & Recovery
44	Peepul (Absolute Returns for Kids)	Resilience & Recovery
45	PRAN (Preservation and Proliferation of Rural Resources and Nature)	Resilience & Recovery
46	Radio Mewat	Resilience & Recovery
47	Rao et al (J-PAL India)	Resilience & Recovery
48	RCRC	Resilience & Recovery
49	REAP Benefit	Resilience & Recovery
50	RGVN	Resilience & Recovery
51	RightWalk	Resilience & Recovery
52	Rizvi Welfare Trust	Resilience & Recovery
53	Saajha	Resilience & Recovery
54	Saarthi	Resilience & Recovery
55	SAFA	Resilience & Recovery
56	Sahayog India	Resilience & Recovery
57	Sense International India	Resilience & Recovery
58	Shishu Sarothi	Resilience & Recovery
59	SNEHA	Resilience & Recovery
60	Social Work and Research Center (Barefoot College)	Resilience & Recovery
61	Swasthya (Operation Asha / Daily Wage Worker)	Resilience & Recovery
62	Tandem Research	Resilience & Recovery
63	Tech For Good	Resilience & Recovery
64	Vaagdhara	Resilience & Recovery

65 Vidhi Legal	Resilience & Recovery
66 Virohan	Resilience & Recovery
67 Waste Management Society	Resilience & Recovery

## 2. Rapid Response Funding Initiative team at Omidyar Network India

The RRFI team was led by Mahesh Krishnamurthy, an investment partner, and had five cross-functional team members: Aastha Kamra, Raahil Rai, Rahul Bhide, Rohan Vyavaharkar, and Shiv Moola.

#### 3. About us

Omidyar Network India invests in bold entrepreneurs who help create a meaningful life for every Indian, especially the hundreds of millions of Indians in low-income and lower-middle-income populations, ranging from the poorest among us to the existing middle class. To drive empowerment and social impact at scale, we work with entrepreneurs in the private, non-profit and public sectors, who are tackling India's hardest and most chronic problems. We make equity investments in early stage enterprises and provide grants to non-profits in the areas of Digital Identity, Education, Emerging Tech, Financial Inclusion, Governance & Citizen Engagement, and Property Rights. Omidyar Network India is part of the Omidyar Group, a diverse collection of companies, organizations and initiatives, supported by philanthropists Pam and Pierre Omidyar, founder of eBay.

#### 4.Legal Disclaimer

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