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# Atma Open House

A dialogue on building the capacity of NGOs

Thursday, 14th of July 2022

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Takeaways & Learnings



## About Atma Open House

The *pathway to social impact* starts with an idea to solve a problem and improve lives, moves on to galvanising communities and bringing people together and demands passion, innovation and grit. However, there is an important catalyst that holds this process together – *funding*.

The nature of funding available in the social sector defines the course of social enterprises and the impact they will have on communities.

The Atma Open House 2022 was a curated space for an open dialogue on the current methods of grant-making in the sector and their effects on ground-level impact. The space showcased funding methodologies that drive better social return, build more resilient non-profits and aim for both sustainability and scale by investing in organisation development.

## Note from CEO



Investing in an NGOs capabilities is akin to betting on them for the long run. Funding practices in favour of long-term, flexible and NGO needs-driven grants should be the way forward for us as a sector to strengthen the backbone of social reform in India.

**Sneha Arora, CEO Atma**

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# 01

## Barriers to investing in Capacity-building

“NGOs intentionally **connecting organisational development to strategy** outperformed those with a more informal or opportunistic approach, **growing eight percentage points faster each year over a five-year period.**”

published in Building Strong, Resilient NGOs in India: Time for New Funding Practices report by The Bridgespan Group

~80% of organisations are unable to fund the costs of Organisational Development due to:

- NGO practices
- Regulatory compliances
- Transactional mindset
- Few funders have written policies describing their approach to organisational development grants
- Ineffective communication



**Poonam Choksi**

Head Social Sector -Capacity Building,  
A.T.E Chandra Foundation



If NGOs don't have a clear *success matrix* outlined on what success would look like after investing in organisational capacity it becomes difficult to externally communicate it to the funder leading to no funding for organisational capacity.

Articulating how investing in organisational capacity can improve your organisation's efficiency and effectiveness is critical.



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*Wipro Foundation's approach to Capacity Building support*

- Building core teams
- Conducting workshops
- 10-12% of the education team's budget is set aside for Capacity Building
- Mentorships and Communities of Practices

**Supriya Menon**

Program Manager,  
Wipro Foundation



From the Wipro Foundations' perspective, one of the main focus areas has been how do you enable to build a core stable team that can work in a long term sustained manner. We are piloting an organisational development fellowship where experts in CB offer a series of workshops to our fellows to build the core organisational capabilities that they can take back as learnings and tools for their organisations.

*SVP India's approach to Capacity Building support*

- Understanding the needs and struggles of the organisation
- Providing both financial and non-financial support and allowing the organisation to customise
- Providing capacity Building support, which acts as a multiplier for fundraising, building confidence, opening doors and collaborations

**Amita Chauhan**

Chairperson,  
SVP Mumbai



NGOs in different stages need different kinds of support. SVP has found a sweet spot with NGOs who are in a growth phase for eg. from a founder-driven team to building a second line of leadership, by putting more systems and processes in place all the while ensuring the organisation's culture and values remain intact. SVP tries to align their support to what the organisation needs are rather than telling them what support we can provide them.



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*EMpower's approach to Capacity Building support*

Long-term flexible support in 3 phases - Grantmaking with 10 years of support

- Phase 1: Assessing how the organisation works and the willingness to learn
- Phase 2: Multiyear support
- Phase 3: Capacity Building support for 2-3 years



**Jayanthi Pushkaran**

Senior Program Officer-  
Adolescent Girls,  
EMpower



It is very important to create a room for feedback to donors, a 2-way street in the spirit of transparency between the donors and NGO partners. The donors need to create a safe space for the grantee to talk about their struggles and let them communicate what they need.

Addressing the power equation, donors need to assess what they are bringing to the table beyond the funds to create an impactful partnership.

*Axis Bank Foundation's approach to Capacity Building support*

- Structures of Capacity Building are an integral part of supporting organisations
- Identifying gaps through assessments
- Providing support in alignment with what the organisation needs



**Dhruvi Shah**

CEO,  
Axis Bank Foundation



No organisation will feel that they are adequately supported in building capacity. It's more about dialogue, inclusivity, and hearing the needs on the ground.

As a bank, it helped us invest in the organisational capacity as we saw it as an investment. Axis Bank Foundations grant is built around gaps, we could be called the gap funder or we could be called a catalyst.



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A funder's mindset and perceptions can play a key role in their openness and approach towards funding the true cost of an organisation's true costs.

The recent report "[Bridging the Gap on Funding True Costs of NGOs in India](#)" by The Bridgespan Group makes an attempt at highlighting the perception of the **barriers to true-cost funding by defining funder archetypes**.

The three funder archetypes are:

- *Programme Proponents*: Programme Proponents primarily only support programmes.
- *Adaptive Funders*: Adaptive funders are fairly flexible funders who do fund a small percentage of indirect costs.
- *Organisation Builders*: Organisational funders see the true value in funding organisational development.



**Shashank Rastogi**

Principal,  
The Bridgespan Group



*Adaptive funders* have a degree of flexibility. They will be opportunistic in their capacity-building support where they would be able to fund capacity in emergencies or when the NGO is able to build a strong relationship with the donor.

On the other hand, there are funders such as the ones on this panel which we term *Organisation Builders*, these are the funders that believe that we are trying to solve inter-generational problems and hence take a long-term approach to grant-making. They believe that having strong institutions/ NGOs that are rooted in the community are very important. for the problems to be solved.



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"Funding Organisational Development" report by Oak Foundation outlined that **Funding OD is a smart investment** as it is a precondition for partner performance and impact. Foundations increase the likelihood of achieving their own purpose by strengthening their partners in the field.

The right tools for measurement can help establish the social return on investment brought in by Capacity Building, while continually evaluating the effectiveness of the format of support provided to the grantee.

### ***Measuring the value of Capacity Building investments***

- Scale up metrics used by ATECF - Budget increase and Outreach increase
- Growth in budget after Capacity Building investment for organisations is usually **2x** in 3 years as compared to the **1x** growth without the investment.
- Sustainability of scale requires 2-3 years of consistent and patient support
- ATECF starts the conversation of exit at the entry itself.



**Poonam Choksi**

Head Social Sector -Capacity Building,  
A.T.E Chandra Foundation



Success can be measured in a change/shift of mindset of a grantee partner. A success matrix that A.T.E Chandra Foundation sees is their grantee partner reducing their dependence on us over a period of time. We always start the conversation of exiting the grant on entry. We want to build the capacity of NGOs to ask other organisations for funding without only depending on us.

Success for us can be the growth in the organisation's financial resilience, diversification of donor base as well improving the financial reserves.



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*What is the funder's lens on the relationship between Capacity Building and the sustainability of an organisation? Moreover, how does one measure the same?*

**Sustainability can be gauged by assessing the following:**

- Stability of the team
- Changes in organisations' intervention models
- The ability to forge partnerships ( for eg. communities of practice and government partnerships)

**Capacity Building acts as a multiplier for fundraising and building confidence.**



**Supriya Menon**

Program Manager,  
Wipro Foundation

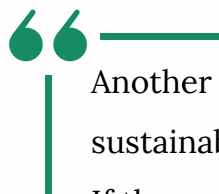


We try to listen intently to our partners on how the capacity building has brought change and growth for them. Through these conversations we see a lot of qualitative anecdotes come out of the conversations which cannot be measured quantitatively. Another way is to see the stability of their teams, see the paradigm shift in the organisation leader's mindset after attending workshops and how they take those learning back to their organisation. We see these to be the long-term parameters of sustainability over a long period of time.



**Amita Chauhan**

Chairperson,  
SVP Mumbai



Another way we measure an organisation's sustainability is to see its ability to forge partnerships. If they are able to partner with other NGOs or governments. That's a strong health indicator.



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“As NGOs scale their reach within communities, *there is a need for them to raise funding for and invest in institutional capabilities*, particularly impact reporting, fundraising, and using technology and social media for strategic communications.”  
published in **India Philanthropy report 2022** by Bain & Company



**Dhruvi Shah**

CEO,  
Axis Bank Foundation



Scaling and Sustainability are linked.

Sustainability is not a finishing line. There is a degree of sustainability that can be achieved in a particular period of time.

Scale is equal to my ability to influence. Influence how much and for whom. It's not just about the organisation growing or the organisation getting more funders to support. It is also important for an NGO to have different types of donors in their portfolio. That for me is an organisation achieving sustainability.

The way we look at scalability is not just an ability for an organisation to grow but rather thrive. An organisation can thrive if they have multiple types of donors in its portfolio and if they have forged strong government partnerships but the most important ability to thrive and therefore sustain is the kind of work they do that will lead to the longevity of its programmes.



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A funder moving out of a long-term grant without ensuring the necessary capabilities in the organisation can negatively impact the sustainability of the impact that a grant is looking to make.

***EMpower ensures sustainable exits to NGOs from long term grants by:***

- Avoiding one-size-fits-all approach
- Including Capacity Building objectives within the grant objectives for sustainability
- Designing evaluation, being realistic and keeping ears to the ground as donors
- Measuring impact in a participatory manner
- Bringing in voices of the communities from the very beginning
- Focusing on what the organisations need to sustain robust programmes



**Jayanthi Pushkaran**

Senior Program Officer- Adolescent Girls,  
EMpower



Exiting a partnership is a difficult process!

At different levels, we see the progress an organisation has had. At the programme level, we look at whether the programme is robust enough and if it's well-documented.

At the M&E level, we look at whether the programmes are meaningful for the youth.

At an organisational level, connecting our partners to donors, building their capacity in a way that they outgrow our support.

It is important for us to co-design the vision of success and sustainability with our partner organisations.



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Bridging the Gap on Funding True Costs of NGOs in India report published by The Bridgespan Group outlines ways in which funder archetypes provide a framework for inspiring change.

*Here are ways in which the funders can evolve their approach to grant-making*

- **Shifting approach** of the funder from being tentative to becoming intentional.
- **Power of collaboration to change mindset** - Having conversations with the funder community to set role models and peer examples.
- **Building frameworks** for funders and organisations to align on building capacities for common goals and defining effective pathways to build stronger partnerships.



**Shashank Rastogi**

Principal,  
The Bridgespan Group



We at Bridgespan have a 3R framework to inspire change in funders.

R- Reflecting

R - Reaching out

R- Refining

Ideally, it is necessary for a funder to reach out to their grantee and show curiosity to understand their needs better. The funder also needs to be clear on what its long-term strategy of funding is and assess whether its funding approach is aligned with the strategy. That is the reflecting aspect of the framework.

Then reaching out, talking to peers, and NGO partners. There is a need for funders to understand the need

The third step is the hardest which is the refinement, bringing that case for change.



[Watch the Highlights](#)



Hear from our 6 Graduating  
partners about their experience  
in building their Organisational  
capacity

Why should an NGO invest their time in building organisational capacity?

How has your organisation benefitted from Atma's capacity-building support?

What is the one word that comes to your mind when you think of the Atma partnership?

### About Atma

Atma is an Accelerator for Education NGOs and Social Enterprises in India. Atma was founded in 2007 to strengthen and scale education organisations. We believe that NGOs can lead the way in reforming education; but being in a constant starvation cycle, they are unable to realise their true potential.

To know more about Atma [click here](#) or contact us at [reeva@atma.org.in](mailto:reeva@atma.org.in)



# 10

## Attendee Feedback

# 130

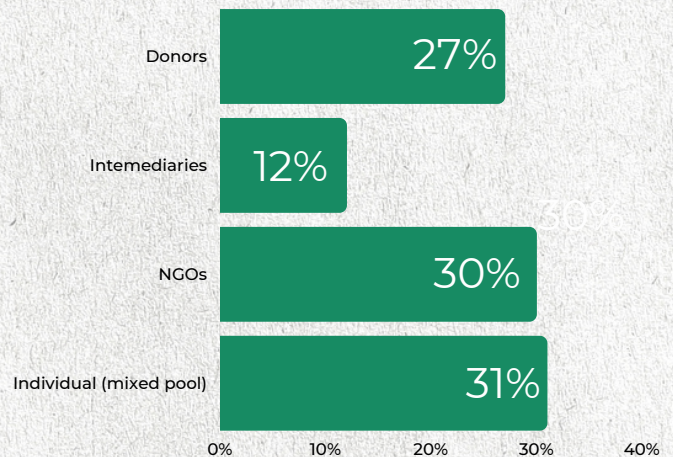
No. of Sign ups

# 105

Total No. of Attendees

# 81%

Conversion



# 4.5

Event rating

We asked **funders** on a scale of 1-5, how confident are they in funding capacity building of NGOs

It was an average of **4.8**

# 4.3

Panel insight rating

We asked **NGOs** on a scale of 1-5, how confident are they in making an ask for funding capacity building of their organisation

It was an average of **3.5**

## KEY TAKEAWAYS

How to identify *organisation builders*

Importance of OD

Perspective of Funders

Being organisational-minded and not program driven

Value of funding organisational capacity

Investment in OD journey and building the capacity of organisation is important

The degree of interest now *OD has in the sector*

## Testimonials

"I appreciate the candidness of the panel members, constant summarizing by the Atma team, rich takeaways in the form of resource links and valuable frameworks shared at the event."

Prithwiraj Ghosh, X- Leap

"Thank you for bringing together such a rich and diverse group and facilitating it effectively."

Mrunal Lamge, Mrunal Lamge consulting

"It was good to hear that there are some funders who are thinking in a more participatory manner about funding."

Rohit Kumar, Apni Shala

"There was a lot of substance in the content and the speakers were very relevant and to the point."

Anita Dagar, Kotak Education Foundation

Greatly managed! The session helped me understand the importance of OD and the perspective of funders on it.

Rakshima, Mantra4change