

Global Partnerships Podcast Series

Host: Ted Hart | President & CEO, CAF America

Guests: Dr. Nivedita Narain | CEO, CAF India

Announcer: Learn how to take your caring and giving farther with the Caring and Funding Podcast powered by CAF America. CAF America, America's leader in cross-border philanthropy. Helps corporations foundations, wealth advisors, and individuals who wish to give internationally and with enhanced due diligence in the United States.

Through its industry-leading Grants **[00:00:30]** Management Program and philanthropic advisory services, CAF America helps donors amplify their impact and ensure their gifts are made in a safe and effective manner. This *Caring and Funding Podcast* is dedicated to these donors and the charities they support. Our guests are leaders in their field who join us to share tips for success and stories that inspire.

Our host is Ted Hart, the CEO of CAF America. After the show, you can find all our podcasts at cafamerica.org **[00:01:00]** on iTunes. Now, just say, "Alexa, play CAF America on TuneIn." Now, welcome to the host of CAF America's *Caring and Funding Podcast*, Ted Hart.

Ted Hart: Welcome to this latest edition of the *Caring and Funding Podcast*. CAF America's global partnerships enable us to bridge those great divides by bringing to the American donor, the very best of philanthropic expertise and services on the ground in countries around the world. **[00:01:30]**

Through this podcast series, we introduce our listeners, our donors, our partners that we collaborate with, and partners who collaborate with us in making it possible for that long arc of history, that long arc of philanthropic change to bend a little faster, with much more assurance and with our full regulatory compliance, risk management, and regulatory compliance that you have come to rely on from CAF America.

Today, on this special edition of the Caring and Funding Podcast, **[00:02:00]** it's my pleasure to introduce you to Dr. Nivedita Narain, Chief Executive Officer of Charities Aid Foundation India. CAF India is a member of the CAF International Network and is our partner in India.

Established in 1998 as a registered Charitable Trust to provide strategic and management support for corporations, individuals, and NGOs with an aim to ensure a greater impact of their philanthropic and CSR investments. CAF India promotes and supports **[00:02:30]** all social development causes that positions the organization uniquely to address a wide cross-section of donor interests throughout India.

CAF India has a proven track record of conducting due diligence on non-governmental organizations across India and has gained the trust of many individual donors, national and transnational companies, and foundations. CAF India has a wide range of giving solutions including corporate giving, employee giving, and individual giving. **[00:03:00]** They also serve large multinationals, public sector undertakings, Indian commercial giants by delivering their CSR commitment successfully.

The projects pursued by CAF India lend rigorous support to the marginalized societies in order to improve their socio-economic conditions. CAF India provides expertise and resources to help both partners and donors identify the very best NGOs to support in India. **[00:03:30]**

Dr. Narain is a nationally recognized development professional with over 25 years of multinational experience. Her skills encompass a wide range of development sector approaches, including strategic leadership, corporate social responsibility, philanthropy, organizational development, sustainability, program management, and networking.

Nivedita came as CEO of CAF India just this year 2021 and has undertaken an organization-wide development **[00:04:00]** process, settling the vision, shaping the organization and driving growth and impact. Very important to our discussions today under Nivedita's leadership, CAF India is preparing itself to provide project-funded support for global grantmakers interested in supporting charitable activities within India with full regulatory compliance under India's newly revised Foreign Contributions Regulation Act.

The FCRA is a cornerstone law that regulates how **[00:04:30]** nonprofits in India can receive foreign funding, including from the United States-based foundations, corporations, and individuals. This new law took effect September 29, 2020. Dr. Nivedita Narain, CEO of CAF India, welcome here to the *Caring and Funding Podcast* in our very special Global Partnership series.

Dr. Nivedita Narain: Thank you so much, Ted. Good morning, everybody. It's wonderful to be here. Thanks, Ted for inviting me to this show. **[00:05:00]**

Ted: Well, it's great to have you here. CAF India and CAF America have shared a very close bond for many years. Nivedita you just started in your post; it would be difficult for anyone to become a new CEO during a global pandemic. Your time at CAF India has also seen major revisions to the CRA law in India regulating every international donor working in India. Please share with our listeners CAF India's strategy for navigating both rather urgent matters. **[00:05:30]**

Nivedita: It is indeed a very challenging time not just for me, but for the entire nonprofit and development sector in India. Since last year, several small NGOs have reported that they have faced a funding crunch due to the pandemic. Most funds were diverted to immediate COVID relief. Of course, that was essential at the time, and naturally, there was less money for other crucial needs.

The pandemic has exposed deep inequality. It's exacerbated hunger, **[00:06:00]** malnourishment, and the loss of livelihoods here. There's a need to rehabilitate our marginal communities, and to build resilience, and to build back better and more equal.

Thanks to more challenging with the FCRA amendment. It's disrupted the delicate philanthropy ecosystem between foreign donors, intermediaries, and grassroots organizations. Many intermediaries can no longer disburse funds to NGOs. International donors may be **[00:06:30]** discouraged from India as the transaction costs of giving may be too high without the support of intermediaries.

The shift you refer to Ted is this, the now CAF India can create a bespoke programs to achieve a desired impact in a specific community in India. We are able to build a full implementation program, including impact framework design, team recruitment and oversight, research and advisories, and monitoring and evaluation services. [00:07:00] These services will collectively allow donors to fund impactful and well-managed NGO programs across the country.

We can specifically build on our network of small community-based NGOs, with whom we have local trust and credibility. This is a key strength, particularly in these times of distress. CAF India has also begun to collaborate with local governments to strengthen NGOs and community access to resources, [00:07:30] and more importantly, good governance.

Ted: Nivedita, prior to joining CAF India, you had a very impressive career with PRADAN, the Professional Assistance for Development Action. Which is a prominent nonprofit, non-governmental organization that works with India's rural poor. Across seven of the poorest states in the country, PRADAN professionals engage with disadvantaged communities to help them emerge from poverty and lead a life of dignity. CAF America [00:08:00] is also a longtime donor to PRADAN, how will this experience inform your work now underway with CAF India?

Nivedita: Thank you, Ted. I have worked with PRADAN for over three decades now. In addition to this, I have experience working with the World Bank and with community organizations in the US and have been a visiting fellow at universities in Germany, and Australia, and Canada, and the UK. This engagement across nonprofits and academia has shaped my professional life and work, [00:08:30] bringing rigor to both research and practice.

My work over these years, I think, for now, can be described in four broad phases, one working in the villages with poor marginalized groups. In the late 1980s, I pioneered the shift from individual community work by developing the first of the country's now ubiquitous women self-help groups. PRADAN's self-help group actions have influenced the government and banking system, in particular the National Rural Livelihood [00:09:00] Mission of the Government of India.

As part of PRADAN's management and leadership group, I've established human resources systems and led organization change and development processes. I was also involved in setting up PRADAN globally, raising funds, and managing operations. Worked closely on a collaborative project with Ambedkar University Delhi to establish development practice as a profession here by setting up the center for development practice and a joint [00:09:30] 24 months MPhil program that brings together theory, practice, and research. Also, was instrumental in training and supporting NGO field staff through specialized hybrid certification courses in the underlying theory of development, and social change together. In the past few years, I've built a portfolio of cross and transdisciplinary research, social change, gender and development, sustainable livelihoods, food systems and development management. [00:10:00] I collaborate with leading researchers across the world and have been lucky to have research funding from international philanthropy organizations and universities. I've also been involved with advocating for changes in government programs, advisories for philanthropies, and strengthening NGOs.

I see myself as an organization builder, Ted, and hopefully can forge new partnerships and innovate for change. I believe that my depth understanding [00:10:30] of developmental processes and the nonprofit sector and my experience in bringing internal strategy and talent to engage with development problems will aid in the transition of CAF India to its new roles.

Ted: Nivedita, I'd like to turn our attention now to speaking specifically about the expertise of CAF India and has the work that you are doing to support American donors. Help us understand the significance [00:11:00] of CAF India's regional experience in Bangladesh and Sri Lanka and other places.

Nivedita: Ted, actually social culture really, we have a lot of similarities, even though we have boundaries. Bangladesh, Bhutan, Sri Lanka, Nepal in particular have a free flow of people across borders with India. CAF India has supported giving in some of our neighboring countries over the years. Of course, every 10 kilometers, you find a different requirement when it comes [00:11:30] to development needs, but I think there could be a lot of cross-learning. The nonprofit sectors already work closely together and have been learning from each other.

I can give many examples, but the one related to the Grameen Bank by Professor Yunus and self-help groups in India, which I was a pioneer in, is one such example. They address different needs and, of course, Yunus is a Nobel Laureate. However, mutual aid groups and mutual microfinance [00:12:00] are ubiquitous across the subcontinent.

We could be taking the lessons that we are learning and growing philanthropy and giving in India. Those lessons can additionally be taken to neighboring countries and we might bring useful lessons from our neighbors, which are doing very well to inform work in India. We can really work with key stakeholders there; I think to grow giving.

There are huge networks of NGOs that exist in these countries which already exist with each other, but we really [00:12:30] need to do more when it comes to opening our border in terms of allowing us to do work in other neighboring countries, and therefore also allowing them to work in India. A lot of cross localization can be done in the region, and we are ready to take this on at the next step.

Ted: Nivedita, that's really, really good. India is, of course, a very large and important economic power base in the world. A very large population in the world. Therefore, there are a lot of philanthropic [00:13:00] interests that Americans have in India. Many donors with CAF America have interests throughout India, and many times we have had the opportunity to work with CAF India.

Interestingly, India was one of the first countries that legally mandated corporate social responsibility. In August of this year, the Ministry of Corporate Affairs released its new guidance on CSR law, including important updates on implementing a CSR program, mandatory reporting requirements, and impact assessments. [00:13:30] Please share a few of these key provisions and how the CSR law is relevant to US companies and other donors with a presence in India.

Nivedita: Ted, the *Company's Act* of 2013 requires that companies incorporated in India spend at least 2% of their average net profits made during the three immediately preceding financial years on CSR activities. This law applies to foreign companies, [00:14:00] including those in the United States with the presence in India. This applies to companies with a turnover in India of approximately \$1,400 million US dollars.

There's been a lot of ambiguity around the components of the CSR law and the new guidance released by the Ministry of Corporate Affairs will likely impact many CSR programs. Most notably the new CSR guidance provides three important clarifications. One, [00:14:30] they clarified the approved ways that companies can incur CSR expenses. Two, they shared guidance on the differences between implementing CSR activities versus utilizing and implementing agency. Three, they clarified the requirements around mandatory impact assessments and reporting.

There are three approved ways that a company can incur CSR expenses. One, companies can undertake CSR [00:15:00] projects or programs directly through an implementing agency, such as CAF. Or two, companies can make a contribution to an approved fund set up by the central government. Or three, companies can make a contribution to an institution or organization engaged in research and development, including publicly funded universities.

It's important now to note that simply dispersing funds to an implementing agency, does not fulfill [00:15:30] CSR requirements. The implementing agency acts on behalf of the company and must utilize the full amount in order to comply with CSR requirements. If a company or implementing agency has not spent the required amount, the board must specify the reason in a report and transfer the unspent amount to a bank account earmarked for CSR spending or make a contribution to an approved [00:16:00] fund within six months from the end of the financial year.

CAF India can assist corporates in providing options for spending within these approved CSR segments and in providing avenues for multi-year projects to regularly and consistently be able to spend the CSR fund. A recent report from the Ministry of Corporate Affairs indicates that only the top 15% or so of companies required to comply with this act [00:16:30] are aware of changing rules and provisions, their scope for CAF India to support and assist such companies too.

Additionally, starting in January 21 companies with an average CSR requirement of Rupees 10 Crores, that's 10 million is a Crore, or more must undertake an impact assessment of their CSR project. The assessment must be conducted by an independent agency and results must be reported in their annual board report. [00:17:00]

CAF India has initiated a new portfolio now that specifically provides services for third-party evaluation requirements. These are just a few of the CSR requirements of companies to comply with this law that we at CAF India plan to address.

Ted: Well, there certainly are many considerations for companies as they plan and implement their CSR activities, as well as their international philanthropy. Under the new FCRA Regulations [00:17:30] just enacted in 2020, it is no longer possible to do traditional regrating

in India. CAF India in the past was able to accept grants and re-grant those funds to local charities within India. This is no longer the case.

Please share with our listeners in your own words, the program management and project development services CAF India is now providing to support philanthropies and individual givers with FCRA Regulatory Compliance Philanthropy. Help our listeners to understand how **[00:18:00]** this approach working via CAF America to CAF India can help each donor meet the challenge of bringing the philanthropic dream into reality.

Nivedita: Ted, as mentioned earlier, CAF India can create bespoke programs to achieve a desired impact in a specific community in India. Let's talk about CSR funds and philanthropic funds separately as examples. Navigating the CSR and FCRA provisions has proven **[00:18:30]** very challenging for many companies, but donors can rest assured that CAF India now has a comprehensive CSR and FCRA compliant management service.

As part of our CSR program, we work with companies to develop a CSR framework, an effective strategy based on the company's objectives. We design and implement the CSR programs, conduct your diligence on NGO partners, manage all monitoring and evaluation, **[00:19:00]** conduct impact assessments, deliver reports and build communication strategies to share impact stories with key stakeholders.

Companies in India are mandated to engage in CSR activities, yet most do not have the capacity or knowledge, as I mentioned earlier, to undertake these activities directly. Our CSR experts at CAF India are here to manage all CSR-related activities and to ensure that companies **[00:19:30]** are in compliance. However, CSR funds are narrow and short-term. While very important, it is unfair to treat these funds as a magic bullet.

CSR funding may not meet all longer-term developmental agendas related to social change. It is here that we really missed the presence of traditional philanthropic funding. There was patient in long term and focused on institution and capacity building. **[00:20:00]** Ted, as you mentioned, the recent FCRA amendments prohibit sub granting of foreign funds. This has appended many US donors, crucial philanthropic programs that relied on granting to larger umbrella organizations that support local grassroots NGOs. CAF India has a program management service that enables us to serve as the implementing agency for foreign donors.

We work closely with NGOs to design, manage, and assess charitable projects, **[00:20:30]** while remaining in compliance with FCRA requirements. Our program management service mitigates the risk of granting to non-FCRA compliant organizations while continuing to support their very important charitable work.

Ted: These are new days for sure in India with so many needs and so much interest in helping donors and charities, both comply with regulations in India is an important effort I know you and I **[00:21:00]** both believe is essential to long-term success. We're going to take a very quick break and when we come back, I want to explore another corporate support program CAF India offers. When we come back, we'll be discussing payroll giving. We will be right back.

[music]

Announcer: Remember our podcasts and archives are always available 24 hours a day at cafeamerica.org on iTunes, or just say, "Alexa, play CAF America on TuneIn. **[00:21:30]** Now, back to the caring and funding podcast and our host, Ted Hart.

Ted: We are back here with Nivedita Narain, the CEO of CAF India. Oftentimes there are employers who have employees who are both in the United States and in India, they're interested in syncing up their platforms where employees in the United States can give charitable tax deduction ready contributions, and have those donations support important causes throughout India. **[00:22:00]**

They may be interested in providing their Indian employees with a charitable tax deduction. As well, they may want to have that integrated programming and sync up with programs between CAF America and CAF India on a payroll giving platform. That's one way that we can do this. Help us understand an employer's interest in payroll giving and the services that a donor can receive if we partner with CAF India.

Nivedita: Absolutely, Ted, that has been one of our early and most successful programs, **[00:22:30]** I would say that we have partnered with you on. I think the advantage of dual tax exemption, you can give tax exemption in the US, and we can do that in India, is a huge advantage to the employees. Employees definitely want to see a greater integrated program. They want to see more impact, the newer and younger employees in India are even more driven towards employee giving than the earlier generation.

The COVID response campaign with **[00:23:00]** CAF America is an example of how successful this has been, and we hope to carry this forward into the future. Often, we have cases where there is a US based employee who wants to make a donation to India. Of course, you can get access to a list of charitable organizations in India, which we provide a lot of hand holding and support, and also a list of credible organizations.

Growing our payroll giving program is crucial. We work with local employees on **[00:23:30]** corporate campuses and are now launching systematic and regular digital campaigns. We bring the NGOs to the campus to do certain activities to build visibility, whether it's the sale of handicrafts or certain other shows or interactions with the beneficiary. The NGOs, when the employees hear the stories from them directly and from the beneficiaries, they are much more encouraged.

This engagement leads to a spike in employee giving. **[00:24:00]** We also hope, and I'm particularly interested in this to increase employee volunteering work that brings employees and those at the bottom of the economic pyramid in touch with each other. This engagement is fundamental to the employee giving ethos, and we have some experience of how it also provides an impetus to talent management within the business organization.

Typically, there's about 15 or 16% enrollment in India and giving, but in **[00:24:30]** 2014, '15, it seems many years ago, we drove the enrollment of payroll givers to 92%. That was an amazing result. It all happened because there was this huge interaction. This really needs to be bolstered as work from home seems to have somewhat hampered this program. The same service can be extended, of course, online to employees based in the US.

They can hear stories of not-for-profit organizations, the impact that their **[00:25:00]** donations are having on the lives of people, and how it's actually changing lives. That's a huge advantage of us working together. More integrated programs, I think are the need of the hour and it'll grow philanthropy in a stronger manner.

We know that in today's world, most of the issues are thought of as local. There are no boundaries. If some employees in India make donations to a climate change project, any negative impact of that climate change problem **[00:25:30]** can happen anywhere in the world. It's in the interest of employees across the world to come together and to support programs in an integrated manner so that the impact can be really much stronger and bigger. We are putting together just by the way a strength in climate change and adaptation or sustainability portfolio and hope also to offer that to employees.

Ted: Nivedita, one of the areas that I think is so visible, **[00:26:00]** at least at CAF America is the area of diaspora giving. Donors of Indian descent have been very successful businessmen and women who want to give back to their home country. It's a big country and it's not always evident who the very well-run charities are and the good, impactful places to invest philanthropic dollars.

Through the partnership between CAF American CAF India, these donors are able to give and to give with confidence, to know that their donations will go to good causes and will be used for impactful giving. **[00:26:30]** Talk to us a little bit about that and how particular donors of Indian descent, speak to them direct through this podcast can be given the confidence in this partnership between CAF America and CAF India, giving directly to important causes in India and know that they're giving that will make a difference.

Nivedita: Absolutely, Ted. I'll talk about two things here. One is that the diaspora comes from various parts of India. India has one country with 28 states and **[00:27:00]** eight union territories, 748 districts. Often, I've seen people with interest in sending money back to the village, or the district, or the state that they come from. CAF India has a vast network of NGOs, and we cover the country.

My aim is to have an NGO in literally every district of the country. We are close to that and can identify NGOs within our network. This is done to enable donors to access geographies in which they're interested, but of course, **[00:27:30]** then, in addition to geographies, we also have the sustainable development goals and national issues, such as livelihoods, education, health, sustainability, early childhood and disability, gender, and a specific focus on marginal communities are also areas of our work.

People, particularly our diaspora can choose specific themes they're keen on investing in. CAF India can help to create space, which the diaspora **[00:28:00]** can access in terms of where they want to give and how they would like to give. That's one thing we do, and we also value deeply.

The second thing that we do here is through our very robust accountability measures, we have done through the due diligence of the NGOs. We also support the NGOs. We put time and effort in building CAF abilities of community-based organizations so that they become stronger

and more sustainable. A third thing we've done, [00:28:30] which served us well during COVID, is the creation of online facilities for giving. This facilitates the ease of giving, enabling quick compliant and flexible donations.

We also offer program design services to donors. If someone wants to invest their philanthropic money in a specific thematic issue or geography, we can provide program planning services to them. We can create robust programs, which are relevant based on data, and which [00:29:00] also incorporate government analysis of where the gaps are. All of those sectors are taken into developing a program.

That's because we've focused quite a bit now on ensuring our mainstream linkages. What we encourage our donors to do, is to see that their programs are not standalone. They're somewhat aligned with the government program, so once the donor moves their funding to another program, things could be carried forward by the system itself. [00:29:30] We provide a very vast canvas to donors and bespoke services can be provided based on the interest. Both thematic and geographical, both can be done by CAF India while ensuring a robust system of accountability.

Ted: Nivedita, we're always very impressed with the strength of CAF India's programs, and of course, the strength of your team that you've built in partnership with CAF America. In the few moments that we have left, there's another area that I want to explore [00:30:00] and make sure that you share with our listeners today. That's another significant area of expertise that CAF India has and that for donors, it's a bigger idea, perhaps than just a donation or a want to support an established charity, but they have an entire charitable concept in mind. CAF India can serve as an incubator for programs, and even organizations providing infrastructure to support new ideas that can be for a city or region or the entire country of India. Talk to us about the capacity that CAF India [00:30:30] has because this is a really big deal to be able to offer that kind of service.

Nivedita: Yes, setting up an organization fresh can be very challenging in India. It's a long process, it's a difficult process, and people may not always succeed. We offer partnerships to foundations or organizations which are outside the country. We can host them, we can run their programs for them, we can provide them services based on the development agenda [00:31:00] that they would want to pursue in the country.

Again, as I was saying that our systems are pretty robust. We are fully compliant with the laws of the land, so that really comes in handy. We work with quite a number of international foundations based out of the US, Europe, and Canada. For example, a foundation established in Canada by a group of Indian diasporas wanted to support some projects in the state of Uttar Pradesh. We provided that platform to fulfill their program needs.

Similarly, the Bernard [00:31:30] van Leer Foundation is another organization that we work very closely with. It's a strong partnership that we've developed with them and we basically run that program for them. We are currently exploring a large program across the Netherlands, and the Medical Women's International Association, New York City and we'll be incubating it in India. We basically can take care of the operation as well as the programming needs of such organizations.

Ted: Nivedita, thank you for sharing with us today the **[00:32:00]** strong tapestry of services that we certainly benefit from in our partnership with CAF India. I'm going to give you an opportunity to just wrap this up in the last few minutes that we have together. It seems certain the more that we do together, the more can happen in India.

Nivedita: I completely agree with you on that, Ted. I think if we work together, we can really get more out of the philanthropic donations of our donor partners. Your access to donors and your services in the **[00:32:30]** US to the donors, combined with our on the ground capabilities, accountability system, and your very robust due diligence system, I think we can achieve great impact.

We can help people track impact; we can help them rethink design too. We can build and execute programs year on year with our donor partners, building on the successes that they have. To this, we can also combine the possibility of local funding or the possibility of local volunteering. **[00:33:00]** Not just the funding, but also when people want to give their time, their skills, and effort, that can also be brought on board.

Government relations are very very important. Mainstreaming is very very important. We have those capabilities to support international donors. A strong awareness of on the ground reality has been found very useful by international donors.

Ted: Thank you, Nivedita, for being my guest today here on the *Caring and Funding Podcast*.

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[00:33:30] Announcer: You've been listening to the *Caring and Funding Podcast* powered by CAF America. Tell all your friends and colleagues to check out our archives, sign up for our free newsletter and download our iPad and iPod-friendly podcast at cafamerica.org. Thanks for listening to the caring and funding podcast.