

## Dasra Giving Circles, India<sup>27</sup>

In Sanskrit, Dasra means 'enlightened giving'. Few individuals have done more to transform the modern face of enlightened giving in India than married couple Neera Nundy and Deval Sanghavi, founders of Mumbai-based Dasra. Neera and Deval, whose families originated from India, were brought up and educated in North America. After university, each began careers in investment banking. Meeting at the New York offices of Morgan Stanley, and linked by a common heritage, they often thought about how their business skills could be used in the Indian charitable sector.

In 1999, Deval put his banking career on hold and moved to India to volunteer with a number of Indian grassroots organisations. This was a formative period in Deval's understanding of how organisational weaknesses held back non-profits from fully delivering their social mission sustainably and to scale. A year later, Deval, with backing from some Indian investment professionals, launched the country's first venture philanthropy fund — Impact Partners, providing a blend of consulting advice and growth capital to a small cohort of promising non-profits. Realising that investment banking was a great background but not their long-term ambition, Deval teamed up with Neera in 2003 to launch Dasra. 'We saw our mission as building on what was learned at Impact Partners,' recalls Deval, 'we saw the need to provide capacity building support and managerial assistance to enable organisations to reach scale. But we knew too that the issues were broader than just working with individual organisations. The ecosystem for matching capital and the best non-profits needed to be developed, otherwise our efforts would just be a drop in

the bucket.' That was farsighted, for in 2009, Dasra built on its reputation and experience as a provider of technical skills to launch Dasra Social-Impact, an executive education programme for a new generation of India's non-profit and social business leaders. 'For five years we'd done much of our capacity building activity as contractors to small and medium donor agencies, which at times was frustrating,' recalls Deval, 'because they often underestimated the amount of consulting time we needed with an NGO to affect significant organisational development.' Deval adds, 'At the same time we saw the need to mobilise a much broader group of Indian philanthropists than the few we were working with — making it exciting for them to give with impact.' Over the next two years the groundwork was laid for what was to become a powerful initiative of Dasra — the Indian Philanthropy Forum, launched in 2010. The Forum has grown to become a community of strategically-minded givers, who through thought leadership and research-based action are creating a platform for the development of modern philanthropy in India.

Dasra Giving Circles emerged out of the Forum to become India's largest collaborative giving effort. A circle generally comprises 10 individuals, to date each committing to donate 1 million Indian rupees (US\$20,000) per year for three years. For the initially formed circles this created a pool of up to 30 million Rupees (\$600,000) in each circle. Eighty-five per cent of this pool is deployed as expansion grant capital to the NGO. The remaining 15 percent is used to cover the cost of Dasra delivering 250 days of non-financial support, through mentoring and technical advice, to each investee over the three-year funding cycle. This model probably ensures the largest ticket size and pool of capital available to individual non-profits of any giving circle globally. Dasra has plans to increase either the time or the group size in future circles, and believes that there is an encouraging number of Indian philanthropists willing to sign up to future circles.

The search and selection of investees is a rigorous, research-based process. It starts with Dasra's advisory research team performing a comprehensive mapping of a particular social sector. These are published as leading market analysis documents, which alone contribute to sector knowledge. A giving circle is then formed around each

<sup>27</sup> This profile is an updated and expanded version of what was first published by John, Tan & Ito (2013).

sector analysis, together with a shortlist of three non-profits which research has shown are making innovative efforts to address the chosen social issue and have a scalable business model. The initial task of the circle is to choose one of the three shortlisted investees for a three-year intensive support.

Dasra has published sector research on nine issues and created giving circles based on seven of these concerns:

- Education of girls
- Improving Mumbai's public schools
- Child malnutrition in urban slums
- Empowering adolescent girls
- Urban sanitation
- Youth development through sports
- Anti-sex trafficking
- Improving artisans' livelihoods<sup>28</sup>
- Enhancing youth employability<sup>29</sup>

At the time of writing Dasra is mobilising support from philanthropists on the following issues:

- Domestic Violence
- Child Marriage
- Menstrual Hygiene
- Governance

### **Dasra Giving Circles II - Making the Grade: Improving Mumbai's Public Schools**

The underpinning for every Dasra Giving Circle is a thorough research study on the topic of potential interest. To investigate how private philanthropy could contribute to a systemic improvement in the educational outcomes of Mumbai's public schools, Dasra committed six months to conduct detailed interviews with academics, non-profits and the city's municipal authority. Without any guarantee that the research findings would lead to a philanthropic initiative, Dasra found a strategically-minded funding organisation to sponsor the upfront cost of a rigorous research study — Godrej Industries, an Indian industrial conglomerate. Twenty-five percent of shares in Godrej Group's holding company are held in charitable trust and each component company has an active Corporate Social Responsibility (CSR) programme. Forty percent of Mumbai's one million children

<sup>28</sup> Dasra was unable to find enough support to create a giving circle around this subject.

<sup>29</sup> A giving circle was not convened around youth employability, but Dasra did mobilise some financial support from corporate donors for one shortlisted NGO and provided capacity building inputs.

attend private, fee-paying schools because of the perception of a better education and access to teaching in the English medium. Consequently the city's public schools educate the most marginalised children from poor homes, incentivised by a free midday meal and the low cost of attending.

In Mumbai there is a 40-year history of private-public partnership where independent, non-governmental organisations (NGOs) collaborate with MCGM (the municipal authority responsible for education). Dasra's research team found that 117 NGOs had active partnerships with MCGM, but only nine stood out as having high quality, innovative models. The team went on to map the programmes of these high-potential NGOs in terms of scalability and quality of educational outcome, and recommended the critical factors most likely to create a robust, urban school system. Dasra's published report — 'Making the Grade' — focused on how the quality of educational outcome could be improved through enhanced private-public partnerships, and recommended a clear role for strategic philanthropy by investing in the most effective NGO to develop a scalable, institutionalised model adopted by the municipality.

Based on evidence from research, Dasra now had an understanding of the sector, the preferred intervention pathway (private-public partnership) and a shortlist of pre-screened, high-potential NGOs. Philanthropists known to Dasra were invited to participate in a giving circle that would aim to improve Mumbai's public school system. Attracted by a passion for the sector and the rigour of Dasra's research, 12 individuals (including three couples) formed the 'Making the Grade' Giving Circle in 2011. Each of them was embarking on a personal philanthropic journey. Half of them had commercial investment or industry-building backgrounds. Others represented the charitable side of well-established family offices. One seat in the giving circle was taken by a charitable foundation with technical expertise in the education sector. The majority of the giving circle members were Indian nationals.

With a circle established around a researched issue and a shortlist of screened NGOs, Dasra facilitated discussions with the group members to select one NGO to support. In January 2011 the Group decided

to back Muktangan, an NGO that had successfully incubated an integrated teacher education programme that enables women from low-income communities to provide high quality English-medium education. Dasra and the circle members worked with Muktangan's senior management to set out mutually agreed vision for growth and key performance indicators, together with the resources Dasra and the giving circle would commit to the partnership. The goal is for Muktangan to become an accredited teacher training institute that will provide sustainable careers to women and consequentially improve the education outcomes for thousands of Mumbai's poorest children. After one year of support, Dasra had disbursed \$140,000 in grant aid against performance milestones, coupled with 80 days of active consulting support. Individual members of the circle also contributed their personal time and skills, and opened up their networks to the NGO.

'The contribution of giving circle members was important for us,' says Suman Dasgupta, Muktangan's head of Planning, 'by building relationships with important people and government officers, it helped our advocacy and networking efforts become visible.' Dasra's consulting inputs have also been valued by 'helping us become stronger in key areas like human resource practice and impact assessment,' adds Suman, 'Dasra staff and giving circle members became our "friends and champions", something we valued most of all.'

Luis Miranda is a private equity professional. He and his wife, Fiona, were eager to join the circle because 'we got the chance to interact with other donors and discuss issues in a group, as opposed to doing it alone.' The couple was able to engage directly with the Muktangan team in supporting the NGO's operations. 'I have been helping them get the teacher training programme registered and connecting them to schools,' says Luis, 'and my wife has developed a sex education curriculum with the programme team.'

Luis and Fiona feel that participating in the giving circle is an efficient and intelligent use of their time, talent and money: 'The Dasra team sends us updates and facilitate

meetings. Working in private equity, I relate well to this high engagement model of supporting an organisation.'

Another 'Making the Grade' circle member, Nakul Toshnival, manages the family's scientific instrumentation company. Nakul says he has a 'higher comfort level' funding an NGO, 'because it has been evaluated by Dasra in terms of quality of the management team, the potential to scale up and potential social impact.' Nakul readily admits he is at the early stages of his own philanthropy journey and values the circle in providing 'a networking opportunity to help me understand a broader range of issues and how other donors look at their philanthropy.'

Muktangan's co-founder, Sunil Mehta, has experienced the value of giving circles from both sides. While Muktangan was being actively supported by the Dasra giving circle, he decided to join another circle that was just being formed, as a philanthropist: 'Having seen the quality and diligence of Dasra's work offered me the confidence level I needed to allay my own anxieties of making larger donations than I had given in the past,' says Sunil. 'I learned a lot more about philanthropic assessment of programmes from the group discussions, and felt I could equally contribute from my ten years' experience of working in the social sector.' Sunil adds a note of caution though: 'Without the strengths and competency that Dasra brings to coordinating the Circles, I feel collaborative giving could end up with many problems.' Clearly this is a model that must be implemented well, or not at all.

Harish and Bina Shah are typical members of Dasra's giving circles. Based in Mumbai, they own the largest pharmaceutical formulation company in India and are active members of two giving circles. Harish traces the responsibilities that come with wealth back to his parents and the culture of generosity he grew up with. As their business grew Harish and Bina donated to charitable causes including an educational project in Mumbai where they had more direct involvement as significant donors.

Having built a company over 28 years Harish feels that his skill set as an entrepreneur could be a resource for non-profits, but he

is realistic about having the time to engage too deeply while still running his company. The Shahs were attracted to a model where research, due diligence and project support were carried out by Dasra, but which offered them the opportunity of personal engagement. The Shahs have taken two seats on four different Dasra Circles — one place taken by their family foundation and the other in their own names. Harish explains the importance of doing more than writing a cheque: 'From our side, it's not a hands-off thing; we are involved with Dasra and the NGOs. It's not just to police them but I think to express solidarity. We make it a point to take part in every opportunity that links the NGO with the giving circle.' This has even extended to the Shahs' children who have attended project visits. The Shahs have also opened their home for social evenings that bring together giving circle members and those curious about the model that Dasra has pioneered in India.

Dasra has opened its giving circle membership to Non-Resident Indians (NRI), one of the largest diaspora communities in Asia. Indian professionals in Singapore have found a channel for their philanthropy by joining Dasra's giving circles. Jay Ganapathy is a career banking professional working in Singapore's financial district. Jay applies the same analytical rigour to his giving as he does in his day job, looking for high impact with appropriately low administrative costs. Through his involvement with an informal NRI giving circle in Singapore (See Focus India Forum Profile), he was referred to Dasra.

Jay was attracted to Dasra's investment minded approach and their commitment to supporting non-profits with the potential to effect systemic change in widespread social problems through scalable solutions. He saw the opportunity to engage NRI's in Singapore in Dasra Giving Circles by syndicating one membership place down to several individual sub-members. Jay then underwrote the pledge for one place in the Adolescent Girls Empowerment giving circle, with seven NRI's each contributing 1 Lakh Indian rupees (US\$1,600).

The marginal costs and effort of servicing a syndicate did not fall on Dasra but were met by Jay personally. This innovation brought new donors into Dasra at a donation cost that was relatively modest for the individuals,

but which offered the potential for them to 'graduate' into greater levels of generosity as they experienced the impact of collective giving. So far a total of 13 NRI's, from financial services, media and technology industries, have participated in the syndicate, and at least one has progressed to becoming a full member in one of Dasra's circles.

Jay believes that Dasra's strength is in mitigating risk of project failure by the high degree of pre-investment due diligence and the quality of post-investment consulting support to non-profits. Introducing a circle of individual donors into this model multiplies resources and encourages a new generation of philanthropists to work collaboratively.

Dasra has broadened the base of circle membership to institutional members — grantmaking foundations who, like individual members, have one vote. Dalyan Foundation is a Swiss-registered grantmaker founded in 2008 by an entrepreneurial couple, whose companies include health care and private equity. The foundation takes a broadly venture philanthropy approach, engaging with a small number of non-profits over a three to five year period, advising their management on strategy and operations and providing grants for scaling up impact. Dalyan Foundation is an active member of the Empowering Adolescent Girls giving circle. One of the founders' companies is an independent private equity firm focused on investments in India, giving the foundation a longstanding charitable interest in the country. 'We wanted to leverage our presence in India,' says Susanne Grossmann, a Zurich-based private equity advisor who volunteers her time to the foundation. Susanne explains that Dalyan was attracted to Dasra's research-based approach and commitment to finding and supporting non-profits: 'We felt that joining a giving circle gave us the opportunity to participate in a bigger project without shouldering all the day-to-day management support, and like the club deals we do commercially, the circle helped us build relationships with other funders.' Like individual members who are members of this giving circle, Dalyan Foundation participates as fully as possible, through Susanne and a colleague based in India. They attend quarterly conference calls that review progress and have follow-up calls or meetings with Dasra if necessary. Dalyan has a 'side letter' agreement with Dasra in

addition to the standard giving circle contract, which gives them the level of accountability necessary for a publicly registered Swiss charitable trust.

Dasra has adapted the Balanced Scorecard™ (BSC) performance measurement tool to provide quarterly reporting to its giving circles, offering them regular insight into a non-profit's progress against targets and an early warning of issues that might affect the business plan. SNEHA is the non-profit that has implemented the programme of child health and nutrition for the Dasra giving circle, Nourishing our Future, since 2011. Quarterly scorecards are distributed to giving circle members and they are informed of the circle's quarterly conference calls. A sample scorecard, for the quarter April–June 2013, is appended in this report.

Safeena Husain is the founding CEO of Educate Girls, the non-profit supported by the first Dasra giving circle, Girl Education. With a long international career in child education and health, she was already familiar with giving circles when Dasra approached her in 2009 following the publication of their sector report "Girl Power", but she admits venture philanthropy was a new concept, explaining that 'before Dasra, we'd had only one seed funder and they were very hands-off; I was not really prepared for the Dasra Giving Circle relationship.' Now, towards the end of her first experience with a highly engaged donor, Safeena has found it to be a positive experience, saying 'overall, the team found Dasra staff to be professional, friendly and always willing to help. They take an active approach to supporting our growth and staying involved with new initiatives as they develop.' Safeena notes that the giving circle's support was particularly valuable in financing early growth, and now that Educate Girls is embarking on a major expansion, she believes 'Dasra can help introduce our model to key funders.' The three-year partnership gave Safeena direct access to members of the giving circle, as well as participating in Dasra's capacity building programme for social entrepreneurs.