

Impact India

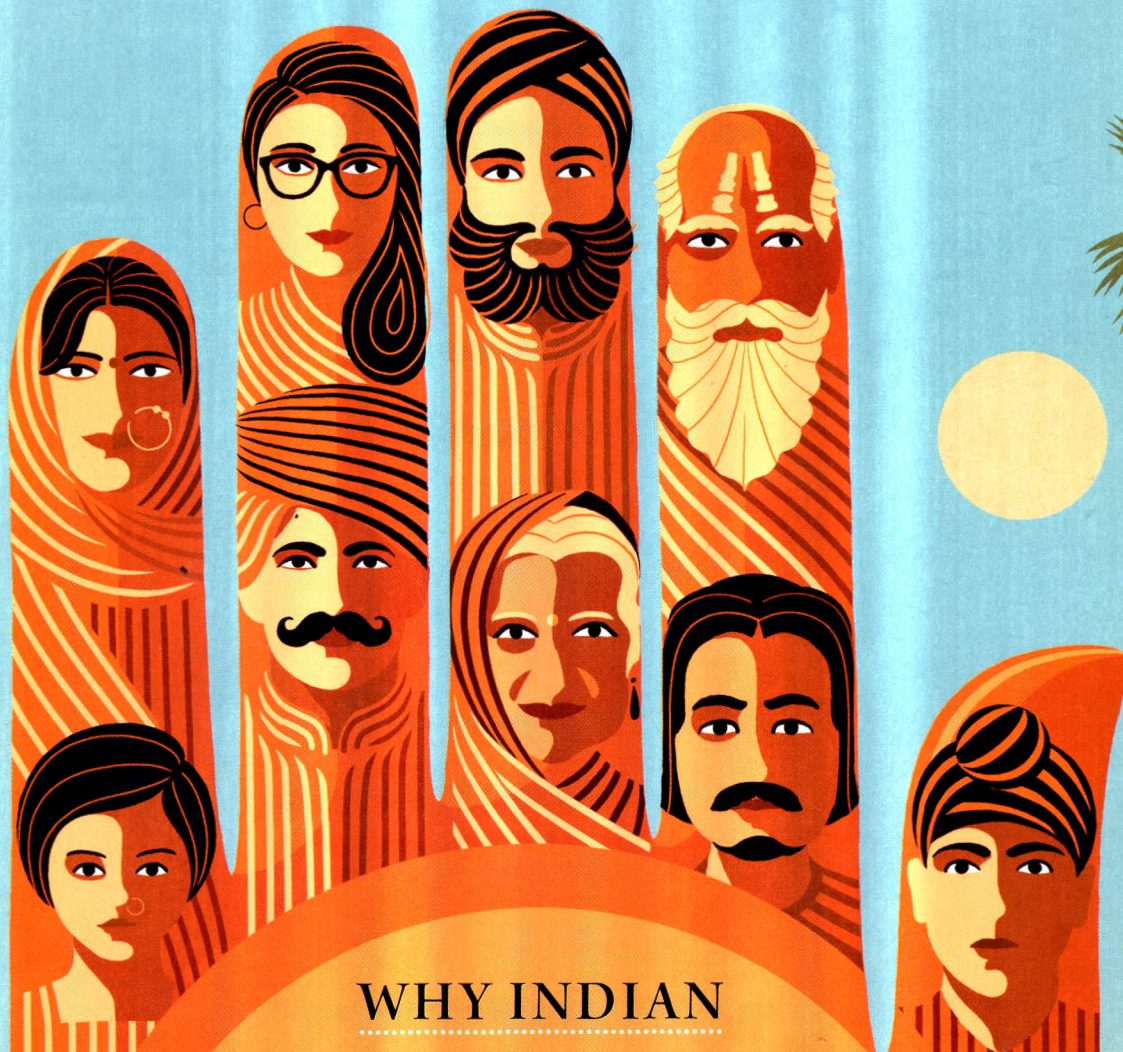
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WHY INDIAN
NONPROFITS
ARE EXPERTS AT

Scaling Up

There might be no better guide than Indian nonprofits for how to successfully scale up when resources are scarce. Five mind-sets fuel their growth.

BY SOUMITRA PANDEY, ROHIT MENEZES,
& SWATI GANETI | P16

Rohini Nilekani

TWO DECADES OF GIVING HAVE TAUGHT PHILANTHROPIST ROHINI NILEKANI THE VALUE OF PURSUING UNCONVENTIONAL APPROACHES TO TACKLING SOCIAL PROBLEMS.

Author and former journalist by choice, and shareholder of IT giant Infosys by chance, Rohini Nilekani entered philanthropy two decades ago when she began providing financial support for young girls. Today, her philanthropy is at work across Indian society, through the Akshara Foundation, which makes education accessible in government-run primary schools; Arghyam, which supports organizations in groundwater and sanitation; and other initiatives in governance, independent media, and the arts. She believes that one of the important things that a complex country like India needs is an intellectual infrastructure of ideas; of brave pilot programs of soaring ambition; and of think tanks battling poverty, class, and disease. In the following conversation with Neera Nundy, Dasra co-founder, and Pakzan Dastoor, manager of advisory research and due diligence at Dasra, Nilekani speaks about her evolution as a philanthropist, the critical role of women in giving, and why Indian philanthropy needs to be more audacious.

Neera Nundy and Pakzan Dastoor:
When did you first become engaged in philanthropy?

Rohini Nilekani: My giving started a long time ago when I didn't have that much to give in terms of money. I began by supporting young girls with scholarships. It wasn't until around 2004 when we [Rohini and her husband, Nandan Nilekani] came into serious wealth that I could begin to call what we do philanthropy, rather than traditional charity. I then had to find a way to be more strategic in my giving, so in 2005 I decided that Arghyam [a foundation she started in 2001] would focus entirely on the water sector in India. That's when my personal strategic philanthropy started. It was a steep learning curve because like many others who do philanthropy, we were not familiar with the sector we decided to invest in—water. We had to spend a lot of time getting familiar with the sector and figuring out the best way to leverage our resources so that we would have a disproportionately beneficial social impact. (See “Case Study: Arghyam” on page 10.)

● *You have been very forthcoming about your philanthropy, something that not many philanthropists in India are. Why is it important to talk about your philanthropy?*

The philanthropy sector in India is just a few decades old. So it's not a conversation that people have with each other. In the West, the rich do talk about their philanthropy, both in their own circles and publicly. That needs to happen in India as well. People need to use their circles of influence to talk about how wealth in India should be used. We live in a country where there are 600 million people waiting to be in the same room as us, so the responsibility of the wealthy in India is very different from other countries in the West. People need to talk a lot more about how they are using their wealth for the public good, and make that an intellectually and socially interesting way of being wealthy.

● *What are some of the biggest barriers to giving in India today?*

There are of course personal reasons why people don't give, but there are also things

that can be done in the ecosystem and through policy that will open up the philanthropic sector in India. If you look at policy, other countries do things like have an inheritance tax, which certainly causes the purse strings to open up rapidly. But I am not sure if India is ready for that now.

Other things can be done to make it easier to set up nonprofit institutions and reduce the regulatory cholesterol around them. Today we are seeing a crackdown on nonprofits by making it difficult for nonprofits to do political work. That is a mistake. After all, if you want to change things in society, a lot of the work is going to be political, not in the traditional sense of political parties, but political grassroots work. Whichever government is in power needs to feel secure enough to allow nonprofits to do human rights-based political work. We also need ecosystem players to come in, who can build the capacity of the nonprofit sector and draw more professionals into it.

● *How do you go about choosing the causes you give to?*

I believe in supporting people with high commitment, with very good ideas and good integrity, in areas where I can see a possibility of real change happening. At whatever scale the people are working in, if I see real commitment, if I can see the power of those people and their ideas, and I can see they are building good institutions, I feel very tempted to go into that sector. I often need to hold myself back. The areas I have funded, apart from education and water, are the environment, access to justice, independent media, cultural arts—because that is a huge area that is underfunded in India—and a few other exciting spaces, like policy advocacy and think tanks.

I believe India needs to build out its intellectual infrastructure. It is the most complex country in the world to manage. Governments can't do things alone. They need ideas. They need pilots that are executed outside government. They need evidence to make better policy and



better law. Philanthropic capital—especially domestic philanthropic capital—is best suited to help build out a whole new range of institutions, like think tanks and evidence-making institutions, that do research and advocacy that can feed into effective policy.

● **Could you talk about your experiences working with the government?**

Many of the societal problems that philanthropic capital aims to play a role in solving often have to do with public services, whether it is water, health, sanitation, or education. These services are often either provided by the state or regulated by the state. So when philanthropists come in and work in any of these areas, at some point they will encounter the state in one form or another. Look at Arghyam, for example. You cannot work in water, which is a kind of public service that we mostly depend on the state to provide, and stay away from negotiating with the state. If you're serious in your work, you will inevitably encounter some policy areas that you want to have an influence on. It is very important for philanthropists to start thinking about this from the get-go. So when you design your philanthropy, think about the role that the state plays in that particular sector.

Having said that, it is not easy to work with the government. It is much easier, for example, to identify five students that you want to help with scholarships and not have to worry about education policy. But if you want to do anything at scale, if you want to have real impact beyond your own resources and your own philanthropy, then you have to creatively and patiently engage with the state.

● **What is the role of women in family giving in India today?**

Sometimes women who have not been working outside the home, because they have been homemakers and doing the other important things to build a family, wonder if it is okay to be philanthropic with the family wealth because it isn't their personal wealth. I believe that women should not hesitate to be philanthropic with the family wealth. Once there is a consensus within the family to engage in philanthropy, women should be bold: They should use their passion, they should use their heart, they should use their time, and they should use their imagination. Giving forward sets as much of a tone for the family, for the children, and for the future as any other thing that you would do together. In fact, it's more important. So I think that we

should get over this now. After all, everybody contributes to the accumulation of wealth in a family, and women should not hesitate to give. Besides, it is really so much fun—intellectually, spiritually, mentally—there is just so much joy in giving that it can't but be good for the family to get engaged.

● **If there was one thing you would like to see Indian philanthropists do differently, what would that be?**

I worry sometimes that Indian philanthropy is not edgy enough. Not taking enough risks. Not grappling with the bigger problems. Let's take a really big problem like climate change. In 10 years, if some of these climate predictions come true, can you imagine what will be happening in North India? If the monsoon patterns change, can you imagine how that will impact the lives of millions of people in this country? Wouldn't it be great if Indian philanthropy looked out 10 years and asked: What are the big and audacious things that we can start tackling now? I worry that Indian philanthropy will get stuck tinkering on the sidelines, a little bit of incremental work in education, a little bit of incremental work in health, and not tackle the really big problems that we face.

I believe that we do know how to tackle big problems. If all the people who were so creative as to build these huge business empires, applied a little bit of that attention to the big problems that are facing this country, I am sure it would yield much more innovative philanthropy. We don't have to copy the West. Today we have problems in India that the West never faced. We have to build an indigenous model of innovative philanthropy taking bigger risks, taking the risk of collaboration, being more audacious, and giving more. That's what will make this country go forward in a way that is different from the bad predictions of what will happen in the future. We have a huge responsibility on our shoulders, and we should enjoy taking it on! ■

ARGHYAM, A GRANTMAKING FOUNDATION, TAKES A DATA-DRIVEN APPROACH TO HELPING TRANSFORM INDIA'S WATER AND SANITATION SYSTEMS.

■ BY ESHA CHHABRA

India is in desperate need of more and better water systems capable of meeting the needs of its people. The Indian government estimates that 330 million Indians were affected by drought conditions throughout the country in 2016. To say that the country's water problems are persistent and considerable would be an understatement.

But according to Rohini Nilekani, founder of Arghyam, a grant-making foundation focused on water and sanitation in India, the country cannot build water systems like those in the West. Rather, it has to find alternative solutions based on the resources and capacity available in India. "I think we've realized that India cannot rely only on surface water," says Nilekani. "It's just not ecologically or economically possible. We have to look at groundwater management and reimagine our water infrastructure with that in mind."

A longtime philanthropist and former journalist, Nilekani began homing in on water projects in 2005. Married to Nandan Nilekani, one of India's most notable tech entrepreneurs, Rohini has taken a data-driven approach to water and sanitation. She started Arghyam with her own personal endowment in 2001, and since then, the foundation (whose name means "offering" in Sanskrit) has deployed more than INR 120 crores (\$18 million) supporting projects and programs in 22 Indian states.

Arghyam has two flagship programs: the India Water Portal (IWP) and the Participatory Groundwater Management program (PGWM). The former serves as a knowledge database for all things pertaining to water. The latter focuses on supporting small communities to manage depleting water resources.

INFORMING INDIA ON ITS WATER CRISIS

Established in 2007, the IWP has attracted a significant following: Available in multiple languages, it receives more than 6,500 visitors on its English-language website and more than 10,700 visitors on its Hindi site each day. The website provides access to working papers, reports, data, articles, news, events, and discussions on water. A team of 20 people spread across India identify local water stories and solutions for

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the website. Each person focuses on a particular region of the country, producing stories and doing outreach with local press, journalists, and changemakers.

Mala Subramaniam, Arghyam's CEO, says that the portal has been catalytic in bringing forward stories that otherwise don't get attention in the media. Consider one IWP report that covered the activities of Ultratech Cement, a mining company in Chhattisgarh that had promised a village jobs, health care,

and water. The company didn't keep its promise; instead, increased mining for limestone has depleted freshwater, leaving villagers to rely on polluted water to irrigate their fields and raise livestock. As Lakhanlal Dhritlahare, a resident of Chhattisgarh, told IWP, "In the 1990s, there were more than 2,500 cattle in our village, but within two decades, their population was reduced by 60 percent due to contaminated water and cattle fodder due to mining activities."

After IWP published its story about the pollution, print journalists took notice and visited the village to investigate further. The increased media scrutiny compelled Ultratech executives to hold a town hall meeting with the villagers to discuss mitigating measures. Ultimately, the government withdrew Ultratech's license to operate in the area.

Tushaar Shah, a senior fellow at the International Water Management Institute, says that the portal is "energetic, resourceful, and has a wide usership." Shah, who has been researching water systems in South Asia for 35 years, is an active user of IWP, referring to it for case studies, literature, and data, and also sharing his own research through the portal.

LOCAL SOLUTIONS FOR GROUNDWATER MANAGEMENT

The World Resources Institute estimates that more than half of India's groundwater wells are decreasing. That's leading to more high-risk zones of water in the country where water-related stress is dangerously high. In fact, the national supply of groundwater is predicted to drop 50 percent below demand by 2030. What's more, as people increasingly move to the city, the need for water systems will become even more acute.

This is why, in recent years, Nilekani has become quite vocal about India's need to manage its groundwater. Groundwater has been exploited because it's invisible, pumped from below India's growing towns and vast agricultural fields, Nilekani explains. "[It's] a common pool resource. If one uses too much, it affects everyone in the community. But its management doesn't reflect those common pool principles."



Nilekani believes that the solution to the groundwater problem lies in simpler, back-to-basics tactics, driven by local resources and populations. “Our hypothesis is that when the right knowledge, or the science of hydrogeology, is provided at the right local level, communities will rally around to build ownership and manage the resource sustainably and equitably,” says Subramaniam.

To that end, Arghyam’s PGWM program is operating in 500 locations around the country. Consider, for example, its work in the village of Randullabad, in Maharashtra. Randullabad sits in a drought-prone region, and three years ago, its drinking water sources were rapidly depleting. Then Arghyam lent its support to a project by the Advanced Center for Water Resource Development and Management, a PGWM partner. The program focused on recharging regional aquifers, geological mapping, testing water quality, and developing usage protocols for drinking and irrigation. It also discouraged farmers from drilling private borewells, which affect water levels in local aquifers and take away from the idea of treating water as a community resource. As a result of the program’s efforts, farmers agreed to use 90 percent of the wells in the communities on a sharing basis. PGWM helped the village go from being on the verge of crisis to self-sufficiency.

The experience of five villages in the northern hilly state of Himachal Pradesh provides another example. While some communities are dealing with water scarcity, these villages were facing a crisis brought on by water contamination. (According to WaterAid, 80 percent of India’s surface water is contaminated, much of it corrupted by untreated sewage.)

It turned out that the five villages, which sit in opposite sides of the valley, shared a common aquifer. Locals from each village didn’t know that they were accessing the same water source as the others; they also didn’t realize that their individual waste practices were infecting the source they all shared. The situation began to improve when PSI, an Arghyam partner, helped put together a cross-valley committee, sharing knowledge about the reasons for the contamination and giving villagers the responsibility of cleaning up their water quality and improving sanitation in the area as a whole.

The participatory nature of these programs means that locals take ownership. They decide how to solve their water problems, and they follow through. Arghyam’s partners are enablers, educating local people on the issues and advising them on best practices.

CHALLENGES AHEAD

Creating water programs that work is important, but just as critical is scaling up those programs. To that end, Arghyam tries to get donors and the government to scale up proven practices. The

foundation targets the government because 90 percent of funding for development comes from the government, says Subramaniam. Arghyam’s PGWM program has been recognized at the highest levels of government. In 2012, India’s 12th Planning Commission Report (issued every five years by the government) recommended PGWM practices. The Central Groundwater Board has also included PGWM principles in its National Aquifer Mapping Program.

Despite those notable successes, Arghyam still faces significant hurdles when it comes to engaging with the government. “Since the core of our work is about knowledge transfer and building community processes, it has been particularly difficult because government does not know how to manage and monitor the funding for this type of work,” says Subramaniam.

For his part, Shah worries that Arghyam’s groundwater program



Residents of Kanmer in Gujarat state use a community well built with Arghyam’s support.

is “too idealist and unrealistic.” He argues that educating farmers on aquifers and local water systems is not likely to create radical change. Rather, he wants to see Arghyam “work towards practical solutions rather than changing the mind-set of farmers.” That means funding innovative solutions. For example, he says there is renewed interest among farmers and governments to convert irrigation tanks into groundwater recharge tanks. “As a foundation, Arghyam can play around with this idea and explore a range of options to improve the tank-groundwater agro-ecology.”

Nilekani, however, believes that Arghyam’s participatory approach has proven that it has great potential, and that small, localized actions can help address India’s water shortage. In fact, she notes, in most of the locations where the PGWM principles have been implemented, the communities have become more “resilient.” ■