Study Report on Status of Civil Society Organisations in Uttar Pradesh

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Preface

Given the vastness of the Indian landscape — of geographical boundaries and diversity in the social and cultural beliefs of the country, the government's role in improving the living conditions of its citizens is essential. Nevertheless, the CSOs have an equally imperative role to perform in the holistic development of the country, mainly the most marginalized sections. The contribution of the civil society sector towards working majorly for the upliftment of the grass roots of the country cannot be ignored. However, if all the sectors, i.e., the social, private and public sectors, work in collaboration on certain areas, the results might be achieved at a faster pace and create more impact.

There are 31 lakh registered CSOs engaged in development work in India [1], and a 13,067 of them in UP [2]. But despite the humungous size and civilization of the civil society sector, the impact that it has been creating through its splendid work is often momentary and restricted. This is because, the CSOs repeatedly struggle in communicating effectively with the political, private, and other forces prevalent at state, national and international platforms. This leads in impaired efforts made by the CSOs at the grass root level. Amidst all these issues, that the civil society sector has been dealing with, the CSOs in UP are uncertain about their future, and are constantly experimenting with strategies to bolster their impact and visibility.

VANI, being the voice of the civil society sector, has been working towards amplifying the needs of the sector since its initiation. As a part of the same initiative, VANI carried out this study, to explore the status of the CSOs in UP, vis a vis their relationship with the government, the corporate sector, fundraising and their understanding of Sustainable Development Goals. The issues raised through a number of in-depth interviews with CSOs in UP, helped understand the way forward for these organisations.

In the end, I would like to acknowledge and extend my gratitude to IM Swedish Development Partner for supporting this project. I would also like to thank my research team, Dr. Pallavi Rekhi, Programme Officer and Ms. Nivedita Datta, Programme Manager for compiling and editing the document, and for concluding the study.

Best Regards,

Harsh Jaitli

Chief Executive Officer

Abbreviations

UP   - Uttar Pradesh

CSO   - Civil Society Organisation

VANI   - Voluntary Action Network India

SDG   - Sustainable Development Goal

NGO   - Non-governmental Organisation

NPO   - Non-profit Organisation

VO   - Voluntary Organisation

HR   - Human Resource

IM   - Individual Människohjälp Swedish Development Partner

ILO   - International Labour Office

FCRA   - The Foreign Contribution Regulations Act

CSR   - Corporate Social Responsibility

Contents

Introduction

CSOs in India have been working towards social development since time immemorial. They have been contributing to the growth of the society from even before independence and are still standing strong. The civil society sector has had a vibrant past, and an even more lively present and future. They are known for their commitment, innovativeness and expertise. CSOs in India have a diverse background, wide range of working themes and are varied in nature. The work on a variety of issues ranging from healthcare, education, women rights, child rights, climate change, etc.

The government initially recognized the potential and importance of the CSOs and designed laws that were meant to address the challenges of the CSOs and make things easier for them. However, the picture has reversed now, the laws and policies are instead overpowering the civil society sector and is slowly burdening them with no choice but to step back. The recent amendments have made it more difficult for the CSOs to survive in this society and they find it tedious to comply with the regulations, given the complex language and processes involved.

In order to aid CSOs in UP to undertake advocacy with different stakeholders and be able to survive in this difficult time, VANI undertook this study to understand the status of CSOs by means of in-depth interviews. This document will provide CSOs with potential solutions to their problems and cater to all their issues.

> **Objectives**
> - To understand the status of CSOs of UP.
> - To identify the various challenges faced by the CSOs of UP.
> - To prepare a comprehensive document which could aid CSOs in states to undertake advocacy with different stakeholders.
> - To understand the difference in perspectives of the donor organisations and CSOs.

Sampling

Randomized sampling- An online questioner were circulated among member organisations of VANI and telephonic interviews were conducted. The data from both the sources was analysed and reviewed to document the status of CSOs in UP. The data was collected from various organisations working on diverse themes, such as education, disaster management, livelihood, healthcare, environment, etc.

Methodology

VANI collected qualitative and quantitive data from 14 organisations in UP through telephonic

interviews and an online questionnaire. The data received was cleaned, analysed and the interpretations were documented. The study does not differentiate between CSOs on the basis of their size, thematic area of work, geographical location in UP, etc.

Desk Research

- The study is completed through primary resources and secondary resources as well.

- Extensive secondary research was accomplished by thorough reading and compilation from different sources (articles, reports, documents, books, websites etc).

Context

In the state of UP, the NGOs/NPOs/CSOs/VOs, have been a significant part of the holistic development and social welfare of the state population. CSOs in UP have been actively working since time immemorial on various projects and programmes for the growth of the urban and the rural population of the state. These CSOs also collaborate with the government and other organisations, for creating awareness and improving welfare conditions.

UP has a very strong background of voluntary work and it can be seen by looking at the growth and development in the state in every sphere. Philanthropists have put in immense amount of hard work and committed efforts towards the development of UP. According to statistics collated by ILO, women's employment in regular salaried jobs maintained a very high growth of about 6 per cent during 1994-2005 and 2005-12. Talking about males, their annual growth in casual wage work jumped from just 1.3 per cent between 1993-94 and 2004- 05 to 7.7 per cent per annum between 2004-05 and 2011-12.[3] These CSOs still continue to do welfare-oriented work in the state and their progress can be monitored on certain characteristics such as the organizational structure, leadership quality, size of the organisation, implementation of policies regarding the employees, financial stability and number of volunteers associated with them. These factors decide the kind of services the CSO will be able to provide and what kind of challenges it faces in doing so.

There is a significant angst amongst CSO workers in UP about the relationship between the state and the CSOs. Since the initiation of the CSOs in UP, some of them have acquired a wider presence and much more power as compared to others. They have also acquired a position where they significant part in bringing about policy changes and amendments. The other CSOs that did not have any political backing or a wide network of influential personalities, have suffered greatly due to controlling intrusions by bureaucrats.

There are 13,067 CSOs of UP, registered on Niti Aayog's web portal *'Darpan'*. However, the fact worth emphasizing here is that out of these CSOs, only two organisations are registered under FCRA.[4] The immense role of these organisations in the development of UP cannot be undermined. However, it is well known that the government's approach towards them has not been very positive lately. The civil society space has been shrinking due to the harsh amendments

imposed by the government with respect to FCRA, income tax, etc. Nevertheless, in times of Covid-19, it has been reassuring to see the CSOs and the public institutions work together to fight the pandemic. Post the lockdown, the Prime Minister of India, Mr. Narendra Modi, reached out to the lakhs of CSOs in the country through a video message, to join hands with the government in these tough times, to provide basic necessities to the marginalized, distributing medical and protective gears to the underprivileged, and creating mass awareness vis a vis the pandemic and social distancing. This was an excellent example of a great collaboration between the two sectors.

In UP, every CSO needs to be registered with the government under one of the following four Acts as per the Indian law:

Societies Registration Act, 1860

An Act for the registration of literary, scientific and charitable societies

Whereas it is expedient the provision should be made for improving the legal condition or societies established for the promotion of literature, science, or the fine arts, or for the diffusion of useful knowledge, I [the diffusion of political education], or for charitable purposes;

Comment: *Charitable purposes which came within the language and spirit of the statute of Elizabeth could be grouped into four heads, (i) relief of poverty, (ii) education, (iii) advancement of religion and (iv) other purposes beneficial to the community not coming under any of the preceding heads. The words in Act 21/1860 are, therefore, to be understood as including religious purposes also.*

It is enacted as follows :-

Societies formed by memorandum of association and registration

Any seven or more persons associated for any literary, scientific, or charitable purpose, or for any such purpose as is described in section 20 of this Act, may, by subscribing their names to a memorandum of association, and filing the same with Registrar of Joint-stock Companies form themselves into a society under this Act. [5]

Societies Registration (UP Amendment) Act, 1979

For Statement of Objects and Reasons, please see UP Gazette, (Extraordinary), dated December 12, 1978.

(Passed in Hindi by the UP Legislative Assembly on May 5, 1979 and by the UP Legislative Council on May 22, 1979).

[Received the assent of the President on July 9, 1979, under Article 201 of the Constitution of India and was published in Part 1(a) of the Legislative Supplement of the UP Gazette Extraordinary, dated July 16, 1979.]

An Act further to amend the Societies Registration Act, 1860 in its application to UP

It is hereby enacted in the Thirtieth Year of the Republic of India as follows :-

1. Short title. - This Act may be called the Societies Registration (UP Amendment) Act, 1979.

2. Amendment Section 3. - In section 3 of the Societies Registration Act, 1860 as amended in its application to UP (hereinafter referred to as the principal Act), in subsection (2), after clause (d), for the Explanation, the following proviso shall be substituted, and be deemed always to have been substituted, namely :

    "Provided that the State Government may in exceptional circumstances, for reasons to be recorded permit any society to use the word 'Union' or the word 'Gandhi' in its name, and thereupon, the use of that word in the name of the society shall not be a ground for refusal to register or to renew the certificate of registration of such society."

3. Insertion of Section 3B. - After section 3-A of the principal Act, the following section shall be inserted, namely :-

    "3B. Reference to the State Government. If any question arises whether any society is entitled to get itself registered in accordance with section 3 or to get its certificate of registration renewed in accordance with section 3-A, the matter shall be referred to the State Government, and the decision of the State Government thereon shall be final."

4. Insertion of section 5A. - After section 5 of the principal Act, the following section shall be inserted, namely :-

    "5A. Restriction on transfer of property. - (1) Notwithstanding anything contained in any law, contract or other instrument to the contrary, it shall not be lawful for the governing body of a society registered under this Act or any of its members to transfer, without the previous approval of the court, any immovable property belonging to any such society.

    (2) Every transfer made in contravention of sub-section shall be void.

    Explanation I. - The word 'court' shall have the meaning assigned to it in section 13.

    Explanation II. - The expression 'transfer' shall for the purposes of this section mean-

    (a) a mortgage, charge, sale, gift, or exchange;

    (b) lease for a term exceeding five years ; or

    (c) irrevocable licence."

5. Amendment of section 12A. - In section 12-A of the principal Act, after the words "two-thirds of the total number of its members", the words "and with the previous approval of the Registrar in writing" shall be inserted.

6. Amendment of section 12D. - In section 12-D of the principal Act, in sub-section (1), in clause (a) for the word "was" the word "is" shall be substituted.

7. Substitution of section 21. - For section 21 of the principal Act, the following section shall be substituted, namely:

"21. In this Act, the word 'Registrar' means a person appointed as such by the State Government, and includes an Additional Registrar, a Joint Registrar, Deputy Registrar, or Assistant Registrar, on whom all or any of the powers of the Registrar under this Act are conferred by general or special order of the State Government." [6]

Indian Trusts Act, 1882

An Act to define and amend the law relating to Private Trusts and Trustees.

Lawful purpose- A trust may be created for any lawful purpose. The purpose of a trust is lawful unless it is (a) forbidden by law, or (b) is of such a nature that, if permitted, it would defeat the provisions of any law, or (c) is fraudulent, or (d) involves or implies injury to the person or property of another, or (e) the Court regards it as immoral or opposed to public policy. Every trust of which the purpose is unlawful is void. And where a trust is created for two purposes, of which one is lawful and the other unlawful, and the two purposes cannot be separated, the whole trust is void.[7]

Companies Act, 2013

Formation of company — (1) A company may be formed for any lawful purpose by— (a) seven or more persons, where the company to be formed is to be a public company; (b) two or more persons, where the company to be formed is to be a private company; or (c) one person, where the company to be formed is to be One Person Company that is to say, a private company, by subscribing their names or his name to a memorandum and complying with the requirements of this Act in respect of registration:

Provided that the memorandum of One Person Company shall indicate the name of the other person, with his prior written consent in the prescribed form, who shall, in the event of the subscriber's death or his incapacity to contract become the member of the company and the written consent of such person shall also be filed with the Registrar at the time of incorporation of the One Person Company along with its memorandum and articles:

Provided further that such other person may withdraw his consent in such manner as may be prescribed:

Provided also that the member of One Person Company may at any time change the name of such other person by giving notice in such manner as may be prescribed:

Provided also that it shall be the duty of the member of One Person Company to intimate the company the change, if any, in the name of the other person nominated by him by indicating in the memorandum or otherwise within such time and in such manner as may be prescribed, and the company shall intimate the Registrar any such change within such time and in such manner as may be prescribed:

Provided also that any such change in the name of the person shall not be deemed to be an alteration of the memorandum. (2) A company formed under sub-section (1) may be either— (a) a company limited by shares; or (b) a company limited by guarantee; or (c) an unlimited company.[8]

Any CSO to be registered has to go through a registration process which is as follows:

The registration process is completely digital. The website for the registration procedure is http://uprfsc.gov.in/Default.aspx. The following steps need to be followed for registration:

- A CSO needs to get registered within 21 days of commencement of activities. The registration form needs to be filled and submitted for the application to be reviewed. The registration form has been given below for your reference.

- After the account has been created, payment is made via an e-challan.

- Post review of the application and fulfilling the formalities, if the approval is given, the registration certificate can be downloaded.

A complete user-friendly manual has been given on the website itself for making the registration process easier for the CSOs. The link for the manual is given below: http://uprfsc.gov.in/PDF_files/user_manual.pdf

This study aimed at understanding the obstacles that a CSO in UP has to overcome in its process towards providing better services and continue their activities. This study also facilitated us with a clear picture about the present status of the CSOs in UP in context of the registration, complying with several laws of the government, fundraising, etc. The only inclusion criteria for this study was that the CSO must be based in UP.

Chapter I: CSOs of UP and the Government

The relationship between the CSOs and the government of India has been under the radar continuously. On one hand, the relationship seems to be quite complicated, while on the other hand, the government has been immensely supportive and encouraging of the work that the CSOs have been doing, especially during the COVID- 19 crisis. If we look at the other side of the coin, civil society sector raised concerns alleging the Government to be bureaucratic.

However, the civil society sector's relationship with the government has been dual in nature since a long time. Although, many of the CSOs work in collaboration with the government, on government led projects and programmes, but simultaneously, they are not in favour of certain government policies. Also, while they raise concerns regarding the government's terms and conditions, on the other hand, they are partially dependent on the government for financial support in the form of grants, etc. Even the policies adopted by the CSOs are drown from the government policies.

The same is true for the relationship between the CSOs in UP and the government. The following table depicts the year- wise percentage expenditure by the UP Government on providing grants-in-aid to the CSOs: [9]

Percentage Expenditure by UP Govt Towards Grants-in-aid and Contributions	
2009-2010	3.76%
2010-2011	8%
2011-2012	9%
2012-2013	6%
2013-2014	1%
2014-2015	2%
2015-2016	0%
2016-2017	3%
2017-2018	4%

The table above depicts no significant increase over the years in the percentage expenditure made by the UP Government towards grants-in-aid and contributions towards social welfare. Infact it has only decreased continuously. This had led the CSOs in a worrisome position and forced them to explore other options for raising funds in order to survive in the state.

However, to fulfill the basic responsibility of a government which is ensuring the welfare of its citizens, the government of UP has implemented certain schemes to support the CSOs working on specific themes:

- **Aid to Voluntary Organizations for operation of Shelter-Houses Cum Training Centers for Shelter-less Mentally Retarded and Mentally Challenged Persons with Disabilities**

  A scheme is being operated by the UP government for providing grant to the CSOs for operating shelter-houses cum training centers for mentally challenged shelter-less persons with disabilities enabling the participation of CSOs along with government programmes to ensure economic and social upliftment of mentally challenged persons. [10]

- **Scheme of Grant in Aid to Voluntary Organisations working for Scheduled Castes**

  The main objective behind the scheme is to involve the voluntary sector and training institutions of repute to improve educational and socioeconomic conditions of the target group i.e. Scheduled Castes with a view to upgrade skill to enable them to start income generating activities on their own or get gainfully employed in some sector or the other.

- **Assistance to Voluntary Organisations for Old Age Homes**

  The scheme provides financial assistance up to 90% of the project cost for running and maintenance of day care centre, old age home, mobile medicare unit, etc. Besides increase in amount of financial assistance, several new projects have been added to the scheme like maintenance of Respite Care Homes and Continuous Care Homes, Running of Multiservice Centre for Older Persons, Running of Day Care Centres for Alzheimer Disease/Dementia Patients, Physiotherapy Clinics for Older Persons, Disability and hearing aids for older persons, Helplines and Counselling Centre for older persons, etc. [11]

Even though a variety of diverse schemes have been enacted by the government in order to provide support the CSOs, but their implementation is found to be minimal. The rigid regulations around the applications to receive these government grants have led the CSOs to step back and divert towards other financial support options. According to a media report, post the amendments made in the FCRA Act in 2014, the government's crackdown on foreign funding of non-profit organisations has resulted in cancellation of 2,234 CSOs in UP. [12] After conducting in-depth interviews, VANI has identified a few key challenges that the CSOs in UP face in relation to the government. Some of the major ones are listed below:

- The constant variations and changes in the rules and regulations provided by the central and the state government, pertaining to several laws like FCRA, the Income Tax Act, etc., leaves them in a state of dilemna. For a CSO that is based in an urban setting in UP, might be slightly

easier to adapt and adhere to the government policies as they have better means and resources. But, a CSO that is based in a rural setting and works at the grass root level, to be able to comply with the government norms is troublesome, due to lack of resources and qualified manpower.

- Almost all the respondents of the study complained about the government to have neglected the smaller CSOs and that it has not made any committed efforts to establish and strengthen partnerships with them. They are generally seen restricting their attention and support to the bigger organisations or the corporate sector. The CSOs mentioned that even if they try and make efforts to associate with the government, they have been sidelined and ignored.

- According to the amendments made in the Income Tax Act, the CSOs in general have to reapply for registration every five years. The central government has taken a fierce approach towards the civil society sector ranging from making amendments in rules pertaining to receiving funds, to cancellation of licenses. In addition, the amendments also mention that the application for registration will be approved only after complete satisfaction of the commissioner regarding the authenticity of the activities of the CSO. It is also mandatory for the CSOs to share their donor lists, so that the income tax returns from the CSO and the donor can be tallied.

  On discussing about these changes, the CSOs in UP stressed upon their downfall, that has left them with no choice but to shut down eventually, if the situation persists. One of the respondents commented that "the new laws are not at all friendly and are creating a disabling environment for the CSOs to work in".

- Another major challenge that these changes in the legislature has posed in front of the VOs in UP, is the rising levels of corruption in the system. One of the respondents from a grassroot level organisation shared that they choose to keep their registration applications pending, as there is no way , they will be approved without paying money. This has left the smaller CSOs with no hope at all to be able to survive.

- Though the registration process is completely digital, and a user manual has also been added on the website for the convenience of the applicants, certain CSOs complained that the geographical location of their organisation does not have access to good internet and network services. Therefore, for any requirement of the internet, they have to travel a long way to get access to the services. This should have been considered by the government while designing the process.

- When discussed about the ongoing pandemic, by which the whole world is affected, the CSOs indicated that while, on one hand they were being encouraged by the government to provide services to the minorities and others who are affected, in terms of providing ration, health services, etc., on the other hand, the government refused to support them when they put forward their financial requirements in doing so. They complained that the government did not even provide them with an official letter to serve during the lockdown, relieving them from the curfew, when the CSOs tried to help independently.

In conclusion, so many administrative requirements and a bureaucratic approach by the government will only lead to decrease in the efficiency and capacity of the civil society sector. This will certainly hamper the progress towards achieving the desired goals in UP. In addition, this will also make it challenging for the CSOs to raise funds and continue working for the social welfare of the citizens of the state.

In light of COVID-19, the relationship between the government and the CSOs in UP has been identified as dichotomous. While, the government recognizes the efforts and importance of the civil society sector in such times, they are not completely supportive when it comes to providing financial support.

Chapter II: CSOs in UP and Corporate Social Responsibility (CSR)

The CSOs are dealing with a wide number of challenges in terms of financial support and a constant need to prove themselves. Quite often, these CSOs depend on the government funding through grants, service provisions, etc., or individual fundraising. However, due to the constant pressure of reinventing themselves and gaining social acceptance, these funds might not be sufficient for them to keep functioning. Association with the government also brings with it, administrative issues and managerial problems, leading them to explore other options for fundraising. In these cases, corporate funding might be a solution to their financial needs. The process is not just beneficial to the CSOs but is also mandatory for the corporates to showcase the impact of the work they do for social development. CSR not just helps the CSOs to meet their financial requirements, but also facilitates the corporates to ensure their contribution towards the society. In fact, the CSOs and corporates that are able to maintain a long and sustainable relationship, are found to yield the maximum mutual benefits.

The Corporate Social Responsibility (CSR) rule was passed to bring the contrasting voluntary sector and the corporate sector together. The mandate was to combine the corporate wealth and the experience and capacity of the CSOs in order to bring about changes in the society.

According to these rules, mentioned under the Companies Act 2013, companies with a market value of equal to or more than 500 crores or a revenue generation of 1,000 crores are required to invest 2% of their annual revenue of the last three years on social development.

Talking about the amount of CSR funds invested in UP on various districts, following is a table depicting the yearly expenditure. [13]

Year-wise CSR Expenditure in UP	
FY 2014-2015	148.90 CR
FY 2015-2016	423.79 CR
FY 2016-2017	328.31 CR
FY 2017-2018	301.51 CR
FY 2018-2019	476.95 CR

- The table suggests considerable increase every year, in the CSR funds invested in UP. However, contrary to the figures, the respondents had a completely different take on CSR activities and support to CSOs in UP.

The following table shows the number of companies that invested in UP and the number of districts that were covered:

Companies investing in different districts of UP per year		
Financial Year	No. of Companies	No. of Districts Covered (Out of 75)
FY 2014-2015	296	47
FY 2015-2016	622	45
FY 2016-2017	762	55
FY 2017-2018	718	41
FY 2018-2019	847	56

- Though there has been a remarkable increase in the CSR expenditure over the years, in the districts of UP, in comparison, the number of districts covered under CSR programmes has not risen that much.

- Out of the districts covered over the years under CSR for overall development of these districts, the ones that were invested the maximum on were Varanasi (435 CR in 2014-15 & 2152.5 CR in 2016-17), Gautam Buddha Nagar (9966 CR in 2015-16), Sonbhadra (1297 CR in 2017-18) and Hardoi (6672 CR in 2018-19).

- Majority of the resources were invested in the Education, Healthcare and Rural Development sectors.

- The corporates that emerged as prominent funding agencies in these five financial years were NTPC Limited, Metenere Limited, Container Corporation of India Ltd., Rural Electrification Corporation Ltd., Bennett Coleman & Company Ltd., Rosa Power Supply Company Ltd., Power Grid Corporation of India Ltd., northern Coalfields Ltd., Indian Oil Corporation Ltd., HCL Technologies Ltd., and GAIL (INDIA) Ltd. [14]

- According to a news report, the biggest investor in Uttar Pradesh in the year 2019- 2020 was Vivo Mobiles, that had
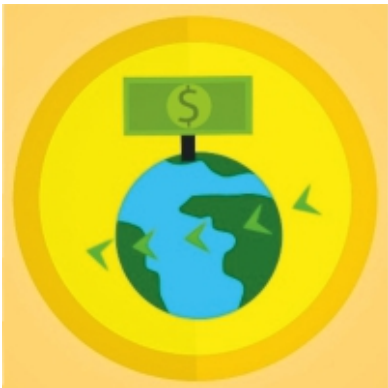
pledged to invest Rs 7,429 crore in the state. The next big investor was Torrent Gas Private Limited with an investment of Rs 2,751 crore. Next was the South Korean giant, Samsung, whose investment stood at Rs 2,000 crore.

Western Uttar Pradesh was the biggest beneficiary having bagged around 54% of the total investment, while drought-hit Bundelkhand received only about 4% of the overall share -- the lowest in the state. The division among other regions is as follows: Central Uttar Pradesh got around 19% of the investment, Purvanchal (eastern UP) bagged about 10%, and the remaining went to multiple locations across the state. [15]

Even though these numbers reflect a positive scenario of corporate investment in the state of UP, the CSOs completely had a different perception of it. To gauge the current relationship status between the CSOs in UP and the corporate sector, this exploratory study was conducted, and data was collected and analysed. Our study aimed to identify the challenges that the CSOs in UP face in developing and further maintaining a mutually benefitting relationship with the companies.

The response to the interviews and the questionnaire suggested that due to materialization, the partnership between corporates and the voluntary sector in UP has become uneasy in context of their strenuous policies and tedious paperwork. Some of the findings of the study indicated:

- The corporates demand more precision and more result-oriented activities, as adhering to the CSR laws is not just about doing social good but also about liability and accountability. If the laws are not complied to, there are legal implications to it which may range from hefty fines to imprisonment. The companies want the CSOs in UP to report progress regularly so that they can keep a track of the progress being made and what needs to be done next. However, this constant nudging to be organised and professional has turned into a discomforting situation for the CSOs. In retaliation to what the corporates demand, the CSOs in UP stress on the fact that if the demands are this high and over-whelming, then it requires a lot more financial investment as well for them to be able to fulfill those. Keeping in mind the current financial situations of the CSOs in UP, implying severe shortage of funds, from where will the voluntary organisations present top-class reports. Moreover, the CSOs are primarily engaged in fulfilling the requirements of the projects, rather than the needs of the people.

- Another major challenge that the respondents highlighted was that in order to prepare and present the best of reports and other administrative requirements, the companies should also focus on capacity building of the employees of the CSOs. This has left the voluntary

organisation in a fix. On one side there is shortage of funds for hiring qualified employees to run their institution, on the other hand, no efforts are being made to provide trainings and exercises to improve skills and build capacities. Apart from this, the CSOs also stressed on the fact the compeer side.

- The data also indicated that how the CSOs in UP feel that the CSRs run towards projects, districts and development sectors where the government has already invested. To enter the good books of the government and to explore collaborations with them, the companies dwell towards places where the government has started their programmes. The grass root organisations are the ones that remain at loss in this association as they lose potential funders.

- On interviewing one of major corporate donors, running their projects in districts of UP, it was found that, apart from demanding a more organised and professional work style, the companies also consider the geographical distribution and size of the CSO based in UP. The more established and bigger the CSO, the more probability of the companies partnering with them. As a result, the grass root level organisations in UP find it difficult to get corporate funding because they are unable to fulfill the demands of the companies.

Effects of COVID- 19 on the Relationship Between CSOs in UP and Potential Corporate Funders
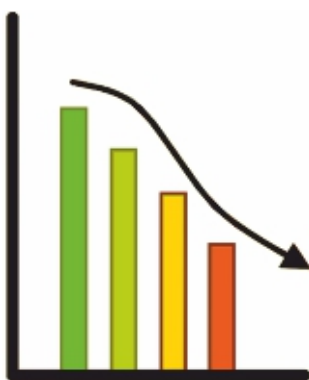
- A respondent representing a donor organisation mentioned that cuts in the CSR funding ratio is definitely going to be higher as a result of the pandemic. CSOs expecting support from other corporates will also end up in disappointment. This will definitely affect corporate funding in UP as well. While the specific values have not been able to be calculated yet and may differ from CSO to CSO, the need of the hour is to reduce expenses as much as possible, to a level till where the efficiency of the CSO employees is not compromised.

- As mentioned by another donor organisation, most of the CSR funds in the near future are likely to be invested in organisations working towards COVID-19, therefore it is important to identify key steps that the CSOs, specially the smaller ones in UP, need to take in order to continue functioning. Also, they will need to take advantage of their presence in the field to understand the reality and create future strategies accordingly. For instance, the effects of COVID- 19 on women workforce can be researched on by these NGOs, and then they can start preparing accordingly to overcome the burden post the lockdown. [16]

A severe need to re-strategize and remodel the existing plans has emerged. Keeping in mind the new normal, the projects will need to be rethought about. For example, if the district that the CSO works in, becomes affected by the pandemic, what support measures could be taken?

There is an urgent need for the CSOs in UP and corporate sector to work together more harmoniously and peacefully in order to create a valuable impact on the welfare and

development of Uttar Pradesh. The CSR-CSO partnership needs regular monitoring and evaluation, better opportunities, better reporting, and mutual recognition of caliber. Such changes may bring about significant improvement in the accountability and transparency and encourage both the parties to be responsible within the CSR-CSO interface.

Chapter III: CSOs in UP and Local Resource Generation

This chapter talks about the literature reviewed on the types of funding available to the CSOs in UP to run their organisations, and the challenges faced by them in mobilizing these funds. This chapter aims to answer two research problems listed below:

1. To identify the key funding resources for CSOs in UP,

2. Challenges faced by them in acquiring necessary funds.

Key Funding Resources:

1. Corporate Funding (CSR)

CSR is not exactly a new concept in the Indian context. In UP's case as a lot of big names like SBI Technologies Ltd., GAIL (INDIA) Ltd., etc., that have emerged as the major corporate funders, have been doing CSR activities since their inception. But with the Companies Act 2013 putting the CSR rules into place, these companies are now bound to comply with the norms, or else provide strong explanations and henceforth face rigid consequences.

Due to these norms, the civil society sector has largely benefitted and have received an opportunity to be exploited. But unfortunately, very few CSOs are able to take full advantage of this, and therefore, mostly the grass root level organisations still lack CSR support. This might be because of several reasons like lack of understanding of the processes, inability to reach out to the right people, absence of a strong network, etc.

2. Government Grants

The second type of funding available to CSOs is from the government. As per the guidelines, all CSOs looking for funding by the government of India, are required to register their organisations on an online government portal named NGO Darpan. After registering on this portal, CSOs would receive a unique ID. Details such as income tax records, themes being worked on, specialization areas, ongoing programmes, audit reports, etc., must be submitted on the portal in order to complete registration and apply for government grants.

3. Philanthropic Funding

In the current Indian context, philanthropic funding comprises a large extent of CSO funds. These donations are generally made by wealthy individuals as a charitable deed. The CSOs depend largely on these donations to keep functioning, as the other two options have significantly dropped down. Most of the grass root CSOs in UP survive due to the small donations that they receive from private donors.

However, most of the respondent CSOs in UP stressed on the fact that the philanthropy space in their state and otherwise is shrinking rapidly and is extremely narrow without including foreign alone. According to the CSOs in UP, the philanthropy funds are going majorly towards government funded initiatives like Swachh Bharat Abhiyan, while the minimal amounts invested in the social sector are even more hampered, due to burdensome reporting and other requirements. Therefore, the CSOs working for other development sectors like human rights, inclusion of the marginalized communities, etc., in UP, get zero resources.

4.   Individual Funding

Another source is local funding by individuals, which are mostly members of affected communities. Members of marginalized communities and vulnerable groups are using their own resources to continue their struggles. For instance, women struggling to fight against violence, people belonging to a certain caste fighting discrimination, etc. Some of these members choose to support their causes with a fixed proportion of what minimal wages they earn. However, these are short-term movements which are run to overcome specific issues rather than a long-term programme run to develop permanent solutions to various problems of the community. This type of funding is not considered as 'funding' though, because these are people of the community itself, collecting resources for a self-run movement.

According to one of the responders from Lucknow, these are the organisations that do not depend on funding sources at all. Wherever required, the finances are generated within the community. The employees working in these organisations may have fellowships from various sources which helps in running their projects.

Another kind of individual funding is 'crowd funding'. Crowdfunding platforms like ImpactGuru and others have gained popularity in the recent past. However, after conducting the interviews, it was found that even these options are useful only for those CSOs that are technologically sound and have internet connections. Therefore, the grass root CSOs are again at a loss as they either do not have proper networks in their area of work or they do not have sound knowledge of using digital crowdfunding platforms, and also do not have sufficient resources to invest in learning it.

In conclusion, the data collected by VANI suggests that it is predominantly only the larger CSOs in UP, that have an urban presence and a wider network, that manage to receive funding from elite philanthropic societies. The rural based CSOs that work towards neglected causes such as welfare of the disabled, welfare of the elderly, upliftment of the marginalized communities, find little consideration when it comes to shortlisting organisations to invest in. The huge grassroots people's movements go completely overlooked by all funders.

The major reason for this behaviour is found to be the general distrust over CSOs, mentioned by many contributors to this report. It has been the biggest barrier to the development of the civil society sector. Another important issue that emerged was the lack of a platform for communication between the CSOs and funding agencies. According to a respondent from a reputed donor organisation, most of the times, they are not even aware of the CSOs that match their interest.

There is a huge gap between the donors wanting to invest in a specific sector and the organisations that work towards it.

This reflects an urgent need to build up on a donor-recipient interface, where the donors can find suitable CSOs that match their criteria and the CSOs can find potential donors.

Chapter IV: CSOs in UP, Aspirational Districts & Sustainable Development Goals (SDGs)

Aspirational Districts Programme in UP

According to Niti Aayog's 'List of Aspirational Districts', there are eight identified districts marked as aspirational districts in UP: [17]

- Bahraich
- Balrampur
- Chandauli
- Chitrakoot
- Fatehpur
- Shravasti
- Siddharthnagar
- Sonbhadra

Niti Aayog released the raking list of aspirational districts based on incremental change in the previous year. According to the list of 2019, Chitrakoot ranked 6th in development and growth. While Siddharthnagar (101), Bahraich (103), Shrawasti (105), Balrampur (107), were amongst the bottom 20 in 2018. Overall, the aspirational districts in Uttar Pradesh showed 33 % improvement rate in 2018-19. [18]

There is a lot of work being done towards the development of these districts by the government according to official facts and figures available online. However, the CSOs that we interviewed, paint a completely different picture. The interviewees mentioned that one of the strategies of the government for the success of the Aspirational Districts Programme is to collaborate with the private sector and civil society sector. This will help them to bypass the funding constraints and reduce the cost of employment of new officials. However, the implementation of this strategy is only limited to the grass roots organisations, that are expected to keep providing services without expectations of monetary gains. The larger and more established CSOs in UP did not face this issue. One of the respondents from a grass roots organisation stated that, "the extent to which their manpower and capacities are exploited has no bounds, but only minimal support is provided in return."

On the other hand, the donor organisations that contributed to the study were quite content with the kind of partnership they had with the government on working towards aspirational districts. They did not face any similar issues regarding experiencing exploitation of resources or only one of the parties bearing the fruit of success.

Status of SDGs Amongst CSOs in UP

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. SDG comprises of 17 Goals (169 global targets comprising of over 200 global indicators which are integrated and undivisible) for year 2015 to 2030. [19]

The findings from the data collected, reflected the sad status of SDGs in UP and amongst CSOs in UP. The SDGs promote the concepts of inclusion and the last mile reach, yet, the situation in UP does not adhere to them.

- According to the study results, though the CSOs in UP are working towards one or more identified SDGs, but they are not aware of it. This might be one reason why the government shows little or no interest in partnering with them to promote SDGs in UP.

- The respondents who were well aware of what SDGs are, feel the presence of an accountability gap between the government and the CSOs. The government does not recognize the importance of these grassroot organisations in achieving SDGs. These organisations must be supported by all means directly by the government and also by intermediary organisations such as corporates investing in SDGs. According to one respondent, the grassroot CSOs can play a significant role in helping the most marginalized and backward communities in UP and play a central role in implementing SDGs.

- Some of the contributors felt that the smaller CSOs face specific challenges while dealing with the state government, such as bureaucratic behaviour, opportunities given to bigger organisations, and lack of support.

- One of the interviewees suggested, that the CSOs in UP, along with the other institutions, can collaborate and develop strategies for monitoring and evaluation of SDGs within the communities where the CSOs can perform data collection and work in the field.

Although the CSOs in UP have minimal knowledge of what SDGs are, they are more than willing to collaborate with the government and work towards achieving these goals. They are just looking for opportunities to be bagged and expect due recognition from the center. However, their enthusiasm is not enough. There is an aggressive need for capacity building and conducting workshops for them on SDGs. This will certainly increase their efficiency and improve results.

Chapter V: Recommendations & Way Forward…

After carrying out in-depth interviews with CSOs and also keeping in mind the economic crisis the whole world is facing due to the pandemic, including India, there is an urgent need to address the financing issues of the civil society sector. The CSOs are the ones that are directly working towards pressing issues like poverty, hunger, healthcare, unemployment, education, women safety, child development, disaster management, and now COVID-19, etc. Therefore, they require continuous and unadulterated support and finances to continue their activities. But unfortunately, financial support is uncertain and on a downfall in today's scenario. Both the government grants and corporate support have significantly declined, and it is evident that the new rules and regulations for fundraising are stringent and not friendly at all. With the worsening economic situation of the country, the CSOs need to rethink their strategies and bring required changes. This chapter deals with the challenges raised for the civil society sector and the possible solutions to help them cope with the complexities.

Collaboration with the Public & Private Sectors

The ultimate goal of all the sectors is to create social impact and work for development of its citizens. In order to achieve a collective and a stronger impact on the growth of the society, and also to create more equitable wealth, all the three stakeholders, i.e., the government, the corporates and the CSOs need to work in partnership — wherein, the government will provide scope, CSOs will create empowerment and mobilization, and the CSR institutions will enhance financial and management capabilities. This collaboration will also result in innovation and creativity to be the central idea of developing future strategies.

Strategic Planning of Processes

Most of the grass root NGOs face lack of a holistic and strategic work plan, that would ensure future success in achieving set targets. This leads to inability to effectively utilize funds for their activities. Therefore, one of the way forward is to create a well thought of, and cohesive plan, after consulting experts in the organisation. This will improve outcomes and facilitate success in the organisation's goals.

Strong Network & Effective Leadership

The lack of a strong network and effective leadership is a major drawback in smaller CSOs. Most of these organisations have a leader who is more worried about running the organisation rather

than providing effective leadership, which is the key to success. Poor networking skills in the board or employees may also lead to wastage of time and resources, workspace conflicts and the inability to work efficiently. Therefore, the CSOs must understand the importance of creating a strong board of members and expanding their network for strengthening the basic foundation of their institution. In addition, they must communicate openly with one another, listen to others and respect their opinions.

Capacity Building

Due to the lack of resources, CSOs suffer from deficit in technical and administrative capacities. Either their funders do not invest in them enough to increase capacities or they themselves do not want to invest in training. This affects the strategic implementation, leadership qualities, fundraising techniques and technical literacy of the organisation. The required step is to build the capacities of the employees as well as the employers of the organisation. This will lead to increased efficiency and improved results.

Development Approaches

It is observed that the CSOs today focus on a hardware approach towards development i.e., through improving infrastructure and increasing visibility rather than a software approach through ensuring empowerment of the community and the organisations. Having an approach which focuses on flexibility, sustainability and people specific will lead the organisations towards growth and development.

Technological Literacy

In today's world which is driven by technology and social media platforms, it has become a basic requirement for anyone and everyone to keep growing, be aware of the surroundings, and to flourish in society. Therefore, CSOs must focus on the usage of basic internet services and be present on social media handles. This will certainly improve their networking skills and make them technologically sound. Keeping in mind today's new normal, where webinars and official online meetings have taken a front seat, CSOs must build their technological skills to cope up.

Digital Fundraising

Upgrading the fundraising scenario in India's civil society sector is today's pressing priority. The CSOs need to expand their boundaries for raising funds and explore new options. They must indulge in securing funds through digital platforms. It is an extremely powerful medium for finding volunteers, funds and other resources.

List of Participants

	Name of Participant	Organisation
1.	Neha	Plan India
2.	Sher Bahadur	Dayamanch
3.	Akhilesh Kumar	R A Universal Society
4.	Amit Kumar	Sahbhagi Shikshan Kendra, Lucknow
5.	Meenal Singh	Women's Development Forum
6.	Santosh Kumar Dwivedi	HCL Foundation
7.	Arjun Singh	Solidarity of the Nation Society
8.	Jai Vir Singh	Nirman Sewa Sansthan

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About Voluntary Action Network India (VANI)

VANI is a national network of Indian Voluntary Development Organizations (VDOs). Currently VANI has 540 members with an outreach to around 10,000 VDOs across India. The membership of VANI ranges from grass roots to the national organizations. The members work on a range of priority development issues of the government including education, health, nutrition, integrated child development, livelihood, skill development, environment, natural resource management, climate change, water and sanitation, emergency response and preparedness, agriculture, poverty and so on, in some of the most remote areas of the country. In the year 2017-18, our network collectively reached out to over 32 million people belonging to vulnerable and marginalized groups including children, disabled people, women, elderly, farmers, dalit, tribals, disaster survivors, unemployed, youth, LGBT, sex workers etc. VANI through its efforts and strategies aims to build a strong civil society sector not only at national but regional and local level as well.

VANI was set up with the mission to promote voluntarism, create space for the sector by fostering value based voluntary action. VANI's interventions are focused to strengthen the external and internal enabling environment. To ensure the external enabling environment, VANI conducts evidence-based advocacy which includes regulatory frameworks and resource generation. In order to achieve this VANI works with the government, private sector, bilateral, multilaterals and other stakeholders. For strengthening the internal enabling environment, VANI works towards building resilience and promoting accountability, transparency and compliance through the interactive educational events and information dissemination. VANI strives to become a resource centre by conducting evidence-based research; publishing studies, articles and reports not only at state level but national and global level as well.

VANI
Celebrating 30 Years
VOICE OF THE VOLUNTARY SECTOR

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