India Nonprofit Report

Role, Evolution, and Impact

dasra | KEARNEY

India Nonprofit Report
Role, Evolution, and Impact

Foreword

With profound humility, we present the first edition of the *India Nonprofit Report*—a collaborative effort between Kearney and Dasra. We wrote this report because the work that nonprofits do deserves greater understanding, recognition, and support.

Over our 25-year journey, we have witnessed nonprofits lead transformative change across the length and breadth of the country. This report amplifies the voices of those working on the ground—the practitioners who partner with communities to co-create meaningful solutions. They've adopted ingenious ways to solve challenging problems, adapting and evolving with a changing India. NGOs are always among the first responders during disasters, from the Gujarat earthquake to the Indian Ocean tsunami and more recently the COVID-19 crisis.

Take Khamir from Kachchh, born out of the rubble of the 2002 Gujarat earthquake to provide relief for artisan communities. Today, it has become a globally recognized platform reviving perishing craft practices and knowledge while connecting thousands of artisans to markets. Or consider Arpan, an NGO working out of the Pittorgarh junction between India and Nepal. It began with a mission to deliver education to local tribal girls and has expanded to 13 districts in Uttarakhand, building leadership capacities for women farmers. Or Language and Learning Foundation, which supports state governments in improving children's foundational learning outcomes. And Ummeed, integrating the needs of children with developmental disabilities into mainstream education across multiple states.

Time and again, these NGOs have proved that impact can be scaled, without profits. Mile after mile, we have seen the astounding ways NGOs are bringing change. But how do you begin to articulate and measure something this powerful?

It is impossible to capture the work of an entire sector for the past two centuries in just under 50 pages. But like our *India Philanthropy Report* series, we want this to be the first of many reports that will serve as a primer for the sector. It provides a nuanced taxonomy of NGO growth, evolution, and impact, shaped by years of learning from the ground and complemented by firsthand insights from a diverse range of practitioners and sector experts. We hope it strengthens collaborations between ecosystem stakeholders by deepening trust and our shared understanding of outcomes and scale. For funders, the report sheds light on the diverse needs and journeys of nonprofits, fostering a better understanding of their operational realities. For practitioners, it offers ways to articulate their impact with greater clarity and effectiveness.

Just like India Inc., which has positioned India as a leader in business, our NGOs are equally recognized globally for their frugal innovation, visionary leadership, and unrelenting commitment. Today, Indian NGOs are at the cusp of developing exceptional solutions that hold the potential to be replicated across the Majority World. This report is a tribute to the brave and visionary NGO leaders and practitioners who have always put communities and the country in front of their own needs.

Deval Sanghavi
Co-Founder and Partner, Dasra

With deep commitment and a shared sense of purpose, we are proud to present the first edition of the *India Nonprofit Report*—a collaborative endeavor between Kearney and Dasra. At Kearney, our involvement in the social sector is driven by a simple but powerful belief: strategic insights, when combined with grassroots action, can drive systemic transformation. By leveraging our expertise in problem-solving, data-driven insights, and cross-sector collaboration, we are committed to supporting nonprofits in scaling impact and driving systemic change. Our partnership with Dasra is more than just a collaboration; it is an invitation to rethink the way we engage with and support the social sector.

For decades, NGOs have worked tirelessly, addressing everything from education and healthcare to gender equity and climate action. However, this dynamic sector faces persistent challenges—funding deficits, difficulties in impact measurement, internal capacity constraints, and a lack of robust partnerships have long hindered its growth and efficiency. As India's Sustainable Development Goals (SDG) story continues to unfold, breaking these barriers isn't just necessary—it's the catalyst for a sector that doesn't just create change but sustains and scales it.

This report seeks to spark dialogue and provide a structured lens for understanding the arenas of scale. Built to challenge the status quo, it moves beyond traditional narratives, defining pathways for growth, innovation, and collaboration. It addresses critical questions such as: What do NGOs do? Why do NGOs evolve? What does scale mean for NGOs? It also delves into the challenges NGOs face, donor perspectives on the sector, and the role of government as a key enabler.

Designed to bridge theory and action, the social impact taxonomy it presents is not just a framework but a tool for NGOs to articulate, measure, and communicate their contributions more effectively. For donors, it encourages a collaborative mindset rooted in empathy and a commitment to fostering systemic change. For the larger community, it highlights the essential role NGOs play in advancing India's development goals, cultivating trust and collective responsibility.

Although progress has been made, the path ahead demands resilience, innovation, and collaboration. Addressing resource constraints, enabling long-term systemic change, and strengthening partnerships between governments, NGOs, and donors are essential steps. Through collective effort, the sector can achieve greater efficiency and ensure meaningful contributions to SDG betterment. By unlocking new funding models, fostering transparency, and strengthening the sector's capacity for lasting impact, this report aims to call all stakeholders to break silos, foster trust, and embrace a future where strategic action meets grassroots innovation to create a lasting transformation.

It is time we recognize, celebrate, and invest in the visionary leadership, ingenuity, and resilience of these organizations. Together, we can build a future where the social sector thrives as a cornerstone of India's development journey.

Neelesh Hundekari
Senior Partner, Kearney

Key report highlights

1. The state of the NGO sector today

— The NGO Darpan database reports approximately 2.65 lakh active NGOs in India; states such as Maharashtra and Uttar Pradesh have a high number of NGOs due to their large populations.

— The top five focus areas covered by NGOs are education and early childhood care; arts, culture, and heritage; rural development; health and nutrition; and livelihoods and skilling.

2. Voice of the NGOs: insights from a survey of 400 NGOs

— Notably, 91 percent of NGOs surveyed operate with micro, small, and medium annual expenditures of less than INR 10 crores; 1 percent NGOs had an annual expenditure of more than INR 50 crores.

— Moreover, 26 percent of NGOs focus their reach nationally or internationally, 44 percent of NGOs maintain a regional geographic focus, while 30 percent operate at the hyperlocal level.

— Only a striking 22 percent of NGOs reported having a corpus fund during the last fiscal year; 72 percent reported they had a funding deficit, largely due to erratic short-term funding they receive.

3. Social impact taxonomy

— All NGO work can be classified into one or more of three key activities:

  — **Knowledge building** refers to the generation and dissemination of information through research and communications.

  — **Service delivery** refers to the direct provision of services and products, fulfilling needs within communities linked to human development outcomes, including crisis response.

  — **Ecosystem development** refers to the consolidation and reinforcement of efforts, processes, and systems at a macro level through multistakeholder engagements.

— NGOs articulate, measure, and attribute success in diverse ways. All NGOs track tangible and traceable inputs, activities, and outputs along a results chain.

— In describing the impact, there is a need to distinguish between output and outcomes and consider the connections between the two. NGOs count time and attribution while measuring change.

4. NGO evolution and scale

— NGOs evolve and change course due to internal factors such as changes in resources and leadership. External factors include crises, regulations, community response, and technology.

— Evolution pathways of NGOs include intensifying existing activities, pivoting and changing the scope of activities circumstantially, or ceasing operations or programs due to the above factors.

— Scale is a context-dependent, directional representation of NGO strategies to maximize impact. Community and systems determine the three scaling dimensions observed:

  — **Scaling deep** covers direct support or new programs to communities in focus, intensifying direct support or building new programs for a specific underserved community or geography.

  — **Scaling across** covers direct or indirect support through existing or new programs, expanding direct or indirect support via programs to more communities or geographies.

  — **Scaling up** covers indirect support to communities by targeting systems and concentrating on decision-making institutions, systems, or the overarching development environment.

India's nonprofit landscape

India's SDG progress in a global context: the pivotal role of NGOs in bridging gaps

Since the adoption of the 17 Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development eight years ago, India's SDG score has climbed from 58.4 in 2015 to 63.9 in 2023, marking an impressive 10.5 percent growth rate. This growth outpaces the progress of the Organization for Economic Co-operation and Development (OECD) countries (2 percent), BRICS (Brazil, Russia, India, China, and South Africa) economies (6.9 percent), East and South Asia
(7.2 percent), and even the global average
(4.8 percent). While India's growth is impressive, the absolute numbers reveal a contrasting perspective. India's current SDG score lags OECD nations (77.2) and, albeit narrowly, BRICS economies (67.9), East and South-East Asia (66.5), and the global average (66.3), indicating India's SDG growth narrative is a story of rapid strides in social development juxtaposed with opportunities for improvement.

At the forefront of achieving the SDG mission is the government, with policies and investments that shape the foundation of progress. Landmark initiatives such as the National Education Policy (NEP) 2020, which focuses on universal access to quality education, the Jal Jeevan Mission, aimed at ensuring safe and adequate drinking water for every rural household, and the Ayushman Bharat scheme aimed at enhancing access to health insurance for underserved populations have driven significant improvements. Additionally, the Press Information Bureau (PIB) reports that government expenditure on social services has grown at an impressive CAGR of 12.8 percent from FY 2018 to FY 2024, reaching 7.8 percent of GDP in FY 2023 (₹21.03 lakh crore). Although this reflects significant commitment, it still falls short of the 14 percent of GDP benchmark recommended by Niti Aayog to meet the SDGs by 2030. In comparison, social spending in the USA (an OECD country) stands at 22.7 percent of its GDP[1], Brazil (a BRICS member) at 15 percent[2], and the Philippines (a developing Southeast Asian counterpart) spends 8.2 percent.[3] Bridging this financial gap is crucial for India, but equally critical is addressing ground-level issues such as uneven access to healthcare and education. Here, NGOs play a vital role in complementing government efforts to advance sustainable development outcomes by facilitating the last-mile delivery of development initiatives, offering on-ground feedback to shape social policy, and providing innovative solutions such as the Childline 1098.

---

[1] OECD (2024, Jun). Social Expenditure Database (SOCX).
[2] OECD (2021, Mar). How effective are different social policies in Brazil? A simulation experiment.
[3] Department of Budget and Management, Philippines (2018). Social services spending highest in 2017 and 2018.

India's NGO sector tells a story of resilience and agility. To put this into perspective, the largest attempt to map NGOs was undertaken by the Central Statistical Office (CSO) under the Ministry of Statistics and Program Implementation (MOSPI) in 2012. The study estimated that the country had 31.7 lakh non-profit institutions (NPIs) based on registration records up to 2008. In 2017, as part of efforts to formalize the sector, the Indian government mandated NGOs to register with the NGO Darpan database maintained by NITI Aayog. This platform provides a more dynamic view of the sector by tracking active organizations. According to the NGO Darpan database, India now has a network of 2.65[4] lakh active NGOs.

The complementary role of NGOs has helped create a transformative positive impact. From addressing developmental challenges by delivering last-mile services to engaging communities through awareness building and offering innovative solutions to the ecosystem, NGOs are helping India inch closer to the SDGs.

"India's journey and growth is huge, with so many components and actors that the work of NGOs often goes unnoticed. But if we focus on NGOs, we see their unmatched connection to deserving yet deprived communities. Most of them are from the community itself or live among them. Their greatest asset, therefore, is reading the pulse of the community, assessing what can be done to bring change, and informing the larger world about it. We see that as a change at the ground level. But for the world to see and understand this, the sector needs to find language to tell its story."

– KN Gopinath, Dhwani Foundation

Evolution of the sector

The practice of volunteerism, philanthropy, and reform has been intrinsic to India's growth story for centuries. Government bodies, such as the legislature, judiciary, and executive, at the union and local levels, represent the institutional structures of democracy, and NGO efforts are woven into each of their functions. While the shape, scope, and pace of civil society activity have changed over time, the inherent nature of NGOs has remained the same: centered on those in need. Figure 1 on page 7 traces the journey of civil society in India as the outcome of these needs, shaped by the social, political, and economic currents of each era.[5]

---

[4] As accessed on December 9, 2024
[5] Sheth, D. L., & Sethi, H. (1991). The NGO sector in India: historical context and current discourse. Voluntas: International Journal of Voluntary and Nonprofit Organizations, 2(2), 49–68.

Figure 1
Civil society action: a journey from volunteerism to formalized NGO work

Period	Drivers for change
1800s **Colonized India**	**Social and religious reform** — Emphasis: rejection of harmful norms such as Sati, child marriage, and caste discrimination — Key actors: Raja Ram Mohan Roy, Jyotirao, and Savitri Phule — Milestones: abolition of sati, widow remarriage, girls' education, and the Societies Registration Act (1860)
Late 1800s to mid-1900s **Independence movements**	**Counter-movements for freedom amid rising nationalism** — Emphasis: resistance against colonial exploitation, guided by the philosophy of self-reliance and lifestyle shifts — Key actors: B.R. Ambedkar and M.K. Gandhi — Milestones: inclusion in governance processes, independence, and freedom in 1947
1950s to 1990s **The development decades**	**Pivots for nation-building and multilateral cooperation** — Emphasis: acting as nodal agencies for delivering on government and multilateral development agendas — Key actors: multilateral agencies and self-help groups — Milestones: more collaborations characterized by cost-efficiency, community embeddedness, and frugal innovation
Late 1990s **Liberalized India**	**Rising professionalism and the NGO boom** — Emphasis: integrating social welfare principles into market-driven growth programs through participation in decentralized governance — Key actors: NGOs, Panchayati Raj Institutions, private-sector players, and government bodies — Milestones: decentralized governance boosts grassroots collaboration; NGOs begin adopting professionalized and collaborative approaches
The early 2000s **India in the new millennium**	**Impact through collective action** — Emphasis: driving social change through knowledge building, ecosystem strengthening, and collaboration with the state and private sector — Key actors: foreign philanthropy, intermediaries, corporations, and government bodies — Milestones: adoption of the UN Sustainable Development Goals + key legislation such as Corporate Social Responsibility, Right to Education, and the Mahatma Gandhi National Rural Employment Guarantee Act
2020s to present **Post-pandemic India**	**Rising with India-led solutions** — Emphasis: focus on digital infrastructure, systems change across various institutions, and building community resilience — Key actors: domestic givers, the government (NITI Aayog), and NGOs across the spectrum of budget sizes and sectors — Milestones: infrastructure (NGO Darpan, Social Stock Exchange) by government, pivoting with collaborative action and internationalization

Note: NGO is nongovernmental organization.
Source: Dasra and Kearney analysis

Legal and regulatory framework for NGOs

NGOs in India operate under a legal and regulatory framework that governs three key aspects of their functioning: registration, taxation, and regulatory compliance. The laws allow for registration under three categories: societies, trusts, and Section 8 companies, each designed to cater to different operational needs and purposes with distinct governance and compliance requirements.

The registration laws are as follows:

— **The Societies Registration Act, 1860.** This federal law facilitates the registration of non-profit associations for literary, scientific, or charitable purposes. Seven or more individuals with a shared goal can register as a society under the national act or state-specific adaptations. While these adaptations provide flexibility, they also result in varying governance and compliance requirements across states.

— **The Indian Trusts Act, 1882.** This law governs private trusts at the federal level. States have since introduced their public trust laws, such as the Bombay Public Trusts Act of 1950, for registering trusts with public, religious, or charitable purposes. Two or more individuals with a shared purpose and property can register a trust under these laws.

— **Section 8 of the Indian Companies Act, 2013.** This section allows for the registration of non-profit companies aimed at promoting arts, science, education, social welfare, and environmental protection, among others. The 2013 act expanded the scope of activities covered compared with its 1956 predecessor. Section 8 companies are required to reinvest all profits into their objectives and are prohibited from distributing profits for personal gain.

In addition to registration, NGOs need to adhere to regulations that govern taxation and foreign contributions, which are critical for their operations.

— **Tax exemptions and donor deductions.** NGOs are required to register under Section 12AB of the Income Tax Act of 1961 to claim tax exemptions and under Section 80G for donor tax deductions. These benefits are valid for five years and require renewal at least six months before expiry.

— **Foreign contributions.** NGOs receiving foreign funds are required to comply with the Foreign Contribution Regulation Act (FCRA), which governs foreign funding to ensure transparency and accountability. The law requires organizations to route foreign contributions through designated banks and accounts. FCRA registration is renewed every five years.

Details on the regulations for non-profit organization

In India, NGOs—or non-profits or civil society organizations—operate within defined regulatory frameworks to ensure alignment with their charitable objectives and compliance with the law. While they undertake diverse initiatives, specific activities are strictly regulated:

— **Political activities.** NGOs cannot engage in political campaigns but may promote non-political causes aligned with their mission.

— **Economic activities.** NGOs can pursue commercial activities if they support their charitable purpose, with business income capped at 20 percent of total income from donations and grants.

— **Governance restrictions.** Public trusts, societies, and Section 8 companies must ensure transparency, prioritize public benefit, and prevent personal financial gains for founders or trustees. Additionally, Section 8 companies are mandated to reinvest all profits into achieving their objectives, with no provision for dividend payments to members.

For this report, **NGO refers to non-government entities dedicated to inclusive and sustainable public welfare, as recognized by NITI Aayog, government agencies, and philanthropic organizations.** Entities misaligned with the public welfare, such as profit-driven institutions, member-exclusive groups, sect-specific religious or cultural bodies, and private advocacy organizations, have been excluded.

"India is one of the few countries that has a fairly evolved social sector with a philanthropy marketplace waiting to scale. In the last two decades, the country has witnessed the growth of ecosystem enablers and orchestrators, which has resulted in credible, sector-owned, and representative non-profit information repositories, credibility norms, certification of NPOs, fundraising platforms, and portfolio management services. These entities have patiently developed frame-works, systems, and institutions and have worked with a few thousand NPOs to educate and equip them to leverage the marketplace. Given that there are around 360,000 tax-exempt NPOs and about two-thirds of them have an annual expenditure of less than Rs1 Cr, it requires collaborative effort, technology, and capital to unlock the potential of the sector. With the emergence of institutions, mechanisms and philanthropic capital to support ecosystem development, there is an urgent need to develop definitions and standards and to use taxonomies for building interoperability across ecosystem enablers to impact the sector at scale."

– Pushpa Aman Singh, GuideStar India

State of the sector today

Inclusive and sustainable public welfare is embedded deeply in the mission of non-governmental organizations (NGOs). Understanding the composition and scope of their activities is essential to assess their societal impact and identify areas for further emphasis.

As of December 2024, the Darpan database reports that India has approximately 2.65 lakh active NGOs, including about 1.3 lakh (49 percent) registered societies, 1.12 lakh (42 percent) trusts, 22,000 (8 percent) Section 8 companies, and 400 (1 percent) other entities. The relatively lower number of Section 8 companies compared with trusts and societies may stem from higher compliance costs and the inherent preference for traditional incorporation methods. Key observations and inferences are noted below.

The sectoral distribution of NGOs aligns with India's diverse development needs. The top five focus areas are education and early childhood care (17 percent); arts, culture, and heritage (12 percent); rural development (11 percent); health and nutrition (9 percent); and livelihoods and skilling (8 percent). The cause areas are also linked to government policies such as the National Education Policy (NEP) 2020, Samagra Shiksha Abhiyan, MNREGA, and Swachh Bharat Mission. This can be compared with the donor funding landscape[6], where similar focus areas such as education, health, rural development, livelihood, as well as art, culture, and heritage are prominent among CSR and family givers. Themes such as gender, equity, diversity, and inclusion as well as climate action are gradually picking up among funders. However, gaps persist with NGO and funding activity falling short in addressing gender equity, where SDG 5 performance metrics score low.[7] Figure 2 on page 10 provides an overview of the total number of NGOs in each state and Union Territory (UT) of India, alongside the net state domestic product (NSDP). The figure also highlights the NGO density (number of NGOs per lakh population) across states, categorized into levels ranging from low to very high.

---

6 Catalyst 2030. India's Million Missions: UHNI, HNI, and Corporate Giving
7 NITI Aayog. (2023). SDG India Index 2023-24: Annual Report

Figure 2

State-wise net state domestic product with the total number of NGOs and NGO density

- ⊗ NSDP in INR lakh crore
- ⊗ Number of NGOs in thousands
- ⬤ Low NGO density: less than 15
- ⬤ Medium NGO density: 15–25
- ⬤ High NGO density: 25–50
- ⬤ Very high NGO density: more than 50

Jammu and Kashmir 1.6 | 2.4
Himachal Pradesh 1.5 | 1.3
Punjab 5.4 | 4.7
Uttarakhand 2.4 | 3.6
Haryana 7.8 | 8.3
Delhi 7.8 | 19.4
Uttar Pradesh 17.2 | 37.6
Rajasthan 10.7 | 12.4
Sikkim 0.3 | 0.2
Arunachal Pradesh 0.3 | 0.7
Assam 3.7 | 4.1
Nagaland 0.3 | 0.6
Bihar 5.9 | 9.0
Meghalaya 0.3 | 0.5
Manipur 0.3 | 3.2
Gujarat 17.0 | 14.3
Madhya Pradesh 9.9 | 11.8
Jharkhand 3.3 | 4.4
West Bengal 12.0 | 18.7
Mizoram 0.2 | 0.4
Chhattisgarh 3.7 | 3.3
Maharashtra 26.9 | 36.6
Odisha 5.8 | 6.7
Telangana 10.2 | 9.0
Goa 0.7 | 0.5
Andhra Pradesh 10.3 | 9.9
Karnataka 17.9 | 16.6
Tamil Nadu 18.5 | 19.3
Kerala 8.3 | 8.0

Notes: NSDP is net state domestic product; NGOs are nongovernmental organizations. NGO density = number of NGOs for every lakh population. NGO Darpan data leverages NGOs registered in the portal.

Sources: NGO Darpan; Dasra and Kearney analysis
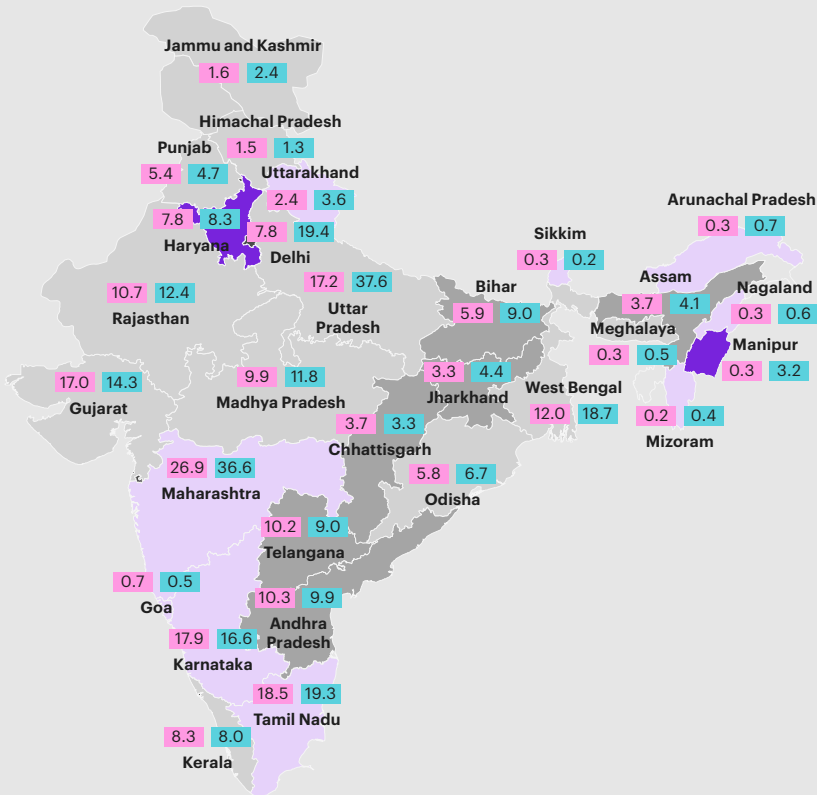
The geographical distribution of NGOs reflects socioeconomic demographics. States such as Maharashtra and Uttar Pradesh have a high number of NGOs due to their large populations. However, NGO density—a measure of NGOs per one lakh population—offers more in-depth insights. Economically strong states such as Maharashtra, Karnataka, and Tamil Nadu show a high NGO density of 20 to 30 NGOs per one lakh population, underscoring the correlation with NSDP.* This highlights the need for increased investment in NGOs, particularly in states with lower NSDP as well as aspirational districts.

States such as New Delhi and Manipur have the highest NGO density. New Delhi, with its high NGO density (about 110 NGOs per one lakh population), benefits from its status as an administrative hub. Manipur, despite low NSDP, has a similar density (about 113 NGOs per one lakh population), rooted in historical movements such as Nupi Lan and the prevalence of civic awareness initiatives.

---

* Poverty Rate in Indian States (RBI, 2000), Literacy Rate, Census 2011 (RBI, 2011), Human Development Index Rankings (CEDA), NSDP (MoF, 2023), Population Statistics, 2011 Census (RBI, 2011)

Underserved regions have lower NGO density per population. Populous states* such as Uttar Pradesh, with relatively lower development metrics[8], highlight the need for enhanced governmental and NGO efforts. Uttar Pradesh has a low literacy rate and an HDI of 0.596, among the lowest in the country. These are compounded by challenges such as high poverty rates. The state's low NGO density (about 19 NGOs per one lakh population) and low educational budgetary allocations reflect an urgent need for greater strategic interventions to address critical gaps in education, healthcare, and livelihoods.

These distributions highlight the importance of bolstering the growth and presence of NGOs. Strategic partnerships between NGOs, government agencies, and funders can enhance resource utilization and enable targeted programs addressing the unique needs of India's diverse billions. Promoting collaboration among stakeholders is essential to advancing the vision of a Viksit Bharat by 2047.

"Interestingly, while traditional causes like education, health, community development, and food and nutrition continue to dominate NGO efforts and funding, rural development, women empowerment, and livelihoods have gained traction in the last three to four years due to evolving CSR interests, funder priorities, global discourse, and aspirational district programs."

– Richa Singh, Give

The funding landscape for NGOs

Gaining a deeper understanding of this landscape is essential for NGOs to craft targeted relationship management strategies and optimize their fundraising efforts. Figure 3 on page 12 provides an overview of funder archetypes, highlighting their key characteristics, existing donor engagement practices, avenues for donor engagement, and a document checklist.

While regulatory provisions promote transparency and accountability for non-profits, they also underscore the critical need for sustainable funding to support their missions. India's funding landscape remains complex, with significant barriers for both funders and NGOs. Unlike more mature philanthropic ecosystems in the United States and Europe, India is still developing a comprehensive understanding of donor behaviors and NGO needs, contributing to persistent information asymmetry. Bridging this asymmetry requires mutual efforts, as closing these gaps can build trust, enhance alignment, and enable more impactful collaborations between funders and NGOs.

---

* Poverty Rate in Indian States (RBI, 2000), Literacy Rate, Census 2011 (RBI, 2011), Human Development Index Rankings (CEDA), NSDP (MoF, 2023), Population Statistics, 2011 Census (RBI, 2011)
[8] UP: Poverty rate: 31 percent; Literacy rate: 68 percent, HDI: 0.592, UP education budgetary allocation: INR ~4,000 per capita, Kerala, Goa—INR 10,000–12,000 per capita

Figure 3

Understanding funder archetypes: characteristics, engagement practices, and pathways to access donors

Funder archetypes and roles	Engagement practices by NGOs	Avenues of access
Foreign funders Global foundations, aid agencies, or foreign NGOs Role: building the infrastructure for NGOs	— Multi-stakeholder partnerships — Collaborating on grants	— Campaigns through international portals — Personal and intermediary networks — RFPs through international foundations' websites — Networking at conferences and forums
Corporate social responsibility Funds from companies required to allocate 2% of their net profit as per law Role: scaling programs with a strong proof of concept	— Employee volunteering — Networking through industry events — Raising corporate sponsorships — Offering brand visibility	— Corporate CSR portals, industry associations + platforms — CSR intermediaries and aggregators — Networking at conferences and forums
Retail funders Contributions from individual donors, primarily through online crowdfunding platforms Role: addressing immediate community needs	— Donation drives on crowdfunding platforms — Storytelling campaigns on social media — Community-centric events	— Crowdfunding platforms — Social media platforms — Peer-to-peer fundraising events and drives
HNIs and affluent givers Families or individuals with net worth = INR 200–1,000 crores (HNIs) and high-earning professionals and entrepreneurs with net worth = INR 7–200 crore (affluent givers) Role: supporting institution building with patient capital	— Narrative-driven storytelling campaigns — Learning sessions — Exposure visits to field and communities	— Networks — Collaborative funding opportunities — Peer referrals
UHNIs Families or individuals with a net worth = >INR 1,000 crore, typically giving through their own trusts or foundations Role: building fields + systems through portfolio support	— Collaborating on grants — Multi-stakeholder partnerships — Being involved in field building	— Liaising through philanthropic advisors, intermediaries, or networks — Networking at philanthropy forums — Foundation websites — Peer referrals — Collaborative funding opportunities

Suggested document checklist across funder groups
— FCRA certificate
— 80-G certificate
— 12A certificate
— PAN card
— Latest annual report
— Latest audited financial statement
— Comply with Section 135 of the Companies Act, 2013

Note: NGOs are nongovernmental organizations; HNIs are high-net-worth individuals; UNHI are ultra-high-net-worth individuals; CSR is corporate social responsibility; FCRA is the Foreign Contributions Regulation Act; RFPs are requests for proposals.
Source: Dasra and Kearney analysis

Social development and the role of NGOs, government, and donors

Voice of the NGOs: insights from a pan-India survey of 400 NGOs

NGOs across diverse expenditure sizes, ages, geographic locations, and focus sectors encounter unique experiences and challenges. To capture these varied perspectives, we conducted a comprehensive survey of over 400 NGOs. This effort aimed to gain deeper insights into their funding dynamics and programmatic operations. Under funding, we explored key aspects such as financial stability, sources of capital, and fundraising challenges faced by these organizations. Under programs, we delved into impact assessment and operational hurdles encountered in their programs. Below are key descriptors of the NGOs surveyed.

Annual expenditure. This term refers to the total money an organization spends in one year on its operations and activities. Unlike for-profit companies that focus on maximizing revenue to generate profit, NGOs prioritize aligning their annual expenditure with their mission, ensuring that funds are effectively utilized to achieve their impact goals. Interestingly, 91 percent of NGOs operate with micro, small, and medium annual expenditures, a trend mirroring the broader landscape of MSME enterprises in India, of which 97 percent are categorized as micro and small enterprises, with similar outlays below INR 10 crores.[9] While these industries in the for-profit sector are celebrated as the backbone of India's innovation spirit, NGOs operating at a similar scale often fail to receive the same level of recognition and support.

Based on annual expenditures, the survey snapshot is as follows:

— 14 percent of micro NGOs with less than INR 10L

— 42 percent of small NGOs with INR 10L–1 crores

— 35 percent of medium NGOs with INR 1–10 crores

— 7 percent of large NGOs with INR 10–50 crores

— 1 percent of very large NGOs with more than INR 50 crores

Registration entity type. The majority (85 percent) reported being registered as trusts or societies, in accordance with older laws. However, the few (15 percent) that are registered as Section 8 are largely new and emerging in terms of their establishment. To an extent, this observation suggests early shifts toward a more formalized and potentially professionalized sector, as Section 8 registration often aligns with newer government regulations and potentially encourages stronger governance structures.

---

[9] India Brand Equity Foundation
* Percentages may not sum to 100 percent because respondents could select multiple options.

Geographic focus. As per the survey, 26 percent of NGOs focus their reach nationally or internationally, 44 percent of NGOs maintain a regional geographic focus, and 30 percent operate at the hyperlocal level (districts and panchayats). Size distributions also vary by geographic scope. Over 80 percent of regionally focused NGOs are small to medium-sized (annual expenditure between INR 10 lakhs and 10 crores). Similarly, more than 65 percent of hyperlocal NGOs fall within the micro and small categories (annual expenditure less than INR 10 lakhs to 1 crore).

Age. A notable 76 percent of NGOs are older than 10 years, with a significant 24 percent established within the past decade. This growth reflects the impact of initiatives such as the launch of NGO Darpan in 2015 to streamline NGO registration, the diversification of the donor base in India due to economic policies such as the 2013 CSR mandate, the increase in the number of high net-worth individuals (HNI) and ultra-high net-worth individuals (UHNIs), and the overall growth in institutional funding paving the way for new NGO establishments.

SDG focus.* NGOs across all annual expenditure ranges work toward five or six SDGs at a time. The most prominent SDGs that most NGOs work toward are gender equality (74 percent of NGOs), quality education (74 percent of NGOs), and good health and well-being (70 percent of NGOs), largely in alignment with national development agendas and underscoring a strong commitment across sectors to achieving the SDGs. For instance, in the good health and well-being SDG, India is doing poorly compared with BRICS nations. Government health expenditure is just 1.13 percent of GDP[10] compared with an average of 4.15 percent in BRICS nations. Further, challenges such as inadequate rural healthcare, a shortage of medical professionals (0.7 doctors per 1,000 people compared to 1.9 in BRICS), and unequal access persist. To bridge these gaps, NGOs have focused on this SDG through community-driven healthcare models, mobile clinics, and other innovative initiatives that supplement government efforts in enhancing health outcomes and access across the country.

1. The voice of NGOs on the funding landscape

The financial stability of NGOs is a major challenge across NGOs of all sizes.

Notably, 92 percent* of NGOs identified core funding and financial stability as a challenge. The sentiment is shared across NGOs irrespective of the size and sector they operate in. However, it is more pronounced in NGOs with micro to medium annual expenditure ranges (90 to 95 percent*) compared with 67 percent* of very large NGOs that report it to be a challenge.

A striking 72 percent of NGOs reported they had a funding deficit, largely due to erratic short-term funding they receive. Smaller organizations were most vulnerable to funding deficits: 70 to 90 percent of micro, small, and medium NGOs have funding deficits, while less than 33 percent of large and very large NGOs facing similar issues.

Only 22 percent of NGOs reported having a corpus fund during the previous fiscal year. Among those with corpus funds, the reserves are disproportionately held by larger NGOs (43 to 67 percent), leaving smaller ones particularly vulnerable to financial instability—underscoring the urgent need for unrestricted support from funders to help build sustainable corpus funds. Figure 4 on page 15 illustrates the sufficiency of funding and the status of corpus fund availability in the NGO respondents.

The CSR funding contribution is higher for larger NGOs and those operating in West and North India.

Reliance on CSR by large and very large NGOs is high (38 to 47 percent of their funds). Medium and small NGOs balance their funding between CSR (22 to 26 percent of funds) and international donors (22 to 28 percent of funds), with small NGOs also significantly depending on government grants. Meanwhile, micro NGOs primarily rely on self-generated revenues along with individual and family philanthropy and are the only type of NGO that significantly leverages crowdfunding, accounting for 9 percent of their funds. Figure 5 on page 15 illustrates the distribution of funding sources for NGOs, categorized by their annual expenditure levels.

---

[10] World Health Organization (2021)
* Percentages may not sum to 100 percent because respondents could select multiple options.

Figure 4
Funding sufficiency and corpus funds availability for NGOs
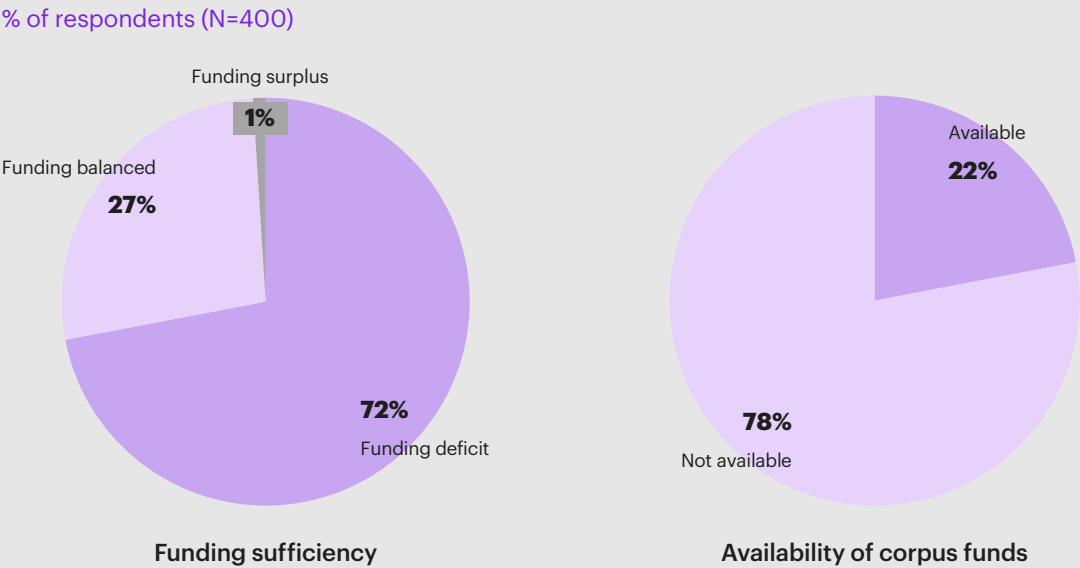
% of respondents (N=400)

Funding sufficiency

Availability of corpus funds

Note: NGOs are nongovernmental organizations.
Sources: survey responses; Dasra and Kearney analysis

Figure 5
Split of the source of funding for NGOs across annual expenditure sizes
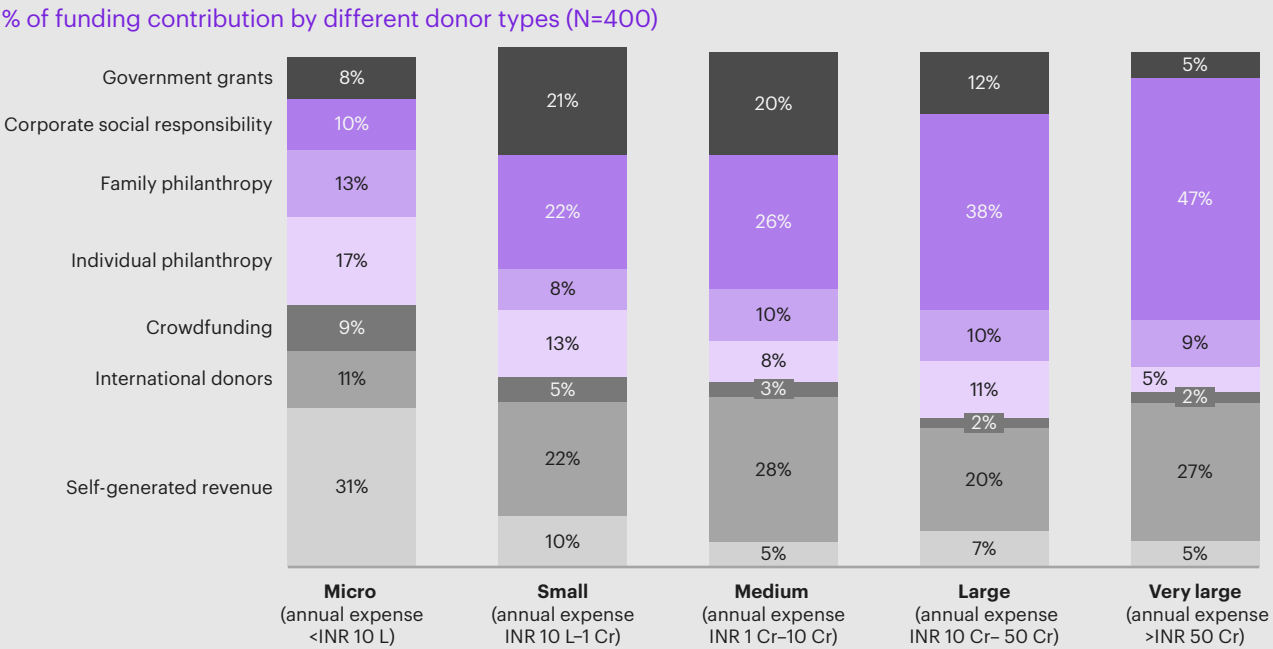
% of funding contribution by different donor types (N=400)

Note: NGOs are nongovernmental organizations.
Sources: survey responses; Dasra and Kearney analysis

North and West India NGOs receive higher CSR funding, linked to corporate concentration. Within regional level NGOs, NGOs in western India receive 36 percent of their funding from CSR, while those in the north receive about 30 percent. In contrast, regions such as northeast, central, and eastern India rely much less on CSR contributions, receiving only between 13 percent and 25 percent.

Several obstacles such as donor access, insufficient information, very few multiyear funding contracts, lack of dedicated staff, and complicated eligibility criteria remain while raising funds. A notable 70 percent* of NGOs do not know how or where to expand their donor base, making it difficult to approach potential donors for funding. Over 65 percent* of NGOs find securing long-term funding challenging, hindering their ability to develop sustainable, multiyear strategies. Further, 60 percent* report the lack of sufficient information on donor trends and effective fundraising strategies. Additionally, 72 percent* of medium-sized NGOs highlight the absence of dedicated fundraising staff. Further, 40 to 47 percent*of micro and small NGOs also find the fundraising process and eligibility criteria to be complicated.

2. Voice of NGOs on operational and programmatic aspects

Beyond funding, several operational and programmatic aspects require focused attention by NGOs. We delved deeper to understand this landscape directly from the organizations:

More than 45 percent* of smaller NGOs reported limited collaboration with other NGOs and key development actors, including donors and the government, to be a major operational challenge, while over 55 percent* of larger NGOs find challenges related to talent, governance, data, and technological integration to be critical. Limited collaboration opportunities with other NGOs and key development actors, including donors and the government, for smaller NGOs weaken their ability to operate effectively within larger networks. Meanwhile, 58 percent* of medium-sized NGOs and 83 percent* of larger NGOs face challenges related to talent, governance, data, and technological integration in their organizations. Additionally, over 40 percent* of NGOs face significant challenges related to policy changes and stringent regulatory compliance. In the corporate realm, the World Bank's Ease of Doing Business (EoDB) index underscores how a business-friendly environment, characterized by simpler regulations and stronger protections of property rights, fosters growth and efficiency. Similarly, NGOs too require a conducive ecosystem with simplified regulations, robust protections, and supportive policies. Such an enabling environment would not only streamline their operations but also empower them to scale their efforts, achieve development goals more effectively, and serve communities with greater impact.

---

* Percentages may not add up to 100 percent because respondents could select multiple options.

Interestingly, 99 percent* of NGOs reported using a blend of methods to measure impact, primarily relying on self-assessment and metrics focused primarily on improved quality of life or development outcomes tailored to their programs and initiatives.

— **Over 45 percent* of medium to large organizations and 100 percent* of very large NGOs increasingly turn to third-party specialists for impact assessments, while only 23 to 27 percent of smaller NGOs rely on third parties for impact measurement.** Self-measurement is the most prominent method used by 74 percent* of NGOs, followed by measuring impact in partnership with funders, used by 69 percent* of NGOs with smaller NGOs primarily relying on these methods. The third most common approach is using third-party specialists, utilized by 36 percent* of NGOs. Smaller NGOs primarily rely on self-measurement and funder partnerships, while 46 to 50 percent* of medium to large organizations and 100 percent* of very large NGOs increasingly turn to third-party specialists for impact assessments.

— **Measuring the improved quality of life or development outcomes of the served community is the most common metric, tracked by 89 percent*of NGOs.** This is followed by tracing the number of communities and lives reached by their programs (85 percent*). Additionally, 69 percent* of NGOs track broader changes, including systemic and behavioral transformations as well as long-term generational shifts.

Although all organizations assess their impact in some manner, many NGOs face considerable obstacles in doing so effectively. More than 80 percent* of NGOs struggle to allocate sufficient resources for monitoring and evaluation, making it difficult to conduct impact assessment effectively. Another major challenge is the delay in observing tangible results, with 58 percent* of NGOs reporting that the metrics they track require long periods to show meaningful changes, making continuous measurement a challenge. Additionally, 53 percent* of NGOs find it hard to define and track appropriate metrics, as the use of qualitative measures and the lack of standardized indicators add complexity to the process.

The NGO ecosystem in the United States is more developed than in India, offering valuable insights for comparison. Examining the differences between the two countries can provide opportunities for mutual learning and highlight areas for growth in India's nonprofit sector. Figure 6 on page 18 compares the key enablers of the NGO ecosystem, such as funding, technology, regulations, and public support, in both countries.

Given the multitude of operational and funding that NGOs face, it is important to examine their relationship with critical enabling stakeholders, including the government and donors. The next two sections explain how both of these stakeholders collaborate with NGOs, provide resources, and establish frameworks to amplify their impact and support sustainable development and societal progress.


Figure 6

The United States, a global leader in the nonprofit sector, has about six times more NGOs than India (19 lakh vs. 2.6 lakh) and 572 NGOs per lakh population compared with India's 18

Comparison of key enabling factors for NGOs in India and the United States

1. **Indian NGOs face a larger funding deficit and restricted funding constraints compared with US counterparts.**

	Funding deficit	Funding surplus	Funding balanced
India	72%	1%	27%
United States	32%	44%	24%
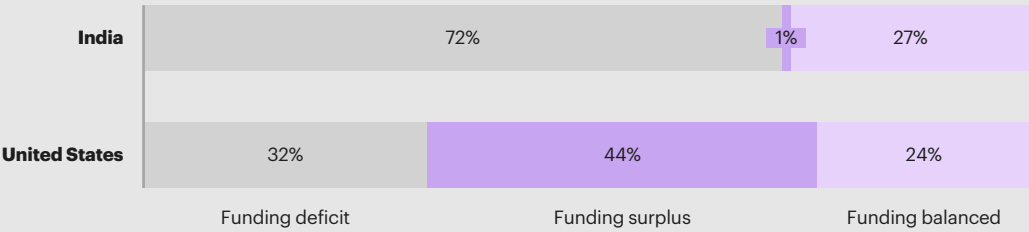
— **According to our survey, 72% of Indian NGOs face budget deficits compared with only 32% of US NGOs.**
— **Most funding in India is restricted.** For instance, Teach For India operates with only 15 to 20% unrestricted funding, compared to its counterpart, Teach For America, which enjoys 98% unrestricted funding. Additionally, the cost of operating a classroom in the United States is four times higher than in India (in PPP terms), highlighting the frugal innovation Indian NGOs leverage.

2. **Indian NGOs have limited technology adoption compared with US counterparts.**
— **Restricted funding in India limits capacity building** and training, preventing NGOs from adopting or effectively using modern technology.
— **US NGOs benefit from specialized technology solutions** for functions such as donor management, fundraising, data analytics, and widely adopt AI solutions.

3. **The United States has more liberal regulations toward foreign funding of NGOs.**
— **Indian NGOs face limitations in accessing foreign funds,** requiring mandatory FCRA registration, compliance with fund utilization + administrative expenses.
— **US NGOs have wide access to foreign funding** with no separate registration requirements and minimal restrictions on fund utilization across budget heads.

4. **The United States sees greater public trust and a greater proportion of the population volunteering in NGOs.**
— **Public trust in NGOs:** 44% of Indian NGOs feel trusted by society, compared with 57% in the United States.
— **Volunteer base:** India's volunteer base is estimated as ~18 crore volunteers (~14k per lakh population), compared with the United States' ~8 crore volunteers10 (~22k per lakh population).

Role of the government as an ecosystem enabler

The government is the most critical stakeholder in public welfare driving a significant positive impact through both direct and indirect interventions. Directly, it implements policies, programs, and initiatives, while indirectly, it supports the sector by collaborating with NGOs and donors who work in complementary ways through multiple programs and interventions. Key observations in the interplay between the government and NGOs are highlighted below.

1. Government and NGO partnerships in program delivery create a positive impact on the ground

Such collaborations leverage the strengths of both entities, combining the government's reach and resources with the NGOs' grassroots expertise and innovative approaches, ensuring more effective and inclusive outcomes.

We have identified three key NGO-government partnership models:

1. **NGOs facilitating last-mile delivery of government initiatives.** NGOs are often a vital link in ensuring that government schemes reach the most remote and underserved populations.

Examples:
— Hasiru Dala, a Bangalore-based NGO with work centered on dignity in labor for the underprivileged community of waste pickers, provides access to identity rights by provision of caste certificates, KYC, and livelihood opportunities.

— Arpan, a grassroots organization, works to provide access to and raise awareness about rights for women and children in the remote areas of the Himalayan ranges. Arpan works at building capacity through collectives with targeted education and rights-based interventions.

2. **NGOs providing on-the-ground feedback to shape public policy.** NGOs also serve as strategic partners in policy formulation, providing research, data, and recommendations to ensure that government policies are inclusive and impactful.

Examples:
— The Language and Learning Foundation (LLF) assisted in the NIPUN Bharat initiative to enhance foundational literacy.

— Pratham, through its Annual Status of Education Report (ASER), assesses rural children's learning outcomes, supporting the government with education policies to improve literacy and numeracy.

— The Centre for Science and Environment (CSE) provided data and inputs to shape environmental policies on air pollution and water management.

3. **NGOs building models for scale.** Solutions that NGOs provide often serve as pilot solutions that, when successful, are adopted and scaled by the government to reach broader populations.

Examples:
— CHILDLINE 1098 was initially launched by an NGO as India's first 24-hour helpline for children in distress. It was later adopted and scaled nationally by the government.

— The Mitanin Program was launched in 2002 in Chhattisgarh. The Mitanin Program trained community health workers to deliver basic healthcare and promote health awareness, inspiring the national ASHA worker initiative under the National Rural Health Mission. The ASHA worker initiative was designed and deliberated with public healthcare specialists and community-based organizations.

— Muktangan designed an innovative teacher-training and inclusive education model in Mumbai that emphasized activity-based learning for underprivileged children. The Maharashtra government integrated elements of Muktangan's pedagogy into its state education curriculum, training government schoolteachers on similar methods.

2. The government plays a crucial role in enhancing NGO operations by providing essential policy infrastructure

Fostering innovation for social good. The government plays a crucial role in fostering innovation within the NGO sector by providing financial support, incubation facilities, and platforms for collaboration through key initiatives such as the National Initiative for Developing and Harnessing Innovations (NIDHI), which supports innovations by providing financial assistance and incubation opportunities; as well as Rural Innovation Fund (RIF) by NABARD, which supports innovative, risk-friendly experiments in rural areas by offering financial assistance to NGOs and other entities.

Aiding formalization. Apart from formulating laws for the incorporation of NGOs, the government supports the sector in multiple ways. Launched by NITI Aayog in 2015, the NGO Darpan platform provides NGOs with a unique ID, which helps raise awareness about its enabling access to funding through initiatives such as the Social Stock Exchange (SSE) and government grants while creating a central database. The government also tracks SDG progress through national and state indicators, helping NGOs target gaps in critical areas.

Diversifying funding sources. The government also ensures that NGOs can access diverse funding streams to sustain and expand their operations through the following:

— **The Social Stock Exchange (SSE),** launched in 2019 under SEBI, operates within India's major stock exchanges, NSE and BSE. The SSE allows non-profit organizations (NPOs) and social enterprises to list projects, enabling retail and institutional investors to contribute to social causes. With transparency measures such as the Annual Impact Report (AIR), the SSE democratizes funding access and fosters accountability that aligns with its social impact objectives.

— **Government grants,** such as the Grant-in-Aid Scheme, Deendayal Disabled Rehabilitation Scheme (DDRS), and Assistance for OBC Welfare, provide funding to NGOs for implementing social development programs aligned with national priorities.

— Retail donors receive **tax breaks** under Section 80G of the Income Tax Act, with deductions of 50 percent to 100 percent for contributions to eligible NGOs.

— The government's **CSR framework** mandates companies to allocate 2 percent of their average net profits to social causes, and the **Foreign Contribution Regulation Act (FCRA)** enables NGOs to access corporate and international donors, crucial for specialized programs, creating a diversified funding pipeline.

Having explored the dynamic interplay between the government and the NGO sector, the next section introduces another critical enabling stakeholder: donors. With funding challenges being a persistent concern for NGOs, we sought to understand donor perspectives on the roles, operations, and needs of these organizations. The insights shared by donors, outlined in the next section, provide valuable guidance on how NGOs can align with donor expectations.

Perspectives of donors

India's NGO sector represents a dynamic mix of growth, challenges, and untapped potential. Over the past two decades, shifts in funding, accountability, and operations have driven progress while adding new complexities for both NGOs and funders. While progress has been significant, funders and sector experts highlight evolving challenges that NGOs and donors must navigate collaboratively.

Observations on evolving realities

Accountability with a trade-off. Funders observed a shift from charity-driven approaches to professionalized, data-driven focus on measuring impact. While this shift has strengthened accountability, it has introduced challenges. Heightened focus on measurable outcomes risks diluting grassroots connections and community-driven approaches that are essential for long-term solutions.

> "Philanthropy today often drives NGO priorities based on donor agendas rather than ground realities. This behavior risks misaligning resources from the real needs of the sector."
>
> **– Luis Miranda, philanthropist**

Growth of domestic philanthropy. Domestic philanthropy is on the rise, fueled by CSR contributions and increased wealth, spurring family giving. However, funders highlighted that restrictive funding models and place-centric allocations hinder NGOs' ability to innovate or scale solutions in underserved regions, particularly rural and/or aspirational districts.

Operational strain on small NGOs. Enhanced compliance frameworks and reporting mechanisms have improved accountability but disproportionately burden smaller NGOs. Funders acknowledged that these organizations often lack the resources to navigate complex donor requirements, diverting focus away from programmatic work.

Persistent gaps in funding. While domestic philanthropy has grown, significant areas remain underfunded. Critical fields such as gender equity, animal welfare, or art and culture often lack financial support due to perceived risks and difficulties in measuring impact. Additionally, leadership development, talent management, and technology investments are underprioritized, limiting long-term sustainability.

Measuring and demonstrating the impact. Funders agreed that defining and measuring impact remains a nuanced challenge in the NGO sector. Quantitative metrics such as reach and cost-efficiency provide clarity and comparability but oversimplify the complexities of systemic change. For instance, shifting cultural norms or driving long-term behavioral changes cannot be fully captured through numerical data alone.

At the same time, qualitative approaches such as storytelling and field-level progress offer funders a deeper understanding of NGOs' contributions, particularly in addressing entrenched social challenges.

"Our approach to impact measurement focuses on the macro picture rather than individual partner-level outputs. We prioritize field-level progress, using insights from learning reports and convenings to track systemic shifts and the maturity of a field over time. For us, success could be partners reporting their failures and making pivots based on learnings from said failure."

– Abhishek Das, Rohini Nilekani Philanthropies

Challenges in impact measurement

Funders identified several challenges in measuring impact effectively:

— **Resource burden.** Monitoring, evaluation, and learning (MEL) activities are resource-intensive, requiring significant time, expertise, and funding, which many NGOs struggle to allocate—hindering their ability to showcase impact and attract funding.

— **Evolving donor expectations.** Shifting donor priorities can make it challenging for NGOs to align with changing frameworks. Funders recognized the need to provide additional capacity-building support to help NGOs adapt effectively.

— **Inconsistent metrics.** Funders noted that unclear or inconsistent data from NGOs complicates evaluation processes. They emphasized the importance of NGOs articulating outcomes with clear, measurable indicators, complemented by narratives that capture the narratives and stories behind their work.

Funders emphasized the need for a more adaptive approach to capturing NGO impact—one that balances accountability with the realities of social change efforts. Building frameworks that support both clarity and flexibility will not only foster trust and collaboration but also empower NGOs to effectively communicate their impact.

"The NGO sector employs thousands of people, and data has demonstrated its positive impact on improving social indicators across the country, particularly in the most deprived areas. Its contributions should be celebrated for their critical role, and the data highlighting their true impact must be showcased."

– Rati Forbes, philanthropist

Nonprofit work and impact

The NGO sector is diverse and multifaceted, with organizations engaging in vastly different types of work and pursuing unique growth trajectories. This variety makes the sector dynamic and impactful, but it can also lead to misconceptions or a lack of understanding among the public. This section aims to explain various aspects of the NGO sector: its activity archetypes, measuring results, evolution pathways, and scale. To achieve this, we conducted in-depth interviews with 30 NGOs, spanning a range of annual expenditure sizes, sectors, geographies, and reach.

"If you use a capacity lens to archetype NGOs, you have your very large, scaled up NGOs like Teach For India, Akshay Patra. And then you have much smaller grassroots organizations with small budgets doing last mile work; you have probably never heard of them and might say they are too small to make a difference. But they are doing some very essential work in the hinterland. And then there's this big middle— where organizations are in their early years but with high potential, high growth trajectories, or are more established and have been there for a long time with stabilized operations. So, one way to look at the sector is as small, medium, and large."

– Sneha Arora, Atma

Here is a profile of the NGOs included in our study:

Annual expenditure sizes. We interviewed 10 NGOs each from three budget categories:

— Small (₹10 lakh–₹1 crore)

— Medium (₹1 crore–₹10 crore)

— Large (greater than ₹10 crore)

Geographic focus. A notable 50 percent of the NGOs are region-focused (present in multiple states), followed by national and international-focused NGOs at 30 percent, while 20 percent are hyperlocal-focused (present in one or more districts in the same state).

Sectoral focus. All NGOs focus on more than one sector. Most of the NGOs covered work toward gender equity, social justice, disability, mental health, education, early childhood care and development, and healthcare, comparable to the national-level distribution.

Social impact taxonomy

Using insights from our in-depth conversations and survey, we have attempted to create a social impact taxonomy that describes details around activity archetypes, measuring results, and other factors describing their efforts.

Activity archetypes

Insights from our survey, in-depth interviews, literature review, and groundwork reveal a diversity of NGO work happening across India. Despite this diversity in scope, scale, and target communities, we observed that all NGO work can be classified into one or more of three key activities: knowledge building, service delivery, and ecosystem development. Each archetype consists of a plethora of activities that NGOs undertake. The number, nature, and duration of activities vary depending on the expenditure size and mission of the NGO.

— **Knowledge building** refers to the generation and dissemination of information through research and communications. Foundational to this archetype are quantitative and qualitative data, oral testimonies, and lived experiences, informing NGO program design and supporting campaigns for greater public awareness and policymaking. For example, since 1993, an NGO in Tamil Nadu has been working with under-resourced Dalit and Tribal communities by building their awareness about various government schemes available to them.

— **Service delivery** refers to the direct provision of services and products to communities. Each is directed toward fulfilling needs within communities, including crisis response, with the reach being connected to the geographies. It is linked to human development outcomes. For example, an NGO in New Delhi provides a shelter home, counseling and healthcare services, legal aid, and skill development to women in distress.

— **Ecosystem development** refers to the consolidation and reinforcement of efforts, processes, and systems at a macro level through multistakeholder engagements. This archetype involves seeing NGOs, their activities, and actors as components of a bigger picture, connecting the dots, and bolstering targeted areas to optimize their work within the ecosystem. For example, an NGO situated in Northern India supports state governments in strengthening foundational literacy and numeracy by building their capacity to train public school teachers.

Importantly, our interviews reveal that these three activity archetypes are often interconnected, with ecosystem building and knowledge generation supporting service delivery and vice versa, instead of strictly adhering to one or the other. NGOs tend to dabble across activity archetypes as part of their portfolios.

"We have been working for the past 46 years towards the cause and care of disadvantaged older persons to improve their quality of life. We run community-based healthcare, age care, livelihood, disaster response, and digital empowerment programs reaching approximately 2 million elders and needy communities, and we advocate strongly for the elder cause, working in partnership with various stakeholders. We are the only Indian organization to be honored with the UN Population Award 2020 for our work in the field of aging and development issues. Earlier in 2014, we were the recipient of Vayoshreshtha Samman by the government of India as an institution working for senior citizens. Our work spans 26 states across India, covering community-based interventions, system-based solutions, research, and advocacy."

– Prateek Chakraborty and Kanchan Sen, HelpAge India

Measuring results

Given that NGO work cuts across the three activity archetypes and involves extremely dynamic ground conditions, target communities, and sectors, NGOs articulate, measure, and attribute success in diverse ways. For instance, an NGO running a special school in Puducherry tracks successes at the child and organizational levels, with the former including the number of children integrated into mainstream schools or an increase in a mother's demonstrated knowledge of her child's needs and the latter tracked through third party impact assessments. However, this NGO also emphasizes the importance of a child attending the center and spending time happily as an equally important measure of impact.

Our interviews reveal that nearly all NGOs track tangible and traceable inputs, activities, and outputs along a results chain. Input metrics measure the resources invested in delivering a program, including employee and volunteer hours, financial expenditures, and the use of physical or digital infrastructure. By tracking input metrics and outputs, organizations can assess how resources are utilized, identify potential inefficiencies, and make data-driven decisions to optimize operations. Figure 7 on page 26 illustrates input activities and output indicators of specific activities that NGOs undertake; we have also identified linked outcomes across the activity archetypes.

Beyond traceable indicators, all NGOs unequivocally state that impact is multifaceted, encompassing both qualitative and quantitative changes. When describing the impact, they emphasize the need to first distinguish between output and outcomes and then be mindful of the connections between the two.

Following are the key considerations NGOs make to do so:

Time. For NGOs, the output is any tangible community/stakeholder engagement that they can record immediately or over a short-term period. Outcomes, on the other hand, usually connote macro-level changes, such as improved health outcomes, etc., which are more complex to measure in silos. The leap from output to outcomes happens over the long term—months or years.

"Our articulation of impact is centered on our ability to enable the continuation of craft traditions through the next generation. So, a key input activity of ours is building archives of traditional craft knowledge that young people can peruse and learn from. A corresponding outcome is a second-generation involvement in a particular craft—and this is something we track in districts of Kutch across different crafts over the long term."

– Ghatit Laheru, Khamir

Figure 7

Typical activities undertaken by different scales of NGOs based on their expenditure sizes and illustrative output metrics tracked across each

Input Activities	Outputs	Outcomes
1. Knowledge building (for same NGO/other NGOs/institutions to leverage)		**Changing narratives with representation and visibility**
1.1 Conducting fundamental research on specific issues 1.2 Applying targeted operational research for program design 1.3 Engaging in participatory research; monitoring, evaluation and learning studies 1.4 Disseminating knowledge in mass media, social media, journals, events, etc. 1.5 Codifying the knowledge, successful models, and learnings 1.6 Facilitating dialogue with multiple stakeholders: the government and community leaders	— Reports and knowledge products published/disseminated — New data and learnings captured — Issues identified for interventions — Media mentions; publications launched; reach or traction — Count of NGOs that used the model/learnings in operations — Community needs represented	— Evidence-based programmatic action — Public awareness, social or behavioral change — Decision-making structures supported
2. Service delivery (for the same NGO to deliver the program)		**Freedoms and opportunities for individuals and communities**
2.1 Designing programs that address issues in the community 2.2 Mobilizing communities for participation in programs through sensitization on context-specific social and environmental concerns 2.3 Identifying and collating resources and establishing support centers needed to deliver services 2.4 Offering products and services directly to community including crisis response, e.g., education, health and nutrition, livelihoods, food security, housing, clothing, and clean water + environment	— Count and documentation of programs designed — Individuals reached — Staff deployed, funds deployed, infrastructure partnerships made — Products and services delivered to households and individuals; relief packages delivered; shelters set up	— Community resilience built for the long-term — Welfare enabled through development outcomes — Sustenance provided for vulnerable populations
3. Ecosystem development (for other NGOs/institutions to leverage)		**Transformative systemic change for the long term**
3.1 Building shared community infrastructure, e.g., resource centers, SHGs, FPOs, etc. 3.2 Creating digital infrastructure or technology platforms for data capturing or awareness building 3.3 Mobilizing community by forming coalitions, collectives, or networks 3.4 Building talent through fellowships, learning sessions, and trainings 3.5 Developing capacity for ecosystem stakeholders 3.6 Supporting smaller organizations with operational and financial resources	— Infrastructure created; users enrolled; convenings held; agendas set — Tech stacks available; use cases — Partnerships established with state, private sector + others; structures such as self-help groups/cooperatives established — On-ground leaders identified and trained — Workshops conducted; participants reached; SOPs built — NGOs supported; communities reached	— Multistakeholder collaborations forged for SDGs — Infrastructure developed for communities — Systems and processes strengthened in institutions

Notes: NGOs are nongovernmental organizations; SOPs are standard operating procedures; SDGs are Sustainable Development Goals; SHGs are self-help group; FPOs are farmer producer organizations.

Sources: NGO Darpan; Dasra and Kearney analysis

Measurement. NGOs recognize what they can and cannot measure within their means while working on various issues. For instance, while they can count how many individuals attended their vocational training workshop, they cannot fully quantify how those individuals took learnings back to their families, influencing others over time. NGO outputs often continue as ripple effects into both quantitative and qualitative outcomes.

Attribution. Given that NGO work does not happen in a vacuum and is often carried out as support toward government programs and driven community participation, NGOs find it hard to decisively attribute transformation to their interventions. Narrative building, which spotlights connections between NGO activities and outcomes within the broader ecosystem, is one of how NGOs articulate attribution over the long term.

"As a sports NGO, we measure sports-related metrics, which are largely quantitative, but are equally tuned into the qualitative outcomes connected to life skills, gender, and health. Our main aim is to see how young people connect sport to their lives. We therefore use storytelling and feedback loops to measure that kind of impact—through conversations with young people, schools, and parents. It's taken us some time to crack this approach because it's taken so long for sports awareness and uptake to happen, especially in geographies where gender norms are highly rigid."

– Suheil Tandon, Pro Sport Development

"One of the key challenges in a systems change framework is establishing a clear link between our interventions and the transformation within the child protection sector. At the grassroots, we work directly with families to prevent child separation. At the district and state levels, we strengthen government agencies by developing 'family-based care champions' who sustain the work in the long run. At the national level, we contribute ground research and support the creation of robust family-based care practices and guidelines. While we can track outcomes at each level, meaningful systemic change unfolds over time, requiring continuous documentation and measurement of progress."

– Kusum Mohapatra, Miracle Foundation

NGO trajectories and evolution pathways

Fundamentally, NGOs are formed to respond to a need on the ground. Many NGOs sustain their work toward those needs over time. Interviews with NGOs that have worked over a long period, however, reveal that they have often changed courses entirely. These changes have led to NGOs charting distinct evolution pathways which can be understood as functions of internal and external factors.

Internal factors

Resources. NGO trajectories are often shaped by the resources available to them, mainly funding and networks. NGOs report that funder priorities, fund design, and reporting mechanisms have a bearing on them being able to carry out their work. By extension, networks built with funders and other ecosystem players add another supportive layer to their work. On the flip side, a lack of such resources drives NGOs to change courses to match funder priorities.

Leadership. NGOs are often founder or leader-driven, being influenced by their way of understanding issues, ambitions, and equity within the ecosystem. Leaders assess both internal and external factors while deciding their course of action and at times are driven to change courses to sustain the NGO.

Capabilities. NGOs work in complex settings and require specialized staff with strong capability sets. Given the generally low salary structures and benefits associated with NGO work, however, it is hard to find and retain talent. Often NGOs find that they simply do not have people with the capabilities to meet goals; under such circumstances, NGOs may decide to change gears.

External factors

Crises. Given NGO embeddedness within communities and geographies, they are often the first respondents in crises—ecological or human-induced. Sometimes, crises can be long-drawn and riddled with uncertainties, putting limits to how long NGOs can continue to be crisis responders or sustain themselves as entities affected by the crises.

Regulations. Due to various circumstances, NGOs may not have the wherewithal to keep up with changing rules, regulations, and compliance requirements. Furthermore, obtaining alignment with government and global development priorities may be challenging for NGOs working on complex, grassroots issues.

Community response. NGO success is chiefly dependent on the community's uptake of programs. Without community uptake and agreement, it can become impossible to deliver programs and continue working. NGOs report having to navigate extreme community pushback and are often coerced into backing off.

Technology. Technological advancements may render certain NGO roles obsolete. NGOs with a chief purpose that can be fulfilled with accessible technology will often change courses due to the advent of new technology and tools.

Key pathways shaping NGO trajectories

NGO trajectories follow three pathways based on internal and external factors:

— **Continue to grow by intensification of existing activities or replication and dissemination of existing activities to widen reach.** This pathway is characteristic of NGOs that sustain their principal objectives and goals over time—be it addressing a specific community, geography, or cause.

— **Pivot and change the scope of activities to adapt to circumstances.** This pathway is characteristic of NGOs that change courses to adapt to changes in internal or external factors.

— **Cease operations/program.** This pathway is common when NGOs need to cease a program due to internal and external factors.

Case studies on NGO pathways

To gain deeper insights into the evolution of NGOs, we mapped the evolution pathways of two large organizations operating in India's education sector: Pratham and Teach For India. Both NGOs began their operations around similar timeframes and have significantly expanded over the past two to three decades. Figure 8 on page 29 illustrates their evolution across the dimensions of roles and reach, highlighting their journeys' similarities and differences.

Figure 8
Evolution trajectory of two leading Indian NGOs in the education sector

Illustrative

Phase 1
Driven by mission and societal needs

Phase 2
Driven by mission, societal needs, and augmented capabilities

Phase 3
Driven by mission, societal needs, demand to reach a greater number of lives impacted, augmented capabilities, and crisis response

Ecosystem development

ASER and TaRL models started replicating globally (e.g., ASER in Bangladesh, Nepal; TaRL in Africa)

Launched idea sharing infrastructures (InspireED) TFI alumni network leading to a valuable leadership pipeline

Launched ecosystem infrastructure (TFIx, Firki, InnovateEd, Kids Ed Revolution, etc.)

Dissemination of learnings from TFI alumni leaders

Widespread proof of concept led to dissemination

Started directly supporting in shaping national education policies through ASER

Multiplying impact across the country

Knowledge building

Activity stopped after the pandemic

Identification of gaps led to increase in adjacent capabilities

Launched ASER survey

Learnings from ASER fed into TaRL design

Service delivery

Need-gap-based targeted interventions

Developed the TaRL approach enabling children to acquire foundational skills, like reading and arithmetic, and improve learning outcomes

Crisis relief during COVID with community (and family) mobilization to improve learning outcomes

Expanded education programs to new target groups (vocational training for 18- to 25-year-olds)

Started expansion of education programs from urban to rural regions

Started education programs (Fellowship, Mumbai slum with focus on increasing enrollment and eventually enrolling child laborers)

Scope of roles

Reach

Today

▲ Pratham   ■ Teach For India

Notes: NGOs are nongovernmental organizations; TaRL is Teaching at the Right Level; ASER is Annual Status of Education Report; TFI is Teach For India.
Sources: primary and secondary research; Dasra and Kearney analysis

Three phases of the NGO evolution pathway

Phase 1: foundations in service delivery

Addressing immediate societal needs. Pratham and Teach For India were both founded with a mission to tackle the stark inequalities in education. Pratham sought to improve foundational literacy and numeracy for underserved children, while Teach For India aimed to address the acute shortage of quality educators in under-resourced schools.
Expanding scope and reach. In their early years, both organizations focused on direct service delivery, gradually expanding their programs across from urban to rural geographies and target groups.

Deepening capabilities. Both organizations built strong operational frameworks, enabling them to engage effectively with communities. Recognizing barriers such as child labor, Pratham broadened its initiatives to encompass both educational and care programs, ensuring a more comprehensive approach to children's well-being. Building on its need-gap-filling strategy, it also identified the necessity of skilling adults and subsequently launched vocational training programs for individuals aged 18 and above, empowering them with essential job-ready skills. Teach For India used a novel learning pathway such as student voice and partnership (for instance, the Maya Musical) to have a comprehensive impact on children's education.

Transforming thousands of lives. By the end of this phase, both NGOs had directly impacted thousands of children. Pratham reached numerous underserved communities with its foundational learning programs (Teaching at the Right Level, or TaRL), while Teach For India's fellowship program and its Maya musical initiative have redefined educational experiences, they go beyond traditional notions of learning, creating transformative impact across multiple cities.

Phase 2: building knowledge and influencing systems

From direct action to systemic insights. Pratham started with the mission of enrolling children in schools. However, it pivoted its mission to improving the quality of education in the country with the realization that a right to education is not the same as a right to learning. Pratham recognized the lack of reliable data on learning outcomes as a critical gap and sought to address this through large-scale assessments. Teach For India's Fellow Alumni movement, meanwhile, intensified its focus on service delivery proved to be a valuable leadership pipeline for the sector, multiplying the impact on students across the country.

Evolution within the roles. Pratham's ASER survey began as a large-scale data collection mechanism for feedback and assessment and evolved into the creation of actionable insights that directly supported education policies. The insights supported comprehensive national education reforms, furthering the NGO's impact on a systemic level.

Data-driven change and insights. Pratham became a pioneer in collecting and disseminating data, supporting the government in formulating national education policies. It also used its learning to design initiatives such as TaRL to improve learning outcomes. In the words of Pratham's founder, Farida Lambay, "Pratham began with a mission to improve student attendance in schools. However, the realities on the ground made us realize that we first needed to enroll children deprived of education, such as child laborers, and provide them with care. Over time, our mission evolved to focus on enhancing learning outcomes for students across India and beyond." Similarly, Teach For India enhanced its capacity to learn from on-the-ground experiences and build iterative processes for improving its fellowship model.

Created a policy change. Pratham experienced a significant leap in its reach through policy-level changes. By informing government policies, the NGO expanded its impact far beyond direct service delivery, affecting entire education systems and reaching a much larger audience.

Phase 3: growing through ecosystem development

Collaboration as the next frontier. Both NGOs shifted their focus to ecosystem development, leveraging their expertise and resources to drive systemic, large-scale change. Pratham concentrated on growing by replicating its proven models through partnerships with governments and other organizations. Teach For India, building on years of service delivery, launched initiatives for knowledge sharing and ecosystem building, significantly expanding its reach through strategic collaborations.

From service providers to system enablers. Pratham expanded its global impact by replicating its models in collaboration with governments and NGOs, fostering systemic change across diverse contexts. Teach For India similarly disseminated learnings from their community of leaders, launching platforms such as InspireED to bring stakeholders together and share innovative educational practices. The NGO also built a suite of ecosystem development infrastructure and tools, such as Firki, a learning platform designed to support teachers and educational leaders across diverse contexts; InnovateEd and TFIx to support educational entrepreneurs; and Kids Education Revolution to reimagine student partnerships and collaborations. Additionally, both NGOs took on a crucial role in crisis relief, highlighting the importance of NGOs in maintaining educational continuity during emergencies.

Leadership, networks, and scalability. Both NGOs focused on creating systems that could sustain their impact over time. They added expertise in leadership development, strategic partnerships, and ecosystem-building while becoming more adaptable to crises and emerging needs.

Achieving international impact. Through strategic collaboration and the replication of successful models, both NGOs achieved a much broader, more sustainable scale. Pratham Education Foundation is taking solutions such as the Annual Status of Education Report (ASER) and Teaching at the Right Level (TaRL) beyond India through partners such as PAL Network and TaRL Africa. Pratham International is poised to drive transformative change across diverse geographies. By offering tailored end-to-end support that adapts to partner needs and operating contexts, Pratham International has demonstrated effective multi-stakeholder collaboration with local NGOs, government, and other key stakeholders. Teach For India's ideas of leadership in teaching along with student voice and partnership have influenced educators and students globally, particularly through the Teach For All network, with a presence across 64 countries.

This case study illustrates the diverse pathways NGOs can take as they evolve. Pratham and Teach For India exemplify how some organizations can start with a focus on service delivery and, as their capabilities and strategic missions mature intensify their focus, and also pivot to expand into areas such as knowledge building and ecosystem development. Both NGOs managed to balance newer roles while continuing to deliver core services. At times, some NGOs may choose to maintain their original focus, achieving significant impact by continuing existing activities, intensifying work, and replication and dissemination across geographies. In other instances, they may shift gears or pivot out of specific activities, as seen with Teach For India's COVID-19 relief efforts, which were scaled back as the immediate need diminished. This ability to adapt—whether by deepening existing efforts or responding to emerging challenges—underlines the vital role of NGOs in addressing both enduring and evolving societal needs.

Case studies on NGO evolution across small, medium, and large categories

Each NGO tracks a unique evolution pathway. Several factors prompt NGOs to either sustain or pivot course. Through our in-depth conversations with more than 30 NGOs, we observed distinct ways in which small, medium, and large NGOs evolve. This section illustrates these ways through a variety of examples.

Note: Small, medium, and large refer to the three categories of NGOs according to their budget size.

Common beginnings in small, medium, and large NGOs

What is the origin story of NGOs?

The inception of most NGOs is typically around a point of crisis or critical need within the ecosystem. Most NGOs start as small organizations with programs to provide immediate services or products to communities.

Arpan began when the founders witnessed the rape and murder of two women in their community. In its early years, the organization focused on women's rights issues in a remote and inaccessible mountainous region near Nepal and India. Similarly, The Halo Medical Foundation was formed by a group of medical students from Aurangabad Medical College in the 1980s. The NGO's origin was a response to a major earthquake in 1993 that led to the foundation adopting villages and carrying out relief work, shaping the focus on being a catalyst for government health programs.

While some organizations remain small through the course of their evolution, others grow to medium or large by achieving greater reach over time or expanding their operations and services by entering new thematic areas.

Waste Warriors began as a volunteer-led clean-up drive in the Himalayas in the year 2012. It was conceived as a movement, responding to the swathes of waste left behind by tourists. It now partners with governments across states to model best practices around waste management and integrate these measures into policy and practice. Dharma Life originally began in 2009 as a support anchor that helped rural women entrepreneurs build financial stability. Today, it has expanded its reach across rural geographies, offering the same service, while also integrating research and behavior change activities in its interventions to address the systemic roots of gender inequality.

Contrasting evolution pathways across small, medium, and large NGOs

1. How do NGOs respond to externalities?

Although NGOs have similar fundamental goals, they may differ on which course they choose over time in order to improve development outcomes within communities. This is linked to internal and external factors that affect how they respond to changes in socioeconomic ground needs or navigate crises

Responding to changing needs

Small and medium NGOs. These NGOs tend to work on addressing urgent community needs and are well-placed to adapt when these needs change—applying the same principle of community-centricity but through different value chains and methods. After building community buy-in and operational stability, they tend to expand their models "across" to the systemic level—that is, building ecosystems that can better address multifold community needs.

Pro Sport Development found that providing a sports program alone was insufficient. They needed to address life skills, health, and gender issues. Learning from experience led them to broaden their scope and incorporate new approaches. Halo Medical Foundation began by providing relief after an earthquake, but once stable, they realized the need to address systemic gaps and expanded services toward catalyzing awareness and action for government health programs. Shakti Shalini began as a service-delivery organization focused on supporting survivors of violence but later incorporated movement building in its programmatic portfolio.

Large NGOs. Given their geographic spread and scope of activities, large NGOs concentrate their efforts on strengthening the ecosystem. While they continue to provide service delivery, they focus on growing by the dissemination of successful models for wider impact.

MAD focuses on empowering organizations across geographies to adopt technology through capacity building. HelpAge India implements the Elder Line program, a national program by the Ministry of Social Justice and Empowerment, in six states. Miracle Foundation collaborates with existing government and non-government social workforce across multiple states in India by enhancing their capacity through training and the introduction of user-friendly case management tools.

Navigating crises

Small and medium NGOs. With bootstrapped budgets and resource limitations, these NGOs are especially vulnerable to externalities. During points of crisis such as natural disasters, small and medium organizations entirely shift focus toward emergency community relief until conditions stabilize. Their post-crises activities integrate the post-crisis needs of the community. While some NGOs can adapt, others are forced to downsize.

After the 2001 earthquake, Unnati shifted its services from a facilitator's role to direct relief for the community, ceasing its regular operations for a period. During the pandemic, Ummeed shifted its training and capacity-building modules to online platforms. Protsahan started an employability program to help young girls enter the workforce and secure an income to support their families. However, Vidhi, a Medium-sized NGO focusing on knowledge building, streamlined operations to mitigate unfavorable economic conditions. Since its primary function is knowledge building, they decided to downsize to a more manageable team size, working on high-impact research.

Large NGOs. As they have greater organizational stability and institutional strength, many large NGOs were able to build new capabilities in response to crisis.

HelpAge India started its mental health operations after the pandemic. The organization began addressing mental health in response to needs that emerged post-COVID, specifically focusing on the caregiver aspect of mental health. Goonj operates on the belief that material, especially cloth, is a valuable resource for addressing social challenges. The organization collects, upcycles, and redistributes materials to those in need. In response to recurring natural disasters in the regions, the NGO launched the Rahat program to enhance community resilience to climate change.

Incorporating technological capabilities

Small NGOs. These NGOs tend to use tools that are best suited to their staff and are likely to face limitations in adopting new-age technology, especially while operating in remote locations where technology infrastructure is undeveloped. As these NGOs tend to work in hyperlocal and regional contexts, they have limited exposure to fast-changing technology and inadequate resources to invest in skill building.

A small NGO shares its interest in digitalizing data collection. Financial limitations, lack of mentorship, and resistance to technological adoption by the staff make it hard for them to grow in this respect. "Our team is comfortable with a pen-and-paper system, which makes it harder to transition to a digital platform," says a staff member.

Large and medium NGOs. These NGOs tend to harness the power of data and technology, with both being key drivers of their programs. They often adopt technology to optimize processes and expand reach.

Make a Difference (MAD) can manage a large volunteer network with a lean full-time team by using technology for its operations. The Industree Foundation utilizes technology in its Regenearth program, which is an accelerator for other NGOs. Pratham leverages technology to improve their skilling programs, introducing an entrepreneurship component, and creating digital content, which extends its reach.

2. How do NGOs shift gears over time?

NGOs tend to go through two or three major phases in their evolution. Small NGOs might display more agility—changing direction quickly, with more experimentation. Medium and large NGOs that have fixed models tend to build new capacities and expand their focus on ecosystem development.

— **Early stages (0–10 years).** In their early years, small NGOs lean heavily toward community feedback as opposed to evidence-building and monitored learning. They rely on a small set of anchor funders who are aligned with their organizational mission. More than 80 percent of their funds are directly absorbed into programmatic funding.

— **Mature stages (10+ years).** At this stage, NGOs have gone through a few shifts and either grown in capabilities expanded their reach, pivoted to address new needs or continued down the same path they began. NGOs that have stayed small or medium over decades tend to grow deeper, focusing on strengthening service delivery rather than on expanding across—to strengthen the ecosystem.

At later stages of their journey, NGOs that started with a specific focus might also expand their scope of activities to address associated issues. Saishav initially focused on child labor but evolved to include education, empowerment, and protection of children using a rights-based approach. Unnati began as a capacity-building organization, initially focused on training the youth to strategize and plan development goals for the community. Through ground learning, the NGO realized the limitations of its approach. The organization moved to a more interventionist approach and now plays a more direct role in building and implementing community-based programs that integrate end-to-end solutions. Satya Special School began as a small daycare center for children with special needs but expanded its work to include community-based rehabilitation and training programs.

Mature-stage NGOs have gained more clarity of their work and refined how they measure their impact. Many focus on developing unique frameworks to qualify and measure their work and to assess the longer-term effects of their interventions.

Dharma Life tracks outcomes such as changes in spending habits and improvements in family homes. Rubaroo assesses shifts in a young person's journey through interviews and assessments. Shakti Shalini uses feedback and public speaking by survivors as indicators of qualitative growth. Protsahan uses in-depth interviews to study the creativity and resilience of children.

3. What are the success factors that enable growth?

Small NGOs. This category operates within finite geographies and intensifies its efforts to solve deep-rooted issues within the community. Even though small NGOs might not expand services or scale to newer geographies, their impact is created by sustaining programs in locations where there is a need.

"We have always had a restricted budget size. But we go wherever there is a need. We don't do something because of external stakeholder expectations. We are stuck to deepening our work in the geography since this was the need and there is still work to be done."

– Dr. Kranti Rayamane, Halo Medical Foundation

The determinants of success for small NGOs can be understood as:

— **Focusing on a community-based approach.** With the deep-rooted context of community challenges and needs, they can influence impact in remote and challenging geographies, bridging gaps where the need is highest.

— **Remaining agile and experimental in their approach.** Working at the hyperlocal level requires constant adaptation to community needs and designing culturally appropriate interventions.

Medium NGOs. Building evidence-backed outcomes is a key priority for medium NGOs. Codifying and disseminating knowledge help organizations innovate with existing interventions and scale institutional knowledge to the larger ecosystem.

"Fifty percent of our time, energy, and resources go into codifying our work and embedding this knowledge into public systems. We call this 'action organizing.' Once we build evidence, we have a playbook on how this works. Then we take it to scale: how do you democratize the solution created? We train other organizations to use the technology so they can adapt it to their sets of issues. All of this is how we move our practice work towards ecosystem building."

– Tarun Cherukuri, Indus Action

The determinants of success for medium NGOs can be understood as:

— **Building evidence and measuring to articulate impact.** Using a variety of metrics to build knowledge and evidence-backed outcomes of programs and interventions

— **Leveraging technology to optimize impact.** Integrating digital tools to create cost-effective solutions and simplify processes and build operational efficiencies

Large NGOs. They maintain a focus on building institutional knowledge and advancing capabilities. This in turn aids large NGOs to play a supportive role in the ecosystem by disseminating best practices, training, and building capacity across stakeholder groups.

"Often, in the non-profit space, funders are interested in supporting the intervention, not the organization. Pratham has been lucky to have had streams of patient and flexible funding, we have had the privilege of having capital that allows us to retain this organizational knowledge, allowing us to invest in people. Because of this, we have been able to retain experienced trainers and content experts who aren't sitting in any donor's budget but have learned from the last 20 years of running different programs. This is not an ideal situation and one that is not always sustainable but that is a big factor in the success that allows us the room to fail and grow."

– Manushi Yadav, Pratham

There are two determinants of success for large NGOs:

— **Establishing a strong leadership and expert base.** Growing a skilled talent pool that can push boundaries in impact by setting new systemic standards, and deepening institutional and programmatic knowledge

— **Operating with proven and established systems.** Innovating and disseminating tried and tested models of delivery, with a strong capacity to execute programs across geographies

New horizons: outlook and future pathways

How do NGOs across small, medium, and large sizes envision their growth?

As NGOs grow, each one undergoes its unique growth journey. Regardless of size, NGOs seek to collaborate and see the need for strong partnerships within the sector, and with government and corporate stakeholders in order to amplify impact across themes.

Small and medium NGOs. These organizations look to expand the scope of services deepening impact within the same geography and focusing on sustaining intervention outcomes.

Saishav plans to deepen its impact by focusing on specific thematic areas and creating community-based institutions and partnerships. Satya Special School aims to increase its reach within Puducherry and expand into other districts in Tamil Nadu.

Large NGOs. These organizations tend to articulate a focus on greater ecosystem development by replicating and scaling their models to newer geographies.

Leadership for Equity (LFE) intends to continue its efforts on narrative building to influence public education systems. Goonj is aiming to replicate its ideas outside India. The Industree Foundation aims to scale its model through the Regenearth program to other NGOs.

Scaling dimensions

The term "scale" has a few different meanings. In the context of NGO work, discussions on scale tend to revolve around measuring an NGO's impact and how much it has grown. But an essential question remains unaddressed: what is the relationship between the NGO's work and the actual problem it addresses? We need to reimagine scale by including the dimensions of communities, systems, and reach while discussing it in the context of the social impact sector.

"What success would look like at scale needs to be visualized with reference to the size of the challenge."

– Sanjay Purohit, Think Scale[11]

Scale is a directional representation of NGO strategies to maximize impact

Scale is context-dependent, reflecting whether the NGO aims for changes in decision-making structures, on-the-ground impact by shifting norms within existing communities, or a combination of these strategies to address the pervasive challenges faced by distinct communities across geographies. Even though multilateral and international actors in the social impact sector have alluded to this, scale is still understood as one-dimensional, referring to bigger operations and resources. (Moore et al., 2015)[12]

NGOs face a constant paradox: a broad vision aiming for population-level or environmental impact, contrasting with the limitations of a non-profit model, reliant on external funding. Based on our in-depth conversations with 30 NGOs, we observe that organizations strategically leverage a mix of archetypes to scale. A constant in their approaches to scale is the steadfast mission to reach communities and make offerings that improve conditions on the ground.

Two critical elements define the scaling dimensions observed in NGOs:

— **Community** refers to groups of people united by a mix of common socioeconomic conditions, cultural identities, and values, or belongingness to geographies. These collective factors have repercussions on the lived experiences of individuals, across generations.

— **Systems** refer to interconnected structures, institutions, networks, and relationships linking to shared behaviors, norms, and mindsets. These structures influence the power dynamics, feedback loops, and decision-making for all the embedded units within systems.

We have observed three scaling dimensions (see figure 9 on page 38):

Scaling deep: six out of 20 small or medium NGOs scaled deep

Scaling deep refers to NGOs providing direct support or new programs to communities in focus. NGOs intensify efforts within a vulnerable or underserved community or in a specific geography. This dimension helps address root causes by shifting societal and cultural norms, enabling communities to thrive.

Scaling across: 19 out of 30 small, medium, and large NGOs scaled across

Scaling across refers to NGOs providing direct or indirect support through existing or new programs in diverse geographies or communities. NGOs may expand their reach to geographies by replicating and disseminating models. This dimension empowers diverse communities to overcome multiple challenges.

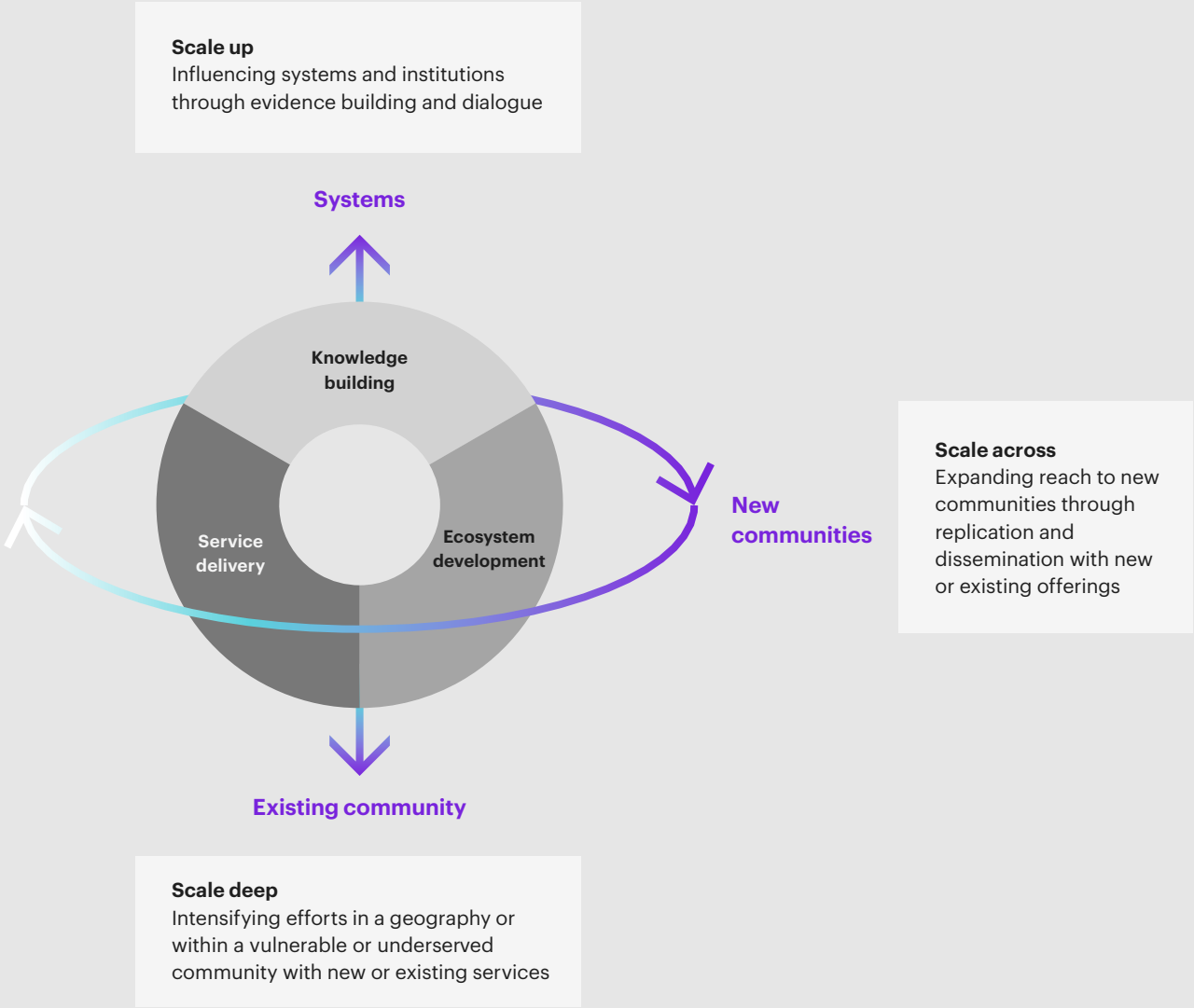## Scaling up: four out of 10 medium NGOs scaled up

Scaling up refers to NGOs providing indirect support to communities by targeting systems. NGOs concentrate efforts on decision-making structures or the overarching environment by using specialized programs. This dimension cascades across to the foundations of societal and environmental contexts.

The scaling dimensions described above are usually relevant at a point in time within NGOs' journeys, linked to the internal and external factors described in the sections above. For the limited sample covered, organizations scaled differently regardless of the size and portfolio mix. While this is not an exhaustive representation, only the small and medium organizations scaled deep. Medium-sized organizations scaled up. Such indicative patterns need to be tested further through research.

NGOs can independently map themselves on scaling dimensions to reflect on their strategies. This can help identify the capabilities needed to fulfil their aspirations, improving efficiency in operations, and fundraising.

As NGOs are not driven by profits; the scaling dimensions described above challenge the common assumption that scale means growth in size. NGOs across scaling dimensions need patient and flexible capital to foster positive social impact. Understanding these distinct dimensions can help funders make more informed decisions about investing in, monitoring, and supporting the sector.

[12] Moore, M.-L., Riddell, D., & Vocisano, D. (2024). Scaling Out, Scaling Up, Scaling Deep*. In M. McIntosh, S. Waddell, S. Waddock, S. Cornell, D. Dentoni, & M. McLachlan, Large Systems Change: An Emerging Field of Transformation and Transitions (1st ed., pp. 67–84). Routledge. https://doi.org/10.4324/9781003579380-7

Figure 9
Scaling dimensions: up, deep, and across

Scale up
Influencing systems and institutions
through evidence building and dialogue

Systems

**Knowledge
building**

**Service
delivery**

**Ecosystem
development**

**New
communities**

Scale across
Expanding reach to new
communities through
replication and
dissemination with new
or existing offerings

Existing community

Scale deep
Intensifying efforts in a geography or
within a vulnerable or underserved
community with new or existing services

The way forward

This report has highlighted various descriptors, enablers, and barriers articulating NGO operations. To gain more engagement and recognition from key stakeholders including donors, government, and the public, NGOs must take the onus of elevating their communication efforts by effectively telling their story. Figure 10 on page 40 outlines key gap areas that hinder NGOs from operating effectively and imperatives for each stakeholder, including NGOs, funders, and government.

Figure 10

The way forward for NGOs and key stakeholders

Gap areas	Stakeholders		
	NGOs	Funders	Government
Funding	— Engage experts, professionals, and business owners as board members to strengthen fundraising pipeline and capabilities. — Demonstrate accountability and raise awareness by registrations on formal platforms (e.g., NGO Darpan).	— Provide unrestricted, multi-year support, while exploring diverse financing models and collaborative giving vehicles for long-term impact. — Diversify portfolios by prioritizing underfunded regions and themes, while committing support to micro, small, and medium NGOs with strong community ties but limited resources.	— Promote platforms such as the SSE and facilitate NGO access to government grants. — Encourage tax incentives and build innovative mechanisms for sustainability in financing social impact programs.
Measuring the impact	— Develop robust MEL frameworks and allocate dedicated time, staff, and funding to collect data on programs and measure impact continually.	— Open communication channels with NGOs to learn about ground realities, get feedback, and collaboratively drive continuous improvement. — Account for both tangible and intangible outcomes by integrating contextually relevant metrics and understanding the arenas of scale.	— Continue sharing reliable demographic data regularly to support NGO efforts.
Internal capacity	— Streamline operations through data, tech, and AI tools with due ethical considerations. — Strengthen second-in-line leadership and focus on talent retention to ensure efficiency in program delivery.	— Simplify administrative tasks in grant cycles, offer unrestricted grants, and invest in strengthening internal capacity. — Foster learning and development opportunities from the business side to support NGOs with operational, financial, and governance systems.	— Provide ready reckoners and information to support NGOs with compliances and new initiatives, such as SSE.
Collaborations	— Build solidarity with peers through coalitions, networks, and communities of practices to cross-learn and avoid duplication.	— Anchor giving vehicles and collaborative platforms in partnership with domestic intermediaries to multiply impact.	— Create opportunities to foster collaborative action on national development priorities, such as the Jeevika Missions (NRLM) and the Transformation of Aspirational Districts program.

Note: NGO is nongovernmental organization; MEL is monitoring, evaluation, and learning; SSE is the Social Stock Exchange.

Source: Dasra and Kearney analysis

Conclusion

With its NGOs embodying frugal innovation, agile action, and positive impact for over a century, India is a scale lab for the world. Likewise, as India makes its mark on the global development stage, NGOs will continue to play a significant role in strengthening its communities and the environment. Today, several Indian NGOs have matured, established, and built robust programs that can be replicated across developing countries. For NGOs, the path forward lies in strengthening operational capacity, fostering greater collaboration, articulating impact effectively, and disseminating their models generously to catalyze transformative development for those who need it the most.

Acknowledgements

We express our sincere gratitude to the following individuals for sharing their time and valuable insights for this report. Their leadership, experiences, and perspectives have been invaluable in shaping the depth and rigor of this work. We appreciate their patience, engagement, and thoughtful contributions. Thank you for your patience and perspective.

Anita Limaye, CEO, Ummeed Child Development Center

Anita Patil, Lead, Implementation Partnerships, Goonj

Anuradha Rao, Senior Director, Impact and Operations, Teach For India

Binoy Acharya, Board Member, Unnati

Chitra Shah, Director, Satya Special School

Dhvani Mehta, Co-founder, Vidhi Centre for Legal Policy

Dr Dhir Jhingran, Founder, Language and Learning Foundation

Farida Lambay, Co-founder, Pratham

Gaurav Mehta, Founder and CEO, Dharma Life

Ghatit Laheru, Director, Khamir

Gopinath KN, Execute Director, Dhwani Foundation

Jaswinder Singh, Executive Director, Protsahan India Foundation

Kanchan Sen, Country Head-Resource Mobilization and Marketing, HelpAge India

Kranti Ramayane, Founder, Halo, Medical Foundation

Luis Miranda, Co-Founder, Indian School of Public Policy

Mathew Cherian, CEO, HelpAge India

Manushi Yadav, Director, Strategy and Partnerships, Pratham

Mannat Anand, Senior Director of Operations, Make A Difference

Mohit Raj, Founder, Project Second Chance

Monisha Vemavarapu, Co-founder and CEO, Rubaroo

Nalini Shekar, Co-founder and Executive Director, Hasiru Dala

Neelam Chibber, Co-founder and Managing Trustee, Industree Foundation

Parnasha Banerjee, Director, Dasra

Parul Seth, Founder, Shaishav

Prateek Chakraborty, COO, HelpAge India

Pritam Prasun, Associate Director of Monitoring, Evaluation and Learning, Miracle Foundation

Pushpa Aman Singh, Founder, GuideStar India

Rati Forbes, Director, Forbes Marshall

Richa Singh, CEO, Give

Renu Thakur, CEO, Arpan

Roshnee Sundararaman, Manager, Kearney

Sneha Arora, CEO, Atma Accelerator

Shahed Alam, Founder, Noora Health

Sonal Kapoor, Founder and Director, Protsahan India Foundation

Suheil Tandon, Founder, Pro Sport Development

Sunita Suresh, Program Head and Finance Lead, Dhwani Foundation

Tamanna Basu, Core lead, Shakti Shalini

Tamilarasi, Deputy Director, Human Rights Advocacy and Research Foundation

Tarun Cherukuri, Founder and CEO, Indus Action

Vishnu Gopal, Director, Gramin Shiksha Kendra

Vimal Jat, CEO, Synergy Sansthan

Vishal Kumar, CEO, Waste Warriors

Will Funk, Associate Director of Development, Noora Health

Kearney authors

Neelesh Hundekari
Partner, Mumbai
neelesh.hundekari@kearney.com

Vikas Mittal
Consultant, Mumbai
vikas.mittal@kearney.com

Aman Chheda
Consultant, Mumbai
aman.chheda@kearney.com

Sampurna Borah
Consultant, Mumbai
sampurna.borah@kearney.com

Saurav Cyriac
Consultant, Mumbai
saurav.cyriac@kearney.com

Dasra authors

Deval Sanghavi
Co-Founder and Partner
deval@dasra.org

Ami Misra
Associate Director
ami@dasra.org

Kasturi Gandhi
Manager
kasturi@dasra.org

Prachi Pal
Team Lead
prachi@dasra.org

Anushka Dias
Associate
anushkadias@dasra.org

About Dasra

Dasra, meaning "enlightened giving" in Sanskrit, is a pioneering strategic philanthropic organization that aims for a transformed India where a billion thrive with dignity and equity. In 1999, Dasra began as a venture philanthropy fund to invest in early-stage nonprofit organizations in India. We recognized early that we had the responsibility, the capability, the connections, and the energy to be a long-game change agent, and we resolved to make a transformative difference through it. Dasra has gone through various stages of evolution—from a philanthropy fund to a bridge between NGOs and funders—and now, two decades later, Dasra has cemented its identity as a leading nonprofit systems orchestrator working with diverse stakeholders across the social impact ecosystem. We continue to pursue equity by strengthening leading NGOs, maximizing philanthropists' impact, and enabling the government to better serve communities. Our effort is driven by an unwavering resolve to help India achieve the UN Sustainable Development Goals by 2030.

dasra.org

About Kearney

Kearney is a leading global management consulting firm. For nearly 100 years, we have been a trusted advisor to C-suites, government bodies, and nonprofit organizations. Our people make us who we are. Driven to be the difference between a big idea and making it happen, we work alongside our clients to regenerate their businesses to create a future that works for everyone.

kearney.com