



Introduction

NGOs have always played a crucial role in supporting the weaker social groups and disadvantaged communities in India. And when Covid-19 hit India, it was no different. With the world’s largest lockdown being implemented in India, thousands of NGOs immediately prepared to provide food, healthcare, information, awareness, and transportation to affected populations. But, at the same they have also been struggling with the crisis and its effects on their own operations and sustainability.

To understand the current and potential impacts on finance, human resources, and the functioning of NGOs in India, NEERMAN carried out a research and conducted structured surveys with 1067 NGO managers in August 2020. The organizations surveyed were spread across the country (29 states) and worked in various sectors including education, health, environment etc. Their annual turnover ranges from Rs 50 thousand to more than Rs 10 crore and their total workforce size varies from less than

10 to more than 4,000 employees. The findings from this study are expected to quantify the burden and hopefully rally a call to action to support NGOs.



Figure 1: Sample Composition

Impacts on Programme Implementation

With the focus being redirected towards Covid relief activities, about 1/4th of NGOs surveyed reported that all their programmes are currently suspended. About 60% are only partially continuing their regular programmes.

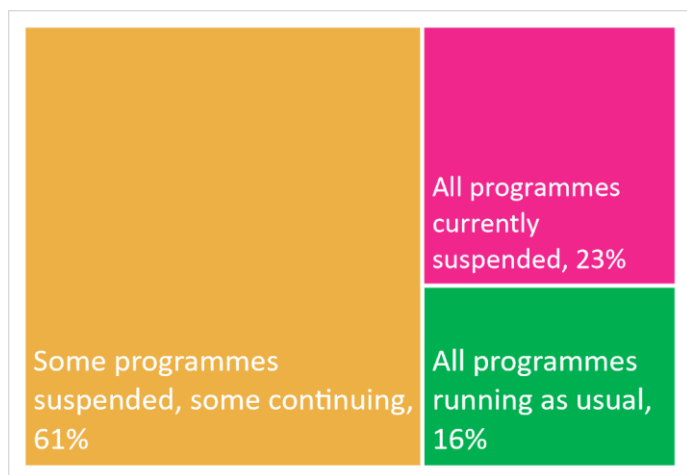


Figure 2: Operational Status

When asked about the challenges faced in implementation of programmes, the following struggles emerged (Figure 3).

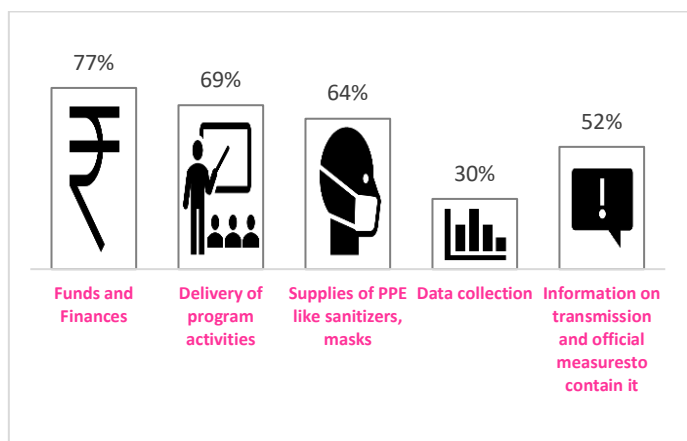


Figure 3: Top 5 problems faced by NGOs

Financial Strain: Since most of the funds from the typical sources such as corporate social responsibility and funding agencies are flowing towards Covid-19 related work, the short term survival of current programmes and the long-term sustainability of

programmes and organizations are perceived to be at a high risk.

Inability to deliver programmes remotely: Only half of the NGOs surveyed could switch to delivering program activities online (mainly education, counselling, and remote help to front-line-workers).

Inadequate access to PPEs: 64 percent reported inadequate availability of personal protective equipment including sanitizers and masks.

Lack of information on COVID Transmission: about half of the NGOs felt a need for more information on transmission or spread of the virus and 'official' measures to contain it.

Difficulty in assessing situation, needs, and status: NGOs lamented lack of monitoring data and inability to conduct surveys to assess the problems and do something about solving those problems. About one third of the NGOs reported struggles with remote surveys.

Impacts on Funding and Employment

More than half (55%) of the NGOs surveyed expect a reduction in their funding in this financial year; 13 percent expect 50 percent or more reduction in their funding. On the other hand, 32 percent NGOs expect increase in funding.

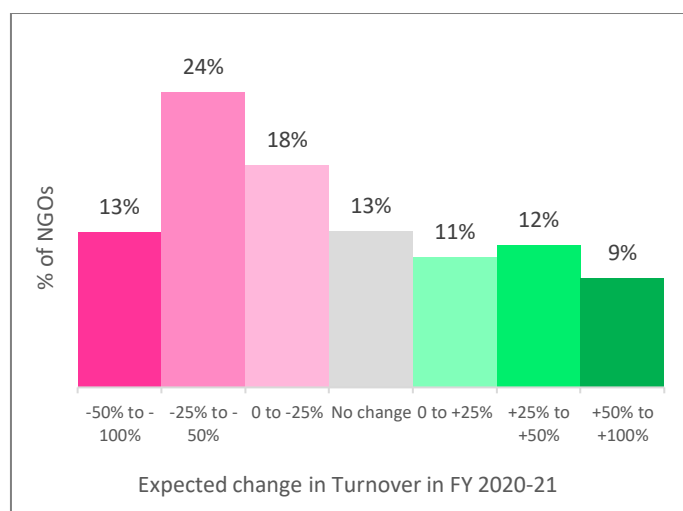


Figure 4: Expected change in 2020-21 Turnover

Overall, on average, NGOs expected annual turnover in FY 2021-22 to shrink by 11 percent. While no definitive data is available, some claim NGO sector

receives annual turnover of Rs 3 lakh crores. To the extent our data is representative of NGOs across India, we thus expect a loss of Rs 33 thousand crores.

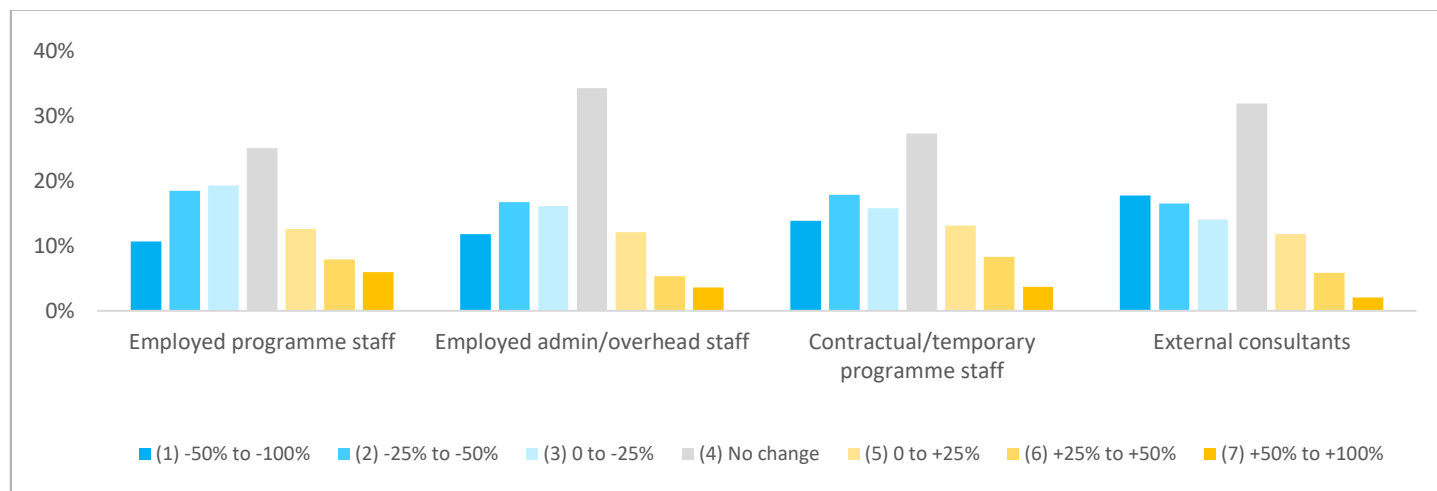


Figure 5: Expected change in 2020-21 Workforce

Correspondingly, massive job losses are also expected. Almost 50% of the NGOs expect to lay off workers – both permanent as well as temporary. On average, 13% permanent jobs, 13% temporary jobs

and an alarming 38% external consulting jobs will be lost. Overall, 14 percent of existing jobs are expected to be lost.

Findings and Learnings¹

NGO sector is expected to suffer contraction similar in extent to overall economy. While RBI estimated -9.5% GDP contraction (The Economic Times, 2020), we estimate 11% reduction in NGO sector. Large loss of employment is expected, especially for external consultants, which will affect unemployment numbers in sectors such as research and consulting. Such resource constraints will affect social and development programmes where NGOs play an

important role; especially where existing government support is inadequate. Therefore, a lot more responsibility is expected to fall on government programmes and frontline workers to pick up the slack. Because NGO sectors often recruit local staff at grassroots levels, it may be prudent to have targeted support to NGOs specially to protect jobs in this sector. Government and CSRs can have an important role to sustain such NGO eco-system.

¹ The sample for the study is purposive and not random but collected across India from 29 states. Thus, findings not statistically representative. These are perceptions and not actual data so responses can be biased. This analysis as done prior to new FCRA amendments. It is possible that the prognosis for the sector may be graver due to double whammy of FCRA adverse effect along with COVID.

About Us

NEERMAN is a research organization that specializes in impact evaluations, programme evaluations, monitoring & evaluation systems development, and allied evaluation and policy research. NEERMAN partners with UN agencies, international foundations, NGOs, and CSRs to conduct impact evaluations, develop monitoring and evaluation systems, and policy research to aid programming. To know more about us, please visit www.neerman.org.



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