VIDYA SHAH
EXECUTIVE DIRECTOR, EDELGIVE FOUNDATION

TOGETHER, WE CAN

A collaborative approach can help create sustainable social impact.

COLLABORATION IS A TESTED AND proven formula in business. There have been several instances where a winning strategy or a solution to a persistent problem is the brainchild of a group of different but talented individuals putting their ideas and energy to work together. What makes collaboration work well is that it brings together a group of people with a common passion and purpose.

Similar thinking can be applied to the concept of collaborative giving. Apart from bringing together a group of people interested in solving social challenges, a collaborative approach for investing in the social sector promotes transparency and encourages the search for common solutions.

In India, there are now more donors, foundations, giving circles, socially responsible corporates and social venture investors focusing on driving change in the social sector. According to several studies, a joint approach is often able to succeed where individual efforts do not. Despite this, collaboration among social sector investors is limited and often the exception, rather than the norm.

Although time consuming, expensive and sometimes hard to measure, we believe that collaboration can create sustainable social impact. Co-ordinated funding, sharing data and aligning programmes can have tremendous results. Making data available is often the first step towards fostering collaboration. It is this openness that enables sharing, awareness and future collaboration.

LESSONS TO LEARN

Recently, leading social investors have been emphasising the importance of collaboration. Impact investing networks have emerged across the world in an effort to come together to address social issues. The New York-based Global Impact Investing Network (GIIN) is a fine example of such collaboration. Comprising over 40 investors, GIIN is dedicated to increase the effectiveness of impact investing and aims to solve social or environmental challenges while generating financial profit. Led by the Rockefeller Foundation, the GIIN created the Investors' Council to accelerate learning about new investment opportunities; facilitate sharing of lessons learned; highlight and spread best practices; and enable opportunities for collaboration among members.

Another similar impact investing network is the Aspen Network of Development Entrepreneurs (ANDE), a member-driven organisation housed within the Aspen Institute. Its members are leading intermediaries (firms providing capital and/ or business development services), funders and experts who share a common desire to create a movement to bring about economic, environmental and social benefits for developing countries.

At EdelGive Foundation, we believe in the significant role that collaboration plays in successful social investing. Since 2008, we have partnered with several organisations, many of them international, and provided them a platform to invest in credible non-profits in India. Our partners include atDta Foundation (Switzerland), The British Asian Trust (UK), ADM Capital Foundation (Hong Kong) and the RICE Fund (Singapore and Hong Kong), to name a few. Through these successful partnerships, we have shared due-diligence, developed frameworks, co-funded and helped to scale up the work of non-profit organisations.

NOT IN A HERD

However, collaboration doesn't necessarily mean that every investor/ donor has to subscribe to the same view and apply the same methodology to investing. Successful collaboration typically involves developing ways of working together that allows individual investors to deploy a larger amount of resources toward a shared issue, develop an enabling framework, or work towards a commonly agreed solution. Building networks and connectivity within the donor community

PHOTOGRAPH BY SOUMIK KAR

Building networks within the donor community can provide increased co-investment opportunities.

can provide increased co-investment opportunities and allow investors to leverage additional resources and also reduce individual risk.

We recently held a roundtable event at the Sankalp Investor Forum 2011. Over 25 social investors from across the world investing in India came together to discuss several issues around collaboration and the need to develop a collective voice to raise concern around certain government regulations, ranging from provisions in the Right to Education Act to the Foreign Contribution Regulation Act. The round table threw light on the common challenges faced by investors in India, such as conducting due diligence wholly relying on information provided by the NGOs and the need for a joint approach to monitor and evaluate investments. We firmly believe that a common network comprising members from the investors' community is needed to have a framework and certain standard measures to measure social impact.

GIIN has built a common framework called Impact Reporting and Investment Standards (IRIS) for measuring social and environmental impact of investments to facilitate comparisons of impact data across investments. A similar framework, specific to the Indian context, to measure non-financial performance will help in consistency of data and common definitions for metrics. It will help investors compare investments and share progress and challenges of investees. Most importantly, since India has such a wide spectrum to offer for social investments, ranging from health, energy, micro-finance to education, livelihoods, etc, this framework should also address issues relating to broad diversity of investments across sector, geography and asset class.

Successful collaboration can take place at several levels, which require different levels of commitment and effort. It allows for greater efficiency and the leveraging of core expertise to impact multiple organisations.

Better sharing of information and data can help identify exceptional organisations in the social sector that are working towards creating impact and change. A shared outcomes framework can help all players discuss their impact in the same language and aggressively drive toward the same results.

Collective action requires all players to see an individual benefit. Incentives like capacity building can encourage participation. Finding partners with aligned strategic goals can also aid in building stronger partnerships and bridge gaps. There are a few elements that underpin the success of partnerships. First, the issue and the challenges should be clearly understood and must resonate with all partners. Second, there should be openness to sharing and the ability to take some risks. Third, effective sharing mechanisms and effective feedback loops should be used to understand how it is working. Lastly, any joint effort should have clear deliverables and clearly allocated time and resource inputs.

At the end of the day, collaboration may lead to greater social impact (greater reach and larger scale impact), but how it does this is equally important. ■