

AccountAble™

Foreign Contribution: Inflow in 97-98

Issue # 50; Jul '99

In this Issue

Total Receipts	1	Top 25 Agencies: Country-wise	3
Origin of Funds	2	Top 25 receivers	4
Purpose of Receipt	2	More than one crore	4

How much foreign contribution comes in each year? How many NGOs receive foreign funds? Very little information is available on this to most people. As a result, wild exaggerations and gross understatements are common. We have presented the analysis for 1996-97 and in continuation of the above, now we are providing an analysis for the year 1997-98. It is, therefore, hoped that the analysis given here will provide useful data for people working with NGOs and Agencies.

The analysis presented here is based on the 'Inflow of Foreign Contributions Report 97-98', prepared by the Ministry of Home Affairs. This report provides a lot of valuable data on foreign contribution and we would like to place on record our appreciation of the hard work the FCRA Department puts in while compiling this information despite limited personnel and infrastructure.

There are also limitations on the present analysis. Some of the charts may be misinterpreted, if taken casually. You are, therefore, requested to carefully read the notes for each chart. Also in general:

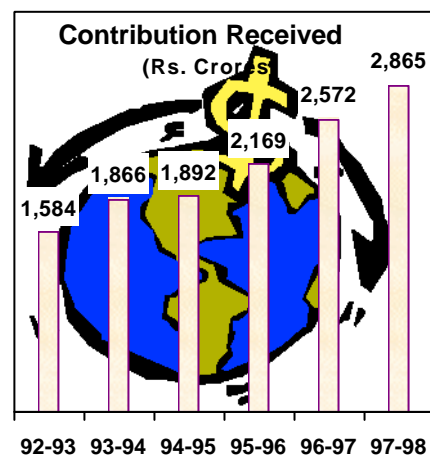
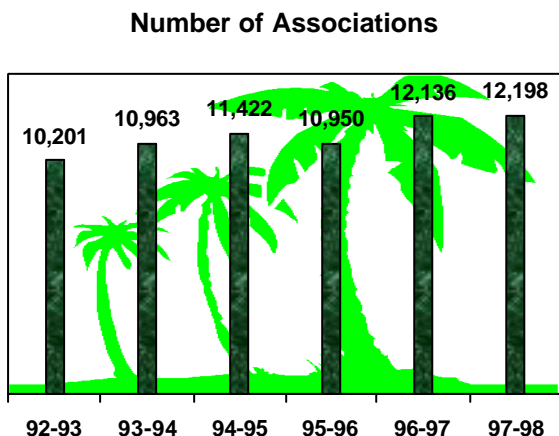
- ❑ Foreign contribution in kind (material) is sometimes not valued or reported by receiving NGOs. The figures and analysis will be distorted accordingly.
- ❑ The data includes all money reported as received for educational, social, religious, cultural, or economic programs. This money may be received by 'social-change institutions', development organizations, religious bodies, universities, and hospitals as also NGOs set up by the Government. For easier reading and in the absence of any definite classification, we have used the term NGO for all these.
- ❑ The FCRA dept. actually makes no real distinction between grant making agencies and NGOs. We have used the term Agency to indicate that an organization is mainly involved in making grants to other NGOs.
- ❑ A crore means 10,000,000 or ten million. One crore of Indian Rupees is currently equal to 238,000 US Dollars. A lac means 100,000.

Total Receipts

Funds received in 97-98 went up over the previous years. Also many more NGOs filed their FC-3 this year.

Over the five years from 93-94 till 97-98, the contribution has grown at an annual rate of 11.3%. Average contribution received by each organization has gone up from Rs.16.5 lacs in 94-95 to Rs.23.5 lacs in 97-98.

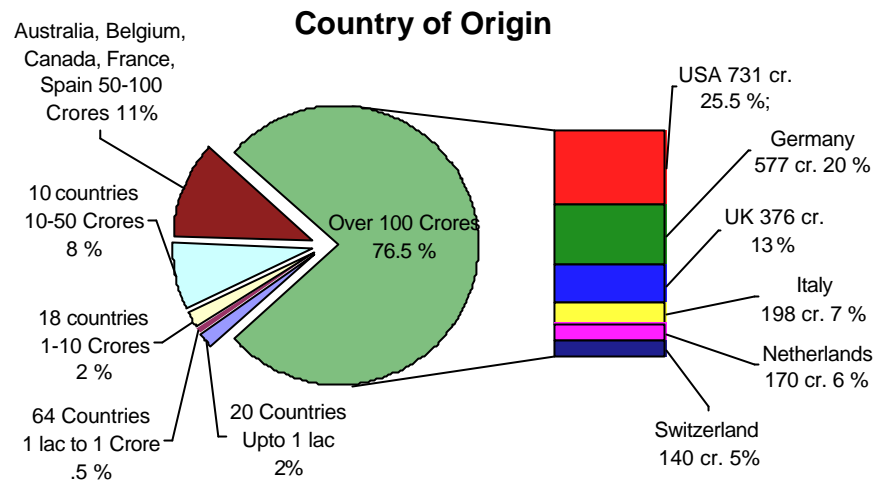
Some of the Agencies that are working in India have FCRA bank accounts here. These agencies may receive funds ranging from Rs.1 crore to over Rs.35 crores. The average figures given here will be distorted due to this.



Origin of Funds

Where do these funds come from? The report lists at least 122 countries, ranging from USA (731 crores) to Cameroon (2,000 rupees!). Then there are smaller donors who are not listed individually – this adds up over Rs.53 crores.

The chart alongside shows that six countries sent in 76.5 % of the total funds i.e. Rs.2193 crores. These are listed in the bar.



Next came five countries – Spain (78.83), Canada (69.49), Australia (63.62), France (58.7) and Belgium (50.21). These gave funds ranging from 51 crores to 79 crores.

This is followed by 10 countries, each of whom gave funds ranging between 10-50 crores: Japan (38.16), Norway (30.72), Austria (28.41), Sweden (27.88), Denmark (21.33), Hongkong (21), UAE (18.91), Saudi Arabia (13.24), and Kuwait (11.08).

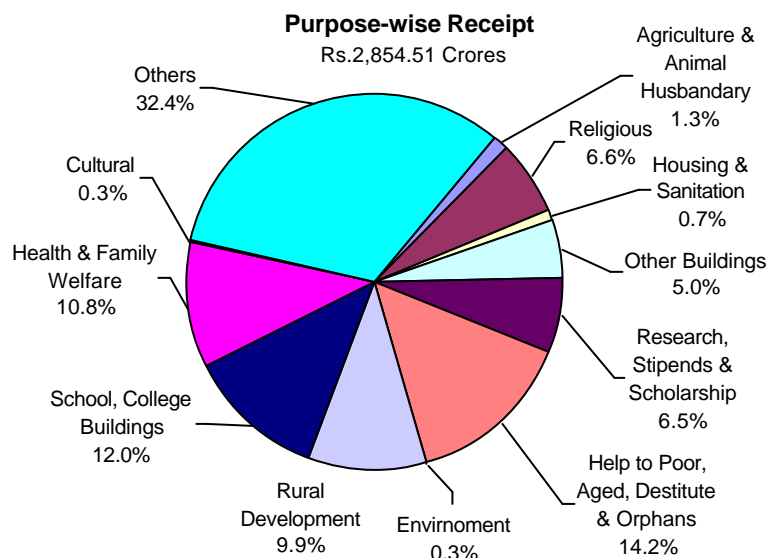
Apparently countries from the developing world also contribute: Nepal gave 1.07 crores and Bangladesh gave 0.45 crores. Even a starving country like Ethiopia appears to have given 6.88 lacs! This probably happens because some donor Agency is using these countries as a base. For the curious ones, Pakistan gave 5.32 lacs only in 97-98.

Purpose of Receipt

What is the money received for? Most NGOs find it difficult to classify the funds received according to purpose. For example, many agencies support multi-purpose or integrated programs. The amount should be accordingly split into health, education, economic, environment etc. In practice, this does not happen – the total amount may be shown under, say rural development.

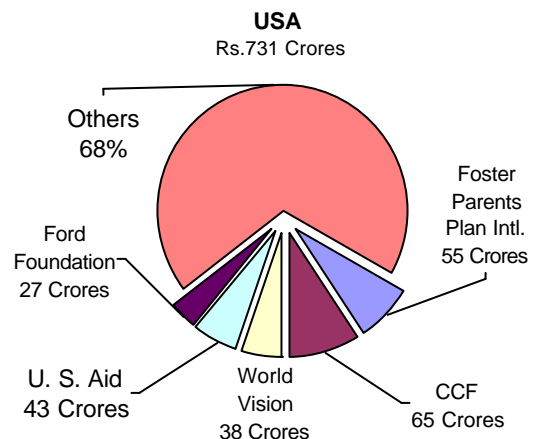
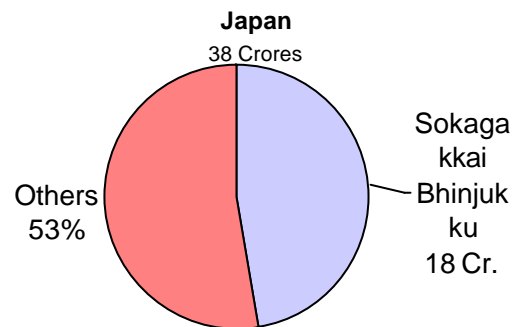
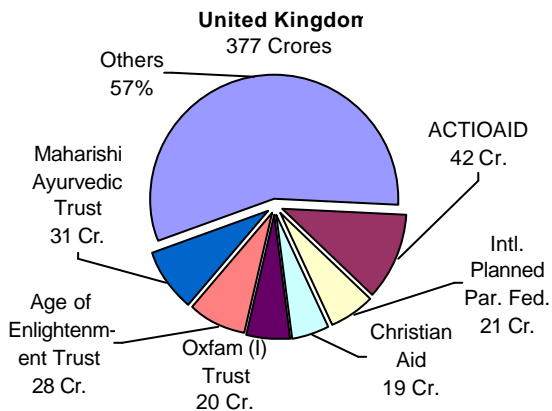
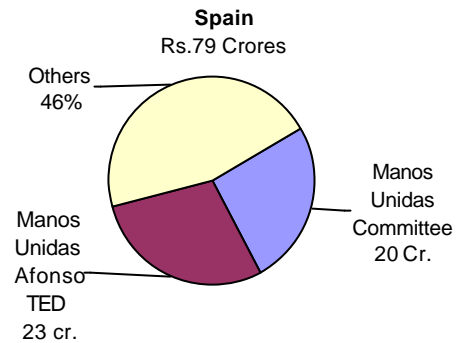
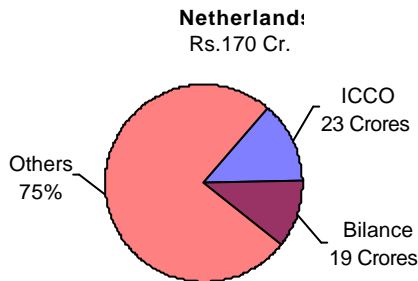
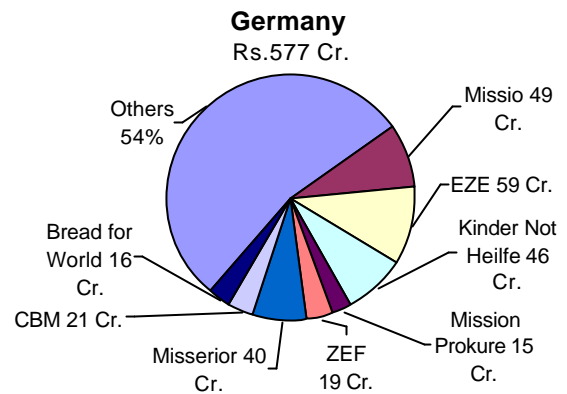
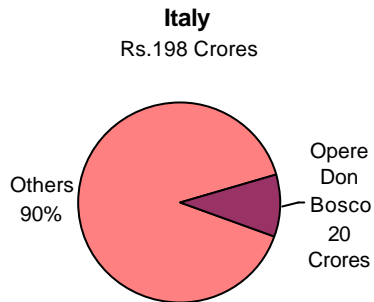
The analysis on purpose of receipt is, therefore, probably unreliable. However, it is given here for what it may be worth.

A closer look at the chart confirms this. Environment shows up as just 0.3% or Rs.7.68 crores. If we look at the enormous amount of work which NGOs are doing on environment, this would seem to be a pittance.



Top 25 Agencies: Country-wise

The report also provides a list of 25 biggest donors. Together these donors give 777.38 crores, or about 27% of the total inflow. The charts below show how much of each country's donation comes from these top 25 Agencies.

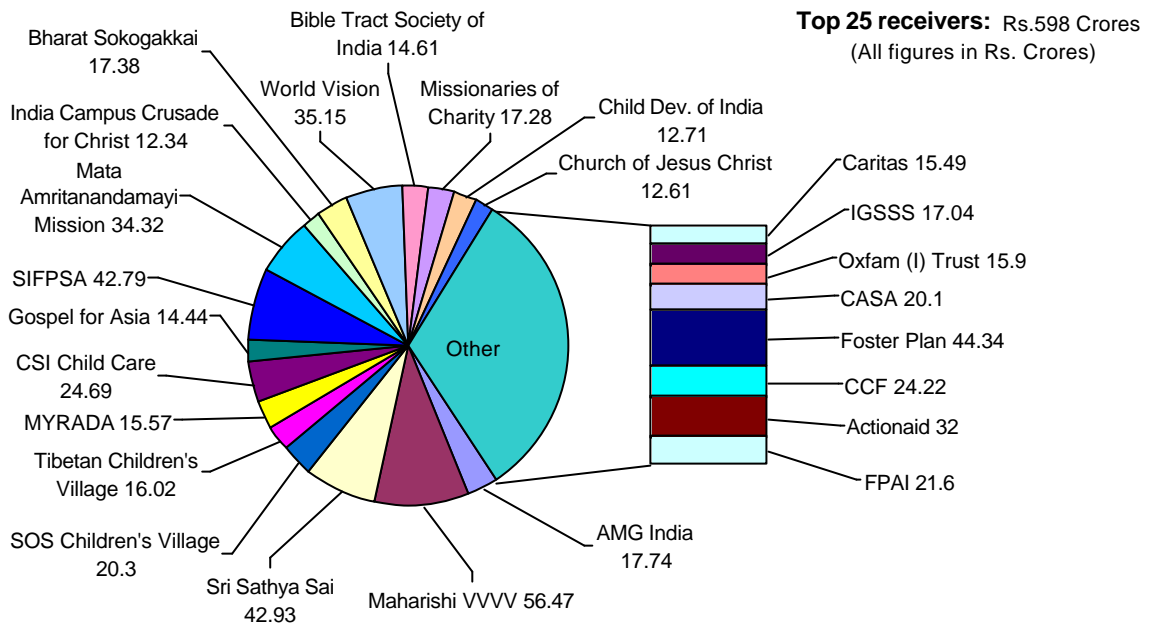


Some of the figures reported here might be higher due to double counting. Then again, bilateral funds (foreign Government to Indian Government) and UN funds are not reported to FCRA authorities.

Top 25 receivers

Who receives this money? There is a long list of over 12,000 organisations that received the funds. A more manageable list is of 25 top receivers.

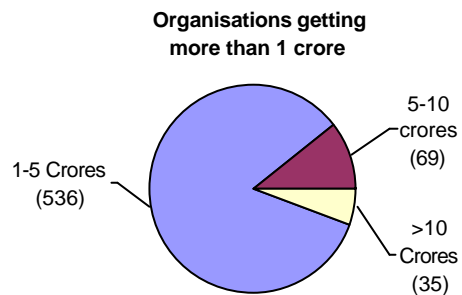
However, this picture is slightly confusing. The list includes both NGOs and grant-making agencies. However, together, these organisations took in 598.07 crores in 97-98. Out of this, at least 32% (about 191 crores) was received by grant-making agencies. This is shown separately as a stack.



More than one crore

The report also gives some statistics on who received more than one crore in 97-98. There were a total of 640 organisations in this category (including the top 25 above). These included NGOs and Agencies. Some of these NGOs may have received funds to disburse to other smaller groups.

Balance 11,558 (95%) organisations received less than Rs. 1 crore. In fact, the average size of receipt is Rs.23.48 lacs. This average is on the higher side as it includes amounts received by Agencies as well.



'AccountAble' covers a different topic related to NGO accounting each month and is mailed to about 850 persons in NGOs and audit firms.

Interpretation of law in these circulars is of a general nature. Please consult your advisors before taking any important steps.



AccountAid India also offers 'QuestionAble' (a complimentary service for NGOs) – answers to practical questions on this and related topics.

Your comments and suggestions can be sent to: AccountAid India, 55-B, Pocket C, Siddharth Extension, New Delhi-110 014; Phone: 011-2634 3128; Ph. / Fax: 011-2634 6041; e-mail: accountaid@vsnl.com; accountaid@gmail.com. Web-site: www.accountaid.net.

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