

# AccountAble™

Inflow of FC: 98-99

Issue # 63; Aug-00

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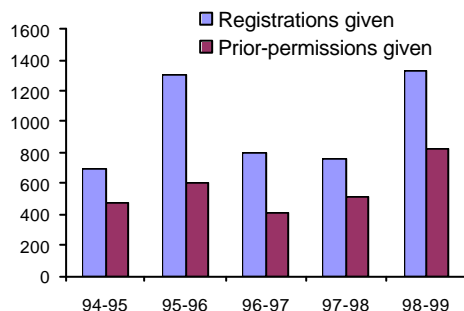
## Overview

Ministry of Home Affairs has now released the FCRA report for 98-99. What does the report tell us about inflow of foreign contribution?

### How many are registered

#### Fresh Registrations and prior-permissions

In 98-99, about 1,336 associations were given FCRA registration. Another 825 were granted prior-permission to receive foreign



contribution. The figures for 98-99 show a more liberal attitude in processing:

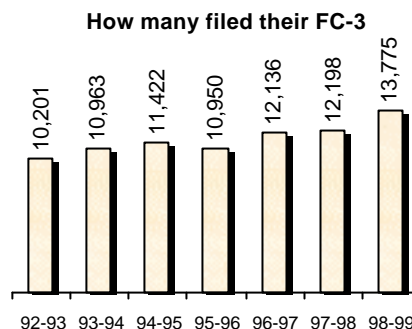
#### Present status

As on 31<sup>st</sup> March 1999, a total of 19,825 associations were registered with FCRA. Apart from these, about 1300 associations had prior-permission. Together, this comes to about 20,000 associations.

### How many file FC-3

Not all. Only about 60-70% file FC-3 regularly. The number of associations filing FC-

3 has grown at about 5% annually over the last 7 years. This does not mean improved compliance. Why? Because number of registered associations has also grown over last 7 years.



### What about the rest

The law requires that FC-3 must be filed<sup>1</sup> even if no foreign contribution is received in a year. However, the balance 30-40% seems to be quite consistent in *not* filing their FC-3 in time!

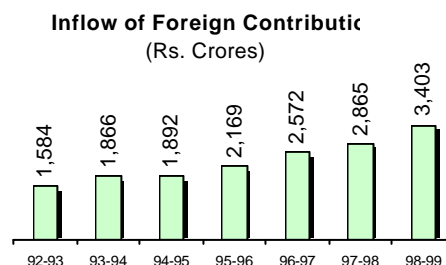


FCRA Department then issues them a notice. If they ignore the notice, this leads to cancellation of

FC registration. In the past, Government has cancelled FC registration of 203 organizations in July-96 and another 497 in September 1997.

### How much did they receive

Going back to the ones who did file their FC-3, let's see how much was received.



<sup>1</sup> By an FCRA registered association

Foreign contribution has gone up from Rs.1,584 crores in 92-93 to Rs.3,403 crores in 98-99. That means an annual growth rate of 13.6% over these seven years. The rate has been lowered somewhat due to stagnation in 94-95.

If you look at the average funds received per association, this has also gone up. In 92-93, the average was Rs.15.5 lacs. In 98-99, it had risen to Rs.24.7 lacs. This is an increase of 8% per year per NGO.

What contributes to this rate of growth? Firstly, there is inflation. Budgets have to increase every year just to remain at the same in real purchasing power.

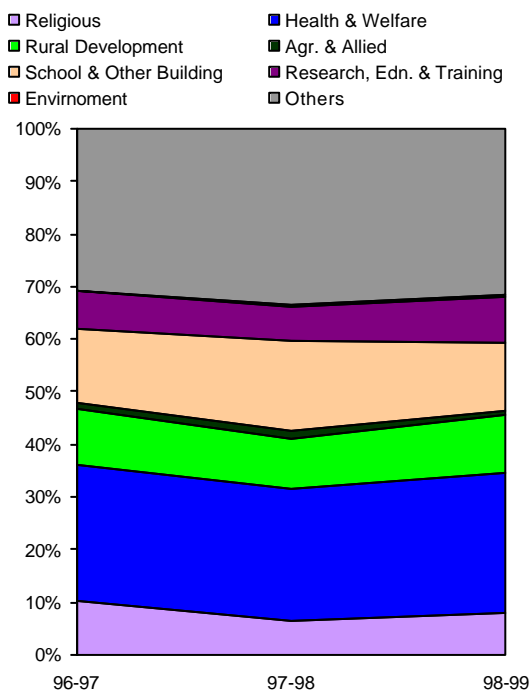
Secondly, Rupee has fallen quite a bit over the last seven years. In 1992, a dollar would get you 28 Rupees. Today, it gets you 45 Rupees. In some ways, this increases the ability of Agencies to fund programs in India.

Thirdly, program activities have also probably increased over the years.

### What did they receive it for

#### The FC-3 classification

FCRA people believe that foreign contribution can be categorized into 26 main heads (see table on page 3). Many NGOs find it difficult to slot their funds into these categories. Also, quite often the purposes overlap.



There is also another category: "Other activities". Around 30% of the funds are reported under this. While this makes analysis difficult, it also shows how difficult it is to categorize NGOs' work.

#### Another perspective...

The table probably looks exciting to mathematicians. For simple human beings, it is not of much use. The chart below shows a simpler picture, with fewer categories. This is a percentage chart and does not give money figures. Rather it shows the relative percentage under a category in each year.

What do the table and the chart tell us?

- Money for purely religious activities remains more or less the same, around 10%. Of course, contrary to popular belief, this money is not for Christian missionaries alone. Money comes in for other religions also, including Hinduism.
- Welfare type activities<sup>2</sup> continue to be important, taking up as much 25% of the total flow.
- Very little money has been reported for environment – rising from a mere Rs.3.54 crores (0.14%) in 96-97 to 16.87 crores (0.5%) in 98-99. This is contrary to the reality in the field. Numerous NGOs have spent large sums on environmental programs such as watershed development, soil and water conservation, forestry, pollution, and other similar issues.
- Similarly, the amount for disaster relief has been low over this period. A total of Rs.111.07 crores was received from 96-97 to 98-99. These were also years when there was no major earthquake or cyclone. Tragically, these figures are set to jump now, with the Orissa cyclone in Oct-99 and the Gujarat earthquake in Jan-01.



<sup>2</sup> This includes money spent on health education also.

<i>Purpose of Receipt</i>	<i>Amount in Crores</i>		
	<i>96-97</i>	<i>97-98</i>	<i>98-99</i>
1. Health Care & Family Welfare	284.6	306.4	407.9
2. Sanitation	2.1	4.4	****
3. Welfare of Women & Children	****	****	56.3
4. Help for Poor, Aged & Destitute	171.4	210.1	272.0
5. Care of Orphans	210.8	191.3	172.9
6. Construction/ Extension of School/ College Building	97.3	290.0	145.2
7. Repair/ Maintenance of School/ College Building	70.2	49.9	36.4
8. Construction/ Extension of other Building	143.0	115.4	185.2
9. Repair/ Maintenance of other Building	41.5	27.0	74.4
10. Housing	10.8	16.0	****
11. Research	138.8	125.9	66.0
12. Stipends/ Scholarship	47.1	56.7	42.7
13. Vocational/ Technical Training	****	****	40.6
14. Education/ Literacy Programs	****	****	126.1
15. Seminars/ Conference/ Meetings	****	****	20.0
16. Construction/ Extension of places of Worship	41.9	39.9	91.1
17. Repairs/ Maintenance of places of Worship	69.2	40.9	31.7
18. Education of Priest & Preachers	53.7	47.7	60.6
19. Religious Functions	74.7	46.6	57.4
20. Publication of Religious Literature	20.2	11.4	23.5
21. Agricultural Activities	17.5	31.7	20.6
22. Animal Husbandry	9.0	5.1	5.0
23. Environmental Programs	3.5	7.7	16.9
24. Rural Development	274.2	279.9	380.3
25. Cultural Programs	4.2	3.6	****
26. Theatre/ Films, etc.	11.7	3.6	6.9
27. Maintenance of Places of Historical & Cultural Importance	0.1	0.6	1.5
28. Relief for Natural Calamities	25.1	36.8	49.2
29. Establishment Expenses	****	****	163.1
30. Welfare of other backward classes	****	****	2.5
31. Welfare of the Scheduled Tribes	****	****	9.5
32. Welfare of the Scheduled Castes	****	****	1.1
33. Other Activities	749.1	915.9	836.3
<b>Total</b>	<b>2571.7</b>	<b>2864.5</b>	<b>3402.9</b>

\*\*\*\* Change in FC-3 classification. Therefore, data not reported under this category.

- Quite a bit comes in for building construction, though:

	96-97	97-98	98-99
School/ colleges	97.31	290.01	145.19
Other buildings	143.03	115.43	185.25
Religious buildings	41.88	39.88	91.07
Total (Rs. Cr.)	282.22	445.32	421.51
Percent of total FC	11%	15.5%	12.4%

And then some money is spent on repairs and maintenance. Over the

last three years, this amounted to Rs.441.13 crores.

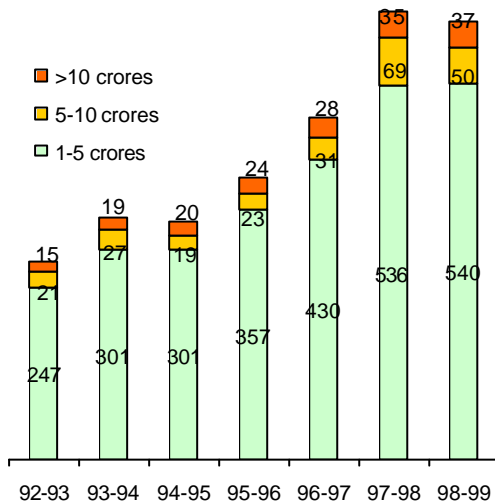
- Though India is a land of history, very little is resourced by NGOs for maintenance of historical and cultural places. From 96-97 to 98-99, this came to just Rs.2.24 crores!



Partly, this is due to the sprawling presence of ASI<sup>3</sup>. Then again, this work is probably low priority for most international agencies except UNESCO. And UNESCO funds will not be reported under FCRA.

### How many received a crore and above...

With the continuing erosion of Rupee, a crore<sup>4</sup> today is not what it used to be. In 92-93, just 283 associations received over a



crore. By 98-99, this had risen to 627 associations.

### And the top 5 were...

If you add up the funds received over last seven years<sup>5</sup>, who received the most? The report names Maharishi Ved Vigyan Vishwa Vidyapeetham.



The top five and their inflow is given below:

Name	(Rs. Cr.)
Maharishi Ved Vigyan Vishwa Vidyapeetham	232
Foster Parents Plan International	216
World Vision of India	214
Sri Sathya Sai Central Trust	207
CSI <sup>6</sup> Council for Child Care	156

<sup>3</sup> Archaeological Survey of India. Foreign funds received by ASI will not be reported under FCRA.

<sup>4</sup> 10 million

<sup>5</sup> From 92-93 to 98-99

<sup>6</sup> Church of South India

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**Source and caution:** The analysis presented here is based on the 'Inflow of Foreign Contributions Reports' for 1996-97, 97-98 and 98-99, prepared by the Ministry of Home Affairs. This report provides a lot of valuable data on foreign contribution. 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. 'Social-change institutions', development organizations, religious bodies, universities, and hospitals may receive this money 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 app. 222,000 US Dollars. A lac means 100,000.

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