

## Donor Aided Projects Through Ngos and Their Impact on The Socio-Economic Welfare in India



### Social Science

**KEYWORDS :** Donor-Aid, NGO, Socio-economic welfare, project sustainability

**S. Ranganadhan**

Management scholar in CSR Corporate Social Responsibility - Centre of Excellence www.csrcoe.asia Ashokapuram, Mysore-570 011, Karnataka, India.

### ABSTRACT

*As the World is heading towards more decentralized way in addressing the socio-economical Welfare issues, the role and scope of Non Governmental organization has also increased to a larger extent. The foreign donor's role in providing monetary support in tackling issues related to socio-economical issues is also appreciable, even with so much of fiscal support from donor countries from west the Socio-Economical development is still in the stage of infancy due many constraints. The success of projects is to be understood by qualitative out come and help reach the results to real communities. The analysis reveals that the donor aided project mechanism suffers from reasonably addressable issues which need clarification. This paper will helps to closely analyse the hurdles which are nullifying the growth effects.*

### INTRODUCTION

The dependency of developing colonial countries on foreign aid is since decades, Ever since, the independence of these colonial countries from the clutches of the west their dependency on them for fiscal support has increased. Example India took \$55 billion from US to present their First Five year plan in 1951. Even today India stands top in receivables of foreign aid through foundations. Even with so much of monetary support to nullify poverty and to improve both economical and social level of India, the picture of the country has not changed yet. Recent survey by Rangarajan committee under UPA has brought out a report stating that number of people in below poverty line is 363 million in 2011-2012. Even with the history of 65 years of Independence, India still has 29.5% of people staying in BPL. The funding by donor's has not abetted in larger way but conditions by donor countries are acting as hindrance in the process of implementing the projects.

### MATERIALS AND METHODS:

The analysis is based on the data from secondary sources. An attempt has been made to evaluate the donor aid mechanism, project implementation, sustainability of projects and NGO's in Indian context to derive inference to suggest change in donor aid pattern and implantation mechanism for development on a sustained basis.

The report is to understand the following objectives:

1. Origin of projects
2. Nature of the projects
3. Impact of donor-aided projects on the socio-economic growth and development of grass root level communities in India.
4. Sustainability of these projects.
5. Independence and sustainability of NGOs in continuing the projects
6. Constraints in implementing the projects by NGOs

### RESULTS AND DISCUSSION:

In India NGO's are playing a vital role in accomplishing Millennium Development Goals (MDGs) with the assistance of external aid. It is perused from the reports that the developing countries are in huge debt and the donor countries are finding it tough to recover their loan and hence they are hesitating to aid government directly and funding NGOs to get qualitative work. Hence, it is seen that a host of NGOs blooming in India. Table 1 depicts the overseas support to NGOs (TI, August 8<sup>th</sup> 2013)

**Table 1. NGO and Overseas support (in crores)**

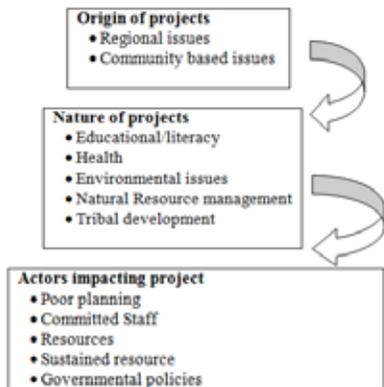
S.N	NGO	Donation
1	Public Health Foundation	130
2	SOS Children's Village of India	68
3	Oxfam India	42
4	World Wildlife Fund for Nature	34
5	The Leprosy Mission Trust India	30
6	Family Planning Association of India	28
7	Helpage India	19
8	Self Employed Women's Association (SEWA)	14
9	Rotary Foundation India	14
10	Indian Red Cross	9

There are about 148 NGOs in India receiving aid more than 10crores with most of the NGOs receiving fund below 1cr.( as on 2011/12 MoHA). There is 11.73% foreign aid in 2011-12 which is only 7.42% during 2001-02. A total of Rs 3,784 crore (Rs 37.84 billion) has been received as foreign donations by various non-government organisations (NGOs) across India during 2013-14. (PTI, 2014). The detailed receipts by NGOs in different states shows that TN topped the list of NGOs receiving the foreign aid (Table 2). (MoHA)

**Table 2. Aid-NGO situation in different states during 2012-13 (in crores)**

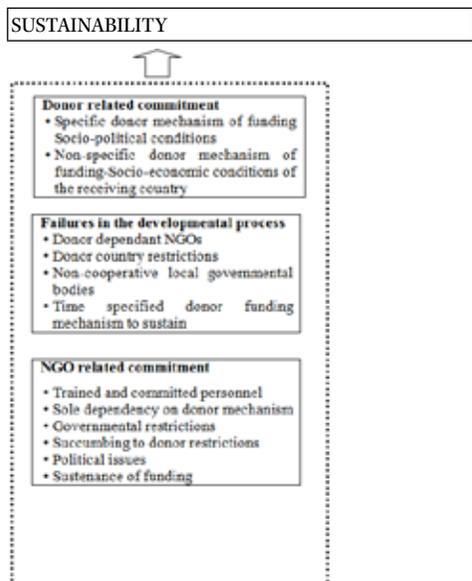
S.N	State	Aid	% share	NGO
1	TN	546	17.1	1344
2	AP	480	15.0	1022
3	Kerala	378	11.8	951
4	Maharashtra	378	11.8	734
5	Delhi	360	11.2	367
6	Karnataka	356	11.2	594
7	West Bengal	347	10.8	812
8	Orissa	347	10.8	812
	Total	3192	100	6636

It is seen that Regional issues arising out of faulty developmental planning of local governmental policies and Community based issues formed the basis for origin of different programmes and the need for huge aid which is met by foreign support. The various factors in the flow of funding and restrictions on time schedule of completion are seen as key factors for poor achievements. The donor community prefers to fund local NGO which supports their vision and hence, NGO have no role in deciding the objective and grass root problem remains not attended. The time schedule given by the donor makes the NGO to hasten the activity with limited time and fails to complete the objective resulting in non qualitative reports.



**Fig.1.Origin and actors in project implementation**

Donor funding in major national and international projects is done through bidding which result in project going into a hand of infant NGO with poor resources and un-skilled staff which degrades the objective. Because, the funding which is made for a specific objective, NGOs fails to get the grass root support making their role difficult in fulfilling the project objective. The analysis reveals that there is a strong intricate relation between different components of Aided-project functioning. The matrix of entire mechanism of Aid and NGO relation and mechanism of project implementation is better understood by studying the actors (Fig. 1&2).



**Setbacks to Donor funding mechanism**

- Non-involvement of local governments
- If participating cap on the fund amounts, taxation, legal validations
- Prohibitions to the type of projects
- Prohibitions on the type of NGOs functioning
- Donor dependant NGOs in the particular activity

**Fig. 2. Sustainability matrix of donor funded projects**

**CONCLUSIONS**

It is concluded that the mechanism of donor funding needs a relook to accomplish the results. The donor agencies are being criticized for not realising the aspirations of NGOs from receiving countries. The funding mechanism should accommodate NGOs mandate and grass root level requirements in the planning with proper time schedules for qualitative results.

**REFERENCE**

[1] Businge Christopher (2010). The Impact of Donor Aided Projects Through NGOs on the Social and Economic Welfare of the rural poor- A case study by Kabarole Research & Resource Centre. Uganda Martyrs University2008-M092-20054. | [2] Daily mail 2013- www.dailymail.uk | [3] Ministry of home affairs- www.mha.nic.in | [4] Press Trust of India (PTI), 2014. | [5] Times of India August 8th 2013.