

CSR PROCESS MANAGEMENT MANUAL OF AXIS BANK FOUNDATION

Documented by Tata Institute of Social Sciences (TISS)



Progress on...

 **AXIS BANK FOUNDATION**

CSR PROCESS MANAGEMENT MANUAL OF AXIS BANK FOUNDATION

Abstract - The CSR process management manual outlines critical best processes adopted by ABF from policy formulation and envisioning the strategic intent, project identification and selection through a rating tool, project implementing and monitoring tools, both programmatic and financial. These policy instruments are recognized as the cornerstone for capturing output, outcomes and impact and as tools for further organizational direction setting. These important templates have been shared by ABF through the CSR process manual to serve as guiding principle for established and newer foundations in reviewing and setting their strategic intent and establishing processes more aligned to the development sector. This also symbolizes the high levels of transparency and knowledge management that is an intrinsic part of the organizational culture.

RESEARCH TEAM:

Faculty Expert

Prof S Parasuraman, Director TISS

Project Lead

Ms Shubha Srinivasan, Head, CSR Knowledge Centre, TISS

Programme Managers

Dr Ashishraj Jayseela

Dr Rohit Nair

Research Fellows

Mr Rinku Shrivastav

Ms Tamanna Ahmed

Ms Zimmer Alphonso

Ms Akanksha Singh

Ms Kshitij Pipaleshwar

Mr Rishikesh Shinde

Ms Tamanna Ahmed

ACKNOWLEDGEMENT

A process evaluation needs considerable understanding of organisational systems and the underlying working culture of the organisation. The Tata Institute of Social Sciences (TISS) is thankful to Axis Bank Foundation (ABF) for participating in the process evaluation with great transparency and enthusiasm. The core team at ABF displayed openness towards understanding the need for change management in critical areas, which will contribute towards creating greater impact and organisational learning.

The process evaluation study of the Axis Bank Foundation was uniquely challenging and turned out to be an enriching experience for the CSR Knowledge Centre, TISS. It has been a privilege conducting this study which brought us in touch with determined and purposeful men and women who have undertaken a significant scope of work in the development sector.

We would like to take this opportunity to thank Axis Bank Foundation for involving TISS as a knowledge partner in conducting the sectorial studies. The research team is grateful to Mr C Babu Joseph and Mr Anil Kumar for their continuous guidance and support throughout the course of our association. We are also thankful to Ms Beenoxi Arora for making this process successful and ensuring the participation of the entire team. The TISS team thanks all the staff members of ABF who took part in the meetings and workshop conducted to better understand the critical processes of the organisation. The research team also acknowledges the role of Mr. Aziz Fidai and Ms. Vibha Krishnamurthi in providing their valuable inputs while finalizing the report.

This study has been a great learning experience for all those involved, directly and indirectly and the research team would like to personally thank everyone who took part in it.

Title	Page No.
List of Abbreviations	04
Executive Summary	05
Chapter 1: Introduction	08
Chapter 2: Research Methodology	09
Chapter 3: Organisational and Governance Structure	16
Chapter 4: Strategic Intent (Analysis, Strategy Formulation & Goal Setting)	20
Chapter 5: Project Selection Process	40
Chapter 6: Project Implementation Process	52
Chapter 7: Monitoring and Evaluation	54
Chapter 8: Communication and Outreach	85
Chapter 9: Volunteering and its impact	91
Chapter 10: Best Practices	92
Annexure I	93

CONTENTS

LIST OF ABBREVIATIONS

ABHA	Axis Bandhan Holistic Assistance
AB	Axis Bank
ABF	Axis Bank Foundation
BoT	Board of Trustees
CSR	Corporate Social Responsibility
FCRA	Foreign Contribution Regulations Act
FGD	Focus Groups Discussions
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KII	Key Informant Interviews
MDG	Millennium Development Goals
MIS	Management Information System
MSME	Medium Small Micro Enterprises
NGO	Non Governmental Organisations
PRADAN	Professional Assistance for Development Action
RBM	Result Based Management
SDI	Slum/Shack Dwellers International
SPARC	Society for Promotion of Area Resource Centers
SRCC	Society for Rehabilitation of Crippled Children
TISS	Tata Institute of Social Sciences
UNDP	United Nations Development Program

EXECUTIVE SUMMARY

Introduction :

Axis Bank Foundation's CSR Process Manual was drafted to serve as a guiding report on established best practices that can be adopted by other companies given the recent CSR regulatory framework which has a critical focus on demonstrating outputs and outcomes. Axis Bank Foundation has established and incorporated critical processes for envisioning their strategic intent. Keeping their vision to emerge as the best foundation in focus and the foundation's commitment to knowledge management has resulted in the process evaluation. It was conducted to be an avenue for course correction and change management that can translate to higher levels of goal accomplishment.

Since 2006, the foundation has been engaged in a focused manner across three critical verticals, education, health and sustainable livelihoods with 43 credible projects with partnerships with over 65 credible implementing partners. Since 2015, the foundation has extended their programmatic implementation to other areas of sub-focus within the critical verticals and included newer verticals as well. Currently, the foundation has 17-18 ongoing projects linked with employability and income generation through vocational education and natural resource management projects in the Agriculture and non-farm related interventions. It also has 25 active projects with a sub-focus on supplementary education and bridge education. These projects have been further oriented through the recent strategy documents stemming in structured interventions for specially-abled children and children from socially marginalized dimensions of the community.

Research Methodology :

The systems or open systems model of an organisation was identified as the primary framework to understand and evaluate the processes of ABF across six sub-system ranging from the strategic, technological, managerial, structural and human-cultural. This aligns with the Result Based Management approach of inputs and processes translating into outputs, outcomes and impact while accounting for the dynamic role of the external environment (political, economic, social, technology, legal and environment, PESTLE). This evaluation framework is aligned with the purpose and value of the management framework across the policy formulation and implementation phases – analysis, strategy formation, goal setting, structure for implementation and monitoring, drawing from Porter's Competitive strategy concepts. The emerging framework is overlapped with the human-cultural managerial processes across direction setting, implementation and monitoring and evaluation, drawn from Garvin's framework. The communication aspects are evaluated using the frameworks outlined by Lewin and Schein to conduct a stakeholder mapping to evaluate level, frequency, tone and spectrums of communication across critical stakeholders. The forms and mediums of knowledge managements are also probed through the research tools.

Organisational and Governance Structure :

The structural sub-system has been designed to accomplish organizational objectives with dedicated programme managers having relevant experience and sectorial understanding. The knowledge management is currently limited within the specific verticals. Axis Bank Foundation has a strong governance structure with the Board of Trustees bringing diverse academic and sectorial experience. Their depth of expertise is directly relational to the foundation's areas of CSR focus. The BoT includes Mr. S. Ramadorai, Mr. Anil Kumar, Ms. Sheela Patel, Mr. Som Mittal, Mr. V. Srinivasan and Mr. Rajesh Kumar Dahiya.

Strategic Intent (Analysis, Strategy Formation and Goal Setting) :

This chapter captures the broad strategic intent of the foundation, evaluating the analysis, policy formulating and goal setting process. This is reflected through the vision, mission and guiding principles of the foundation. A content analysis of the CSR policy from 2013-2015 was conducted to understand the rationale for goal transitions, key components of the CSR policy and structuring of verticals / indicators. Best practices like a focused approach within verticals and outlining monitoring mechanisms/ tools have been highlighted. The guiding principles have also been bifurcated across organizational and programmatic components. However, the structure and tone of the 2015 policy documents does not delineate the extensive nature of in-house monitoring mechanisms that were more visible in the 2013 version of the policy document. The nature of the foundation's policy document has been dynamic; cognizant of the shifts in the external environment, which is a critical learning for other organisations' that are in the course of formulating their strategic intent.

Project Selection Process :

This section has an overlap of functional processes across the technology, strategic and human-cultural sub-systems across the project planning cycle. This includes critical processes established for partnership building, grant application, proposal evaluation tools and approval route. Some of the best practices established have been the contouring of a grant application template applicable for all projects which has reduced the feedback time. Internal stakeholders from the core team and senior management have invested considerable efforts in providing feedback to strengthen the project proposal before finalization. Subsequently, data from the template is entered into an internally developed ABF proposal rating tool demonstrating a scientific and standardized process for project selection. A detailed analysis of the various modules of the rating tool has been included in the process manual. The area of challenge that has been identified is the partnership identification process that is largely dependent on the human-cultural aspect with a lengthy timeline.

Project Implementation Process :

The foundation has established extensive process for rolling out projects, which includes dissemination of the level of monitoring and reporting that is expected from partner organisations. Partners are also oriented to the Grant Management Framework. An evolved project implementation cycle with sensitive and decentralized programmatic and financial implementation was observed while taking field based realities into consideration on a consistent basis. The implementation processes are combined with an exit strategy; project renewal process which is a unique component of the rating tool. the process manual. The area of challenge that has been identified is the partnership identification process that is largely dependent on the human-cultural aspect with a lengthy timeline.

Monitoring and Evaluation :

The foundation has structured comprehensive processes and tools for project monitoring & evaluation. It has also created an internal architecture that engages the implementing partner on required support for course correction and change management on programmatic and financial aspects. Some of the best practices that were observed include the collection of baseline data across projects. This has served as a critical data set to measure the progress of the project across pre-identified indicators that are specific to the vertical and project. In addition, the foundation conducts site visits and records their findings in a field visit template. This has been established as an important

narrative to understand periodic progress and challenges in the project, which allows an opportunity for feedback and discussion. The NGO has to submit monthly and quarterly reports in the template shared by ABF which is entered into the rating tool. Timely submission of monitoring reports is a critical indicator for project renewal as per the rating tool. More recently, the Bank has also initiated a risk evaluation of the portfolio through the print and social media tracking of NGO partners of ABF on a daily basis. A perceptual understanding is also gained from the ecosystem intervention. The bank also conducts a financial audit through an external auditor who has a contextual understanding of the development sector. The components of the Grant Management Framework have been delineated in the chapter, where critical inputs from NGO partners were incorporated through a capacity building workshop. Certain case studies capturing significant changes in financial management process by partner NGOs emerging out of the inputs provided by ABF has been showcased in the Chapter. The foundation scores very highly on its strategic, technological and managerial sub-systems by involving reputed entities to conduct their third party assessments, spanning across mid-term reviews, impact assessments and sectorial studies. The evaluation of the templates, their implementation, utilization and buy-in across multiple ABF stakeholders are indicative of credible levels of knowledge management and transparency.

Communication and Outreach :

ABF's communication channels, both internal and external are dependent on the managerial, structural and human-cultural sub-systems which are strongly influenced by organizational culture (structure, strategy, perceptions, thoughts and unconscious beliefs). This chapter provides a detailed understanding of internal and external stakeholders and the current level of engagement and communication (frequency, form, level and depth) across stakeholders using the Likert scale. Lewin's force field analysis and Beckhard and Harris standard model of change is applied to understand the current state of communication, desired future state of communication, strategy and required instruments to get to the future state. This included identification of drivers and restrainers of change. The current level of engagement between employees of Axis Bank and ABF was described as being medium. Knowledge dissemination within the ABF team on progress and impact of projects across vertical was low while level of engagement with the ABF Trustees was high displaying a strong Governance and well ingrained governance structure. In the case of external stakeholders, the level of engagement with external stakeholder include partner NGOs and beneficiaries were rated as high to medium, while the ABF core management has a low level of engagement with the Government, Panchayati Raj Institutions and other organisations with a grant commitment in similar programme areas, describing limited levels of convergence.

The centricity of Axis Bank Foundation's growth and success story can be attributed to the credible strategy formulation and programmatic management instruments that have been evolved by the foundation. It has been instrumental in transforming ABF from a young to a mid-maturity foundation with significant levels of knowledge management.

CHAPTER 1

INTRODUCTION

The CSR ecosystem has seen the introduction of the Companies Act 2013 and the CSR Rules 2014. Many companies are in the process of incorporating critical change management practices while planning their CSR programmes. Against this backdrop, the ABF Process Manual can serve as a guiding principle while considering relevant policy design and policy instruments that can be adopted or internalised as a part of CSR planning, implementation and monitoring in a sensitive manner, removing CSR from the realm of being mandatory towards creating and demonstrating impact. In addition, the process evaluation also highlighted critical areas of course correction in various aspects of project management.

ABF's motto has been to nurture and engage their implementing partners in a collaborative manner moving the intent of the ongoing CSR projects from the sphere of consultation to empowerment. Axis Bank Foundation was formed in 2006. Since its initial days, ABF has adopted a focussed approach to create an impact in two critical verticals - Education and Sustainable Livelihoods. Since 2006, for the initial five years, the foundation has worked with over 60 education related NGOs across the country. In addition, it also partnered with NGOS in the public health and highway trauma care verticals. From 2006-2011, the focus was on supporting Anganwadi's, Balwadi's, bridge education, primary and secondary education, non-formal and special education. Since 2011, employability has been the main area of focus. In Agriculture, an effort has been made to understand the crisis in the sector and structure projects to mitigate these situations through natural resource management initiatives and other farm and non-form interventions. The crisis has been understood through secondary research, understanding the role of other stakeholders (Government, NGOs and companies), areas of national focus and the role of community based organisations. Based on the evidence-based approach, a goal setting exercise was conducted in 2011 to create 1 million sustainable livelihoods. Employability related projects (17-18) were structured with the primary goal to increase income levels. In 2014, the foundation went back to the drawing board and created a foundational strategy document for contouring the project verticals. The exercise also included envisioning targets, objectives and monitoring frameworks for the verticals. This entire exercise allowed the senior management to structure a focused CSR policy design.



Understanding the vision of the organisation
with ABF core team

Currently, it has over 43 active projects with a sub focus on supplementary and bridge education within the education vertical. The sustainable livelihoods team has focussed on skill development in specific trades and agriculture related livelihood projects. The foundation's footprint extends to many states and districts in the country.

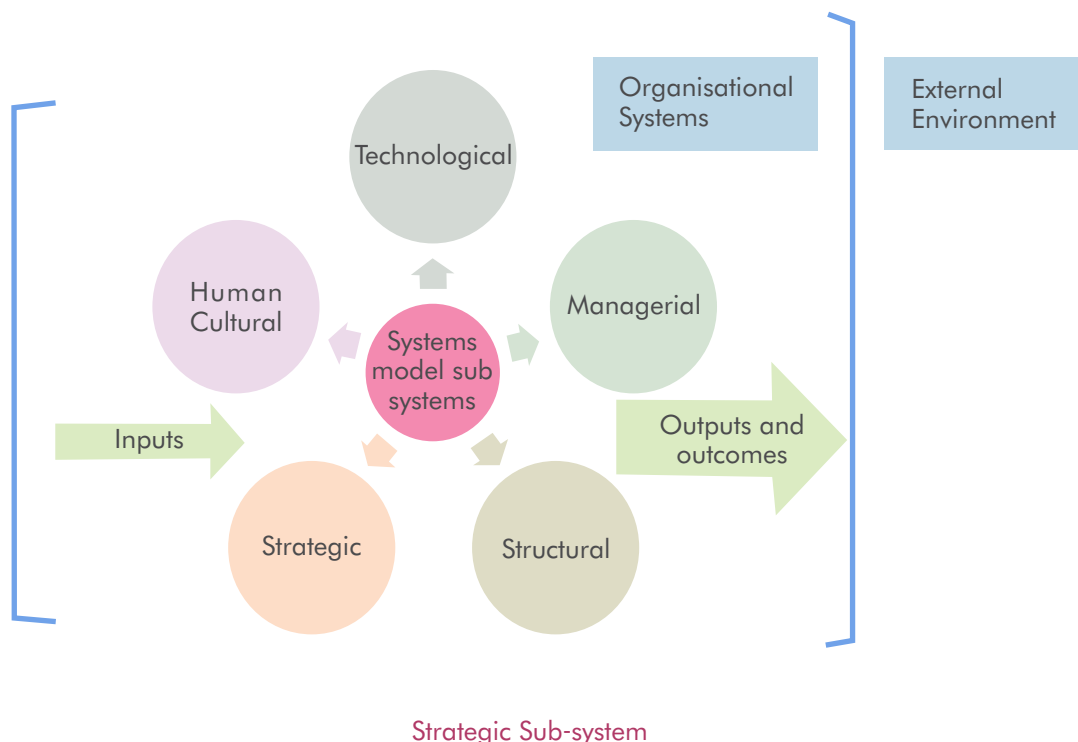
The foundation had adopted an evidence based or results based management approach to address critical national and state level gaps while structuring its policy design and policy instruments or programmatic delivery tools. The same strategy was adopted while structuring the methodological rationale for their critical verticals. Their vision documents highlights that, "Sustainable livelihoods are a means to alleviate poverty and bring about a reversal in the socio-economic fortunes of a country. ABF's decision to branch into the domain of sustainable livelihoods, in 2011, was prompted by the need to address issues of employment in the country". An analysis of its various policy and policy instruments structured for strategic CSR project management through the phases of project selection, implementation, monitoring, reporting and communication mechanisms have revealed that stringent but sensitive socially relevant processes have been adopted by ABF which have in turn translated into an integral component of creating and measuring impact.

CHAPTER 2

RESEARCH METHODOLOGY

The systems or open systems model of an organization is used to understand and evaluate the processes of Axis Bank Foundation. Senior and Swales explain that an open system model embodies flexibility with an external focus on being adaptable, looking for growth with a focus on broader organizational goals. ¹A system is comprised of interrelated parts with sub-systems. Morgan (1997) identified the following sub-systems in a systems view of an organization:²

- Strategic sub-system – Refers to how the organization understands and interacts with its environment
- Technological sub-system – implies a broad definition of technology and tools which are used as a means for strategic planning and work to be carried out
- Managerial sub-system – outlines the approach of the core management, communication style, value systems
- Structural sub-system – is commonly referred to as organization design or departments to complete the objective driven tasks
- Human-cultural sub-system refers to the shared values within the organization and methods through which is transferred and communicated to external stakeholders



¹Senior, B. and Stephen, S., Organisational Change. London: Prentice Hall

²Morgan. G. 1997. Images of Organisation. London: Sage

The framework for evaluating the strategic sub-system was derived from Michael Porter's (1996) formulation of organizational strategy, which included internal and external stakeholders that are interacting in a reflexive, reactive and adaptive manner for the organization to maintain their competitive edge.³ This concept has been adapted to the broad functioning of the Axis Bank Foundation, which functions under a similar premise with goals of emerging as the best corporate foundation. It has structured its programmes and verticals through an evidence based approach and nuanced understanding of the external environment with a mission of becoming the best foundation.

While combining the organisation's strategy with the system approach, detailed earlier, Gues' work on traits of successful organisations has helped identifying key indicators to define the process based impact of the foundation, which includes the following aspects:

- a) Sensitivity to the external environment (— the ability to learn and adjust (Indicators: sensitive grant management receptive to field realities reflected in monitoring tools, partnership management, communication and grant management)
- b) Cohesion and identity — the ability to build a stakeholder base with personality, vision, and purpose
- c) Tolerance and decentralization — the ability to build relationships across a multitude of interested stakeholders and allowing them to implement projects in a non-interfering manner
- d) Sensitive programme and grant management⁴

This broader framework is used to evaluate the processes which are a set of tasks that collectively enable the translation of inputs into outputs and outcomes. In the result based management framework, inputs can broadly be considered as analysis, strategic intent, funding, human resources and materials. The inputs are maximized through strong processes. A process evaluation reveals if the collection of tasks and processes are oriented to the organization goals, objectives and value systems. "Organisational process is thus a specific ordering of work activities across time and place, with a beginning, an end, and clearly defined inputs and outputs: a structure for action."⁵ This includes a combination of operational and administrative processes, which results in facilitating, measuring and creating impact.⁶

³Porter, M. 1996. What is Strategy?" Harvard Business Review.

⁴Geus, A. 1997. The Living Company. Harvard Business School Press.

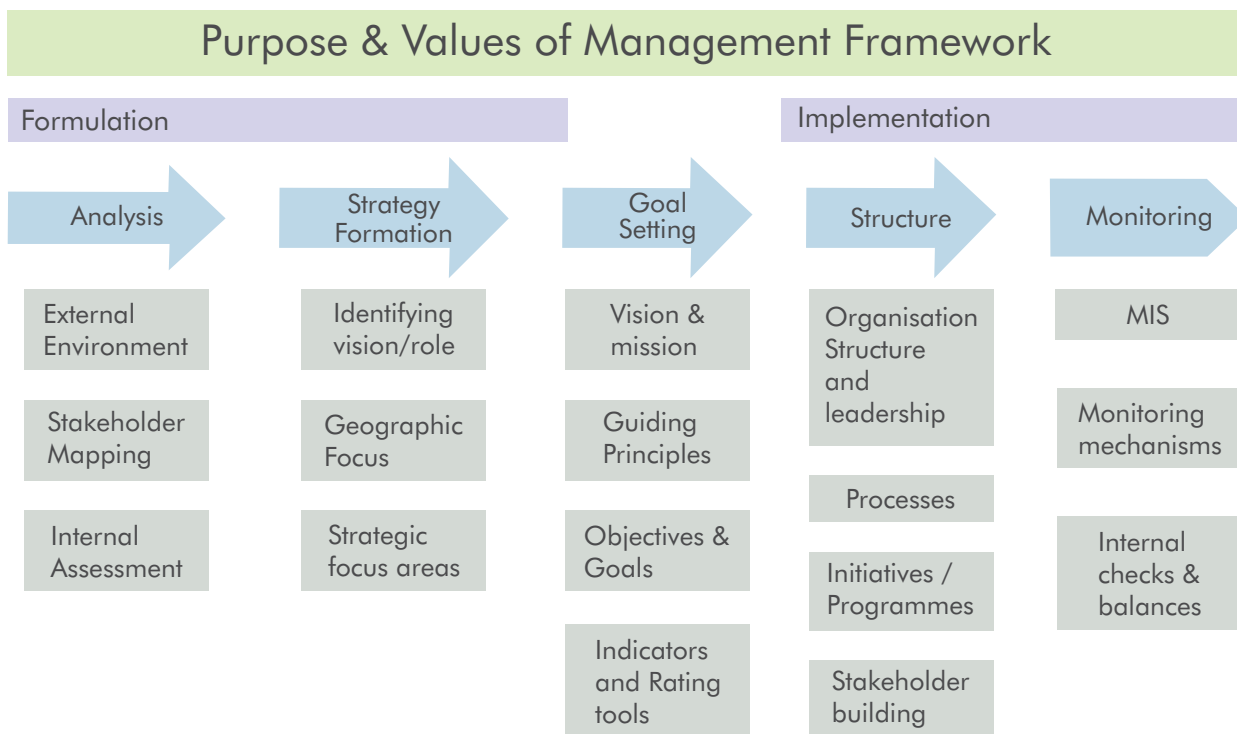
⁵Davenport, T. 1993. Process Innovation (Boston: Harvard Business School Press, p. 5.

⁶Garvin, D. 1998. The Processes of Organisation and Management. Research Review. Accessed From: <http://sloanreview.mit.edu/article/the-processes-of-organization-and-management/>.

Strategy:	Developing consensus on the primary task, core mission or manifest and latent functions of the group.
Goals:	Developing consensus on goals, such goals being the concrete reflection of the core mission.
Means for Accomplishing Goals :	Developing consensus on the means to be used in accomplishing the goals - for example, division of labor, organization structure, reward system, and so forth
Measuring Performance:	Developing consensus on the criteria to be used in measuring how well the group is doing against its goals and targets - for example, information and control systems.
Correction:	Developing consensus on remedial or repair strategies as needed when the group is not accomplishing its goals.

Source: Schein, Organisational Dynamics, 1983

The analysis phase of the framework includes an understanding of the external environment or crisis of the region with a contextual insight on political, economic, social, technological and environmental aspects. This will include a stakeholder mapping and level of engagement with the issue or region. This feature is combined with an internal assessment of fund availability and expertise. The analysis serves as a basis to formulate the strategy for the organization which includes identifying the vision and mission of the foundation, strategic CSR focus areas and geographic concentration areas for programmes. The organisation's strategic intent is reflected in the policy document. The policy document should outline the vision, mission, guiding principles, identified indicators and scorecards as a part of goal setting. The project implementation structure and monitoring & feedback follow this. The policy document's vision is realized through structuring appropriate policy instruments which includes organizational structure and leadership, initiatives, programmes and stakeholder building. This results in the second part of implementation, financial and programmatic monitoring and evaluation of ongoing projects.



Source: Derived from Porter Strategic Framework 1980⁷

A Managerial Processes Framework			
Aspects	Direction-Setting Processes	Implementation Processes	Monitoring and Evaluation
Purpose	Establish Organisation direction and goals	Obtain needed support and resources	Track on going activities and performance
Primary Task	Develop Agendas	Building a network – partners and project selection	Collecting information
Critical Skills	Synthesis, priority setting, communication modules	Timing and Sequencing, framing and presentation	Questioning, listening, Interpreting data, communicationn and knowledge management

Source: Garvin, D. 1998

⁷Porter, M. 1980. Competitive Strategy. New York. Free Press.

Based on the systems theory model, strategic framework for organizational functional and managerial processes, the following key process were identified at ABF which were evaluated across the formulation and implementation phases.



ABF Organisational, Operational and Managerial Processes

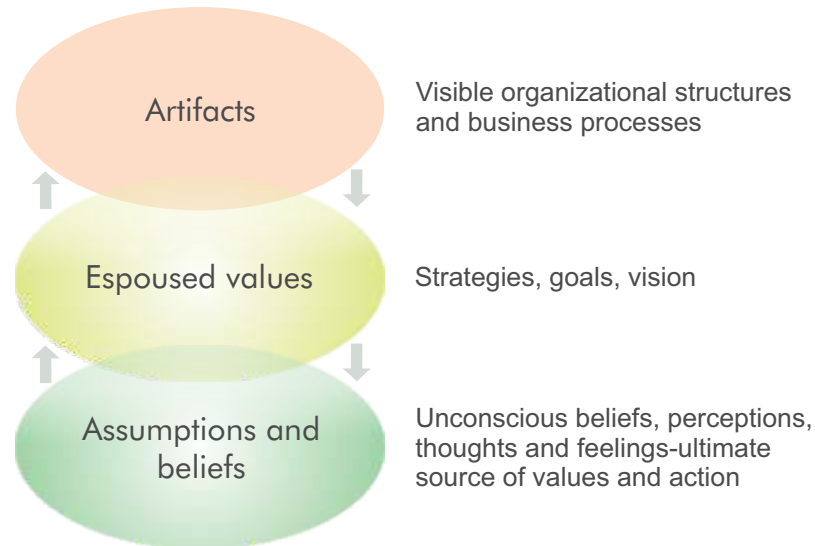
Communication Processes :

Drawing from the Gate keeping model of Kurt Lewin, the TISS team strived to understand communication processes and level and frequency of interactions across multiple mediums/stakeholders during the process evaluation. This includes with-group (Axis Bank Foundation) and inter-group (Axis Bank and Axis Bank Foundation) perceptual audit through mind mapping tools. The method and manner through which the group interfaces and shares data with key internal and external stakeholders was explored. The directional flow of information, complexities across communication processes were also explored. Schien highlights that, “dialogue is a necessary condition for effective group action, because only with a period of dialogue is it possible to determine whether or not the communication that is going on is valid” or effective.⁸ Schien model was adapted further to evaluate frequency, duration, direction, triggers, flow, style, level and depth of communication across three levels – high, medium and low⁹. The Schien model provided a framework for diagnosing and evaluating Axis Bank Foundation's key communication processes.

⁸Schein. E., On Dialogue, Culture and Organisational Learning. Reflections. 4(4). Accessed From: <http://www.ncl.ac.uk/staffdev/assets/documents/edgarschein.pdf>.

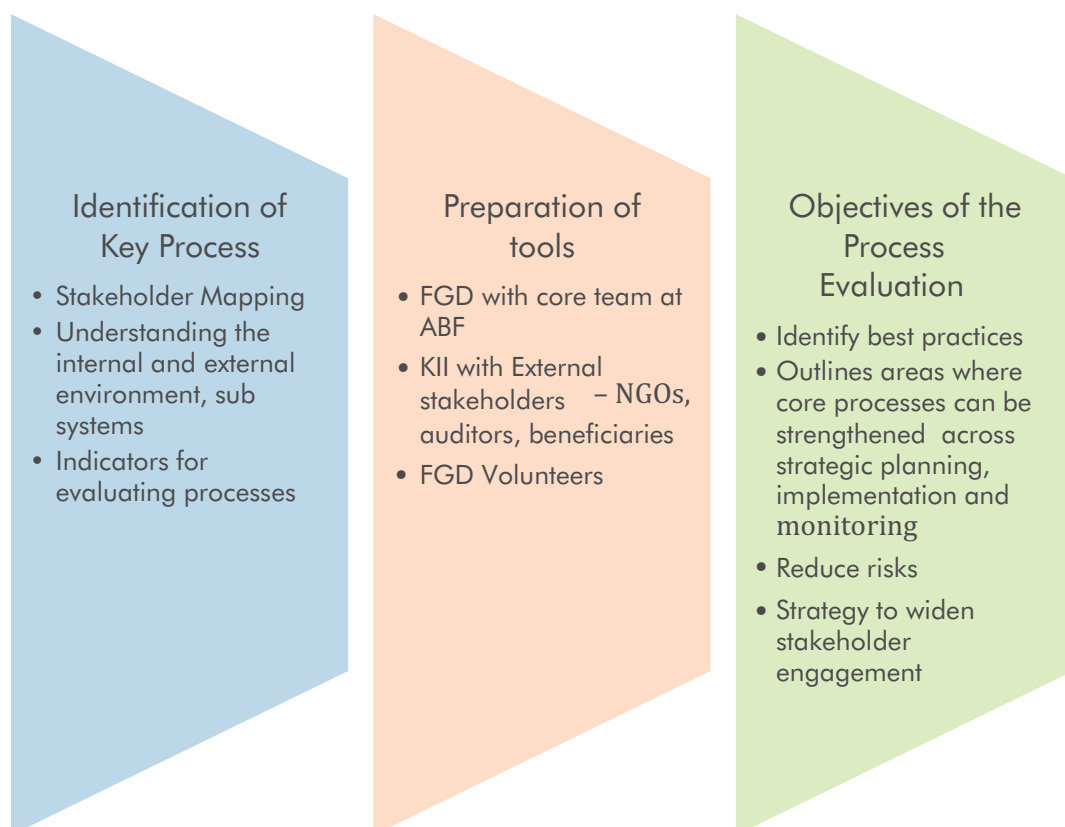
⁹Schein, E., 1988. Process Consultation: Its Role in Organization Development. Reading, Massachusetts, pp. 17–19.

Three Levels of Culture (Schein)



Organisational Culture influencing communication Channels

Based on the framework mentioned above, the following steps were followed in structuring the study design and objectives of conducting the process evaluation.



Research Tools :

Qualitative research methods were used for the process evaluation. Survey questions were structured with open ended questions. For specific stakeholders, guidelines were prepared for focus groups discussions (FGD) and key informant interviews (KII). Subsequently, content analysis was conducted in broad thematic areas.

Areas explored through the study tools :

- ABF Vision Mission
- Goals for various verticals
- Familiarity with the CSR Policy Document
- Methodological rationale for structuring projects

Understanding the Project Planning Cycle :

- Partnership building
- Proposal Evaluation
- Community Engagement and coverage
- Communication channels (Internal and External)

Project Implementation cycle :

- Mapping of processes followed during implementation
- Guidelines for programme/process implementation
- Output and outcome tracking
- NGO handholding and guidance
- Fund Release Processes

Monitoring of Projects :

- Monitoring frameworks and MIS
- Processes followed for Needs Assessments, Baseline, Mid Term and end Term Evaluations
- Financial process and Auditing
- Programmatic audit (internal and external)

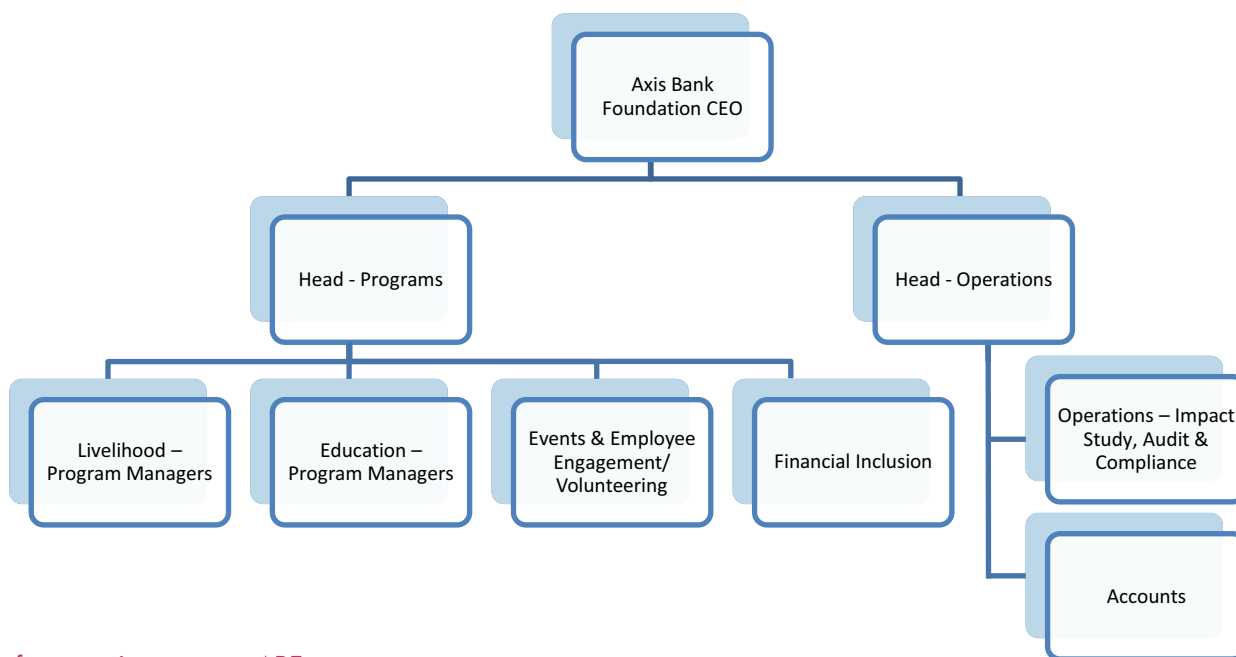
Communication and organizational structure :

- Stakeholder Mapping of stakeholders/resources/capabilities
- Mapping of Skill sets to role definition
- Flow, frequency, direction and form of information dissemination across identified stakeholder
- Organisational perception across stakeholders within and external
- Communication collaterals and outreach mechanisms

CHAPTER 3

ORGANISATIONAL SUB-SYSTEM AND GOVERNANCE STRUCTURE

The structural sub-system or the organisational design at the Axis Bank Foundation is outlined below:



Role of respective teams at ABF :

- a) **Program Managers** : The program managers across the two critical verticals are responsible for identifying credible implementing partners, structuring project scope and monitoring projects. The process evaluation revealed that critical team members had relevant expertise and academic backgrounds that enhanced project management.
- b) **Events Team** : The Events Team is responsible for awareness drives, recycling program, volunteering events, statutory audits and events such as blood donation drives, exhibitions.
- c) **Operations Team** : The Operations Team in ABF takes care of all the operational activities at ABF including conducting the financial audit and impact assessment of programs and statutory compliance at ABF.
- d) **Financial Inclusion Team** : The objective of Financial Inclusion is to extend financial services to the vast section of disadvantaged and low income population of the country at an affordable cost to unlock its growth potential. The team aspires towards providing bank linkage to each and every beneficiary under our various programs operating in the proximity of Axis Bank branches and inculcating a habit of savings within them which in turn would help them to have a better and safe future.

Axis Bank Foundation-Board of Trustees / CSR Committee :

The criteria for selecting board members and creating an overarching governance structure include an understanding of the development sector or domain expertise in a specific area of focus like education or skill development. Key positions held by the Board of Trustees at ABF are outlined in the figure below –

Mr. S. Ramadorai,
Chairman Axis
Bank Foundation

- Chairman-National Skill Development Agency, National Skill Development Corporation
- Ex-Vice-Chairman & CEO at Tata Consultancy Services Ltd.-Associated with the company for 42 years
- Chairman-Bombay Stock Exchange (BSE Limited) and Air Asia (India) Pvt. Ltd.
- Independent Director-Boards of HUL, Asian Paints Limited and Piramal Enterprises Limited
- Chairman-Council of Management at the NIAS
- Chairman-Governing Body, TISS
- President-Society for Rehabilitation of Crippled Children (SRCC)
- Awarded Padma Bhushan in 2006

Ms. Sheela Patel,
Trustee

- Director-Society for Promotion of Area Resource Centers (SPARC)
- Chair-Slum/Shack Dwellers International (SDI)
- Founder and Coordinator-National & International organisations
- Schwab Foundation Social Entrepreneur
- Technical Advisor-JNNURM
- Chairperson, Society for Participatory Research in Asia
- Council Member, Water and Sanitation Program, World Bank
- Advisor, UNDP Commission
- TISS Alumni-Masters in Social Sciences

Mr. Som Mittal,
Trustee

- Former President & Chairman NASSCOM
- Advisor to Govt. of New Zealand
- Extensive industry experience in the IT, engineering, manufacturing and automotive industries
- Former member of the Prime Minister's Committee of National e-governance
- Governing board member of several educational and social organisations - Indian Institute of Technology, NIIT
- B.Tech from IIT Kanpur and MBA IIM Ahmedabad

Mr. Rajeshkumar
Dahiya, Trustee

- Group Executive, Axis Bank Limited
- Responsible for Compliance, Corporate Communication, Company Secretary, Human Resources Management and Administration at Axis Bank
- Engineer and Masters in Human Resource Management

Mr. Srinivasan
Varadarajan,
Trustee

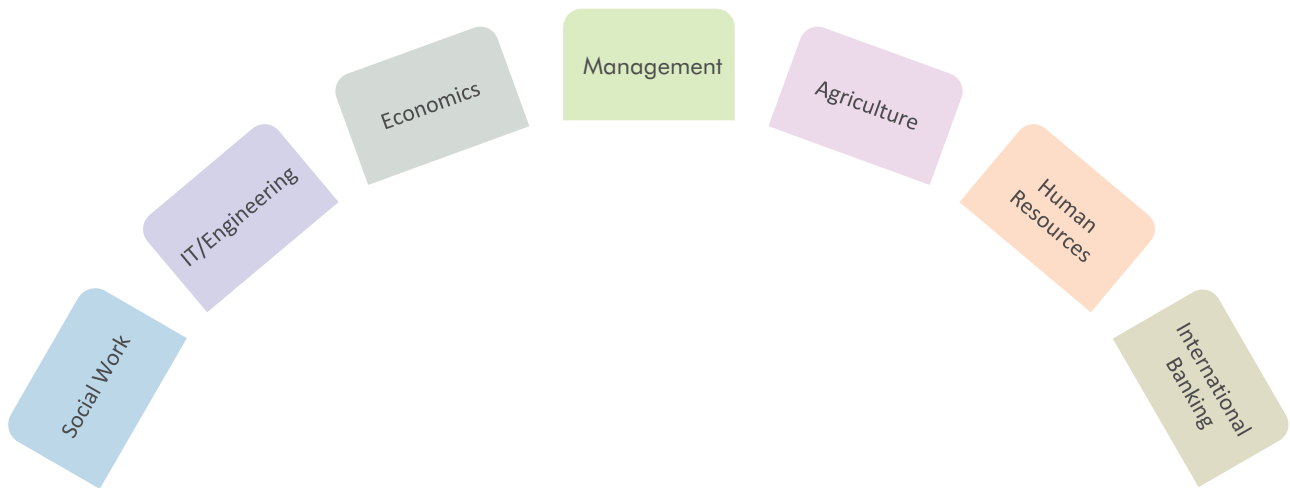
- Director on the Board of Axis Bank since October 2012 onwards
- Former Managing Director and Head of Markets at J. P. Morgan, India
- Served on various RBI Committees.
- Engineering degree from Anna University, Chennai and MBA from IIM, Kolkata

Mr. K. Anil Kumar,
Executive Trustee &
CEO ABF

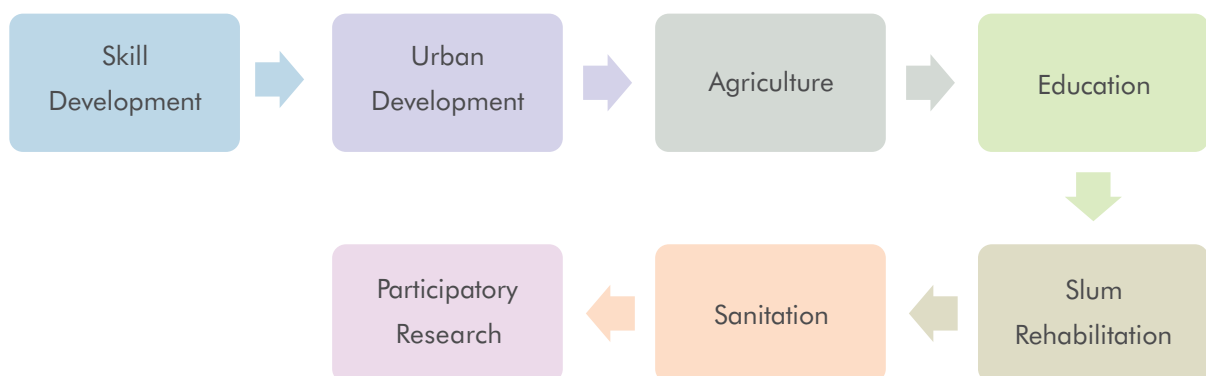
- Structured the financial institution business and Trade Services Business for Axis Bank
- Banking Industry expertise for over 30 years in retail banking, trade finance, agricultural banking, SME banking and corporate banking
- Running an education related NGO

Areas of Expertise :

The Board of Trustees at ABF come from diverse academic and sectorial backgrounds, which makes the team multi-dimensional in its approach.



With their vast experience in various fields, the Board of Trustees bring with them expertise in following thematic areas:



CHAPTER 4

STRATEGIC INTENT (ANALYSIS, STRATEGY FORMULATION & GOAL SETTING)

Vision and Mission Alignment :

The vision of the organisation is to be the most respected corporate foundation in the country excelling in project management and contributing significantly to create factors responsible for sustainable livelihoods.

About the Mission :

ABF's mission is based on the classical theory of development wherein sustainable livelihood is defined as the livelihood which can cope with and recover from stress and shocks, maintains or enhances capabilities and assets (social, physical and economic) and create conditions that are suitable for better education, health and sanitation seeking behaviour and sustainable livelihoods for the next generation.

It aims to support programs, projects and activities that focus on creating conditions suitable for sustainable livelihoods. For this endeavour, ABF partners with civil society organizations and provide them with financial, technical and capacity development support to make positive contributions in the lives of the underprivileged and vulnerable communities.

Goals and Objectives within Verticals :

The focus of ABF has been on short-term and long-term deliverables.

Education :

The Education team revealed that they did not have any core theme when they ventured into this sector. The focus was broadly on bridging educational gaps, through supplementary education. The project started with no set aim or (target) number of people they wanted to reach through the interventions. With time, and after detailed discussions and third-party recommendations from Ernst & Young consultants, the focus shifted to children who are specially-abled, children from tribal areas, and children of sexually exploited women. The strategic outlook shifted the focus from working in a specific geographic area to a more widened beneficiary reach.

Livelihood :

The Livelihood vertical highlighted their objective of attaining 1 million sustainable livelihoods and bring the beneficiaries under the umbrella of Financial Inclusion through various programs that aims at creating a shared value. Within the larger subset of strengthening sustainable livelihood, the vertical will have a focus on education, natural resource management, agriculture, horticulture and livestock development, micro enterprise, vocational training and skill development.

About the guiding principles for achieving key objectives :

- Strive to create meaningful socioeconomic impact in the lives of the vulnerable and underprivileged sections of the society i.e. the differently abled, street children, destitute women, children of commercial sex workers, people suffering from natural disasters; and poor disadvantaged families
- Support projects and programs that are aligned with the national development priorities, needs of the communities that are aligned to the CSR objectives and policies of Axis Bank
- The programmes will be implemented in convergence with Government programs, international development programmes, schemes and infrastructures and other corporate foundations

- Project management will be structured through a results based management approach with a focus on outputs, outcomes and impact enabled by strong inputs and processes
- Endeavour to develop the capacities and capabilities of the staff members, partners and the other stakeholders at the community level through exposure to new approaches, systems and technology
- Be guided by the core values and ethics that govern operations namely transparency, team work, and focus on community
- Exposure limits for each programme has also been decided. "We don't want (our efforts) to be restricted (to one specific type of beneficiary type), hence it is quite generic". Specifics (themes e.g. beneficiaries) are part of their operational strategy. The ABF team avoids over-concentration in a specific area, and if in case such arise they try to look into modifying the proposal. The basic reason behind exploring new areas is that Axis Bank has its branches in almost 26 states by now, and it wants to spread the geographical outreach of its social arm
- Geographical presence of ABF: ABF is currently extensively engaged in the states of Madhya Pradesh, Maharashtra, West Bengal, Andhra Pradesh, and Odisha. Major portion of the budget is allocated to these states. Another reason behind this is that ABF has strong implementing partners in these regions. The team at ABF opined that deciding geography and budget-allocation is based upon numerous factors which are context specific

CSR Policy Document: Analysis and best practices :

The Axis Bank Foundation has evolved the policy document since 2013 resulting in a more focussed approach in 2015 across its programme verticals. The CSR Policy for 2015 is presented below. This is followed by a comparative analysis representing goal transitions of the foundation since 2006 which is reflected in the key policy documents. The 2014 policy document is included in the annexure section.

Some of the key differences in the policy documents includes a contouring of focused beneficiary profile in the 2014 and 2015 version with a focus on differently-abled, street children, destitute women, children of sexually exploited women and people suffering from natural disaster. The policy enunciated the benefits of leveraging the programmes further through linkages with government programmes and schemes to address the last mile gap delivery challenges. A more evolved approach in monitoring mechanisms adhering to international standards such as a results based management approach was outlined in 2014. The earlier version also highlights the critical need for the collection of baseline data and recording the same in the MIS, apart from developing an internal rating tool for proposal evaluation and proposal renewals. The delineation and dissemination of the monitoring process was more detailed in the 2013 policy document while the 2014 and 2015 policy design has the essential sections as stipulated by the Companies Act. The 2013 version's guiding principles focused on programmatic limits with a focus on outcomes while the 2014 guiding principles provided for operational centricity, beneficiary profile, RBM approach and scoped out the template for effective knowledge management. The 2015 policy document further aligned the CSR intervention of the Axis Bank and Axis Bank foundation, expanding the areas of sub-focus under education, skill development, health and environmental sustainability.



POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Contents

- I. Introduction
- II. CSR Purpose Statement
- III. CSR Focus Areas
- IV. CSR Budget
- V. Validity of CSR Policy
- VI. Execution of CSR
- VII. CSR Governance Structure

Annexure : CSR Program Areas

I. Introduction :

1. The Bank recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and other stakeholders.
2. The CSR policy shall be guided by the Bank's corporate vision and the aspiration to be the bank of choice for Customers, Shareholders, Employees and Community.
3. The Bank's CSR Policy has been framed in accordance with section 135 of the Companies Act 2013 and the rules framed thereunder. The policy shall apply to all CSR programs/activities undertaken/sponsored by the bank or executed through Axis Bank Foundation or through any other Trust/Society or implementation partner or any other fund set-up by the government.

II. CSR Purpose Statement :

The primary purpose of the Bank's CSR Philosophy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The Bank shall also promote initiatives that preserve, restore and enhance environment, ecological balance, natural resources and improve sanitation and hygiene.

III. CSR Focus Areas :

The Bank will support programs and activities in the following areas. The broad program areas under CSR focus areas are given in the Annexure to this Policy.

1. To create meaningful socio - economic impact in the lives of vulnerable and underprivileged sections of the society that include amongst others; differently abled, street children, destitute women, children of sexually exploited women, economically weaker sections and victims of natural and other disasters including war and acts of terrorism.
2. To enhance sustainable livelihood through interventions in the areas of natural resource management, agriculture, horticulture, livestock development, rural development, traditional arts and handicrafts, micro-enterprise, vocational training and skill development.
3. To promote measures to eradicate hunger, poverty and malnutrition and to promote preventive health care and sanitation.
4. To promote education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects. This would also include initiatives to promote financial literacy, consumer education and awareness, and capacity and skill building in various sectors of the economy in alignment with the various Government initiatives.
5. To promote environment sustainability, ecological balance and conservation of natural resources and maintaining quality of soil, air and water through various initiatives such as resource conservation, renewable energy and energy efficiency amongst others.
6. To contribute to the Prime Minister's National Relief or any other fund set up by the Government for Socio - economic development.

IV. CSR Budget

1. The CSR Committee will abide by the provisions relating to annual expenditure on CSR activities as laid down in section 135 of the companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
2. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Bank.

V. Validity of CSR Policy

The Committee may amend the CSR Policy as may be required from time to time.

VI. Execution of CSR

All CSR programs/activities will be executed by the Bank itself or through Axis Bank Foundation or through any other trust or agencies and entities as it deems suitable. The Bank may also make contributions to any fund set up by the Government.

VII. CSR Governance Structure

1. Roles and Responsibilities

The Board of Directors of the Bank will be responsible for :

- a. Approval of the CSR Policy of the Bank.
- b. Disclosure of the Policy in its report and placing the same on the Bank's website as prescribed under Section 135 of the Companies Act 2013.
- c. Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Bank does not spend such amount during the financial year.
- d. Making any change(s) in the constitution of the CSR Committee as deemed suitable.

2. Monitoring and Reporting Framework

The Bank will institute a well - defined monitoring and evaluation mechanism to ensure that each CSR project has :

- a. Objectives developed out of societal needs.
- b. Targets, time lines and measurable parameters wherever possible.
- c. A progress monitoring and reporting framework aligned to the requirements of Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

3. Reporting Framework

- a. The progress of CSR projects and expenditure will be reviewed by the CSR Committee.
- b. The Bank will report on CSR performance in its annual report as per the structure and format prescribed in the notified Corporate Social Responsibility Policy Rules.

4. Others

The Bank's CSR Committee may choose to select program areas which are included under Schedule VII of the Companies Act, 2013 in addition to those specified in the CSR Policy in the course of fulfilment of the Bank's CSR objectives as decided by the CSR Committee from time to time.

ANNEXURE : CSR Program Areas

An illustrative list of various programs and activities to be supported under the Bank's CSR focus areas is given below :

1. Education :

- a. Special education for the differently abled : Support basic secondary and vocational education for differently-abled children and youth. Increase outreach to the differently-abled and provide them with access to education (at the primary, secondary and higher secondary levels) and vocational training.
- b. Access to quality education for street children of sexually-exploited women : Provide education to street children and children of sexually exploited women and facilitate access to age-appropriate format education and vocational opportunities.
- c. Financial Literacy : Advance the agenda of financial inclusion by creating awareness, educating and empowering sections of society which do not have access to formal banking system through financial literacy initiatives.
- d. Consumer education and awareness : Promote Financial education and awareness amongst consumers at large and school children. Disseminate knowledge on managing finances etc. to consumers at large which may include aspects of safe banking practices, tax planning, saving and investing and other relevant financial knowledge.
- e. Support MSME sector capability enhancement : Provide support to MSME sector through dissemination of knowledge leading to enhancement of sector capabilities.

2. Vocational Education and Training :

- a. Support vocational education, life skill coaching and career counselling : Provide orientation and handholding support to children of secondary and higher secondary level on available career options and employable vocational and technical skills.
- b. Skill development through vocational education and training : Provide skilling, reskilling and multi-skilling support to youth for gainful employment.

3. Livelihood Enhancement and Rural Development :

- a. Natural resource management, soil and water conservation : Management of natural resources leading to more productive outcome for agriculture and associated livelihood. Support rural and village communities through non-farm based livelihood development.
- b. Access to finance / financial inclusion and entrepreneurship development : Support creation of sustainable income sources through micro - finance and micro enterprise development and strengthen mechanisms for alternative livelihood.

4. Medical Relief and Trauma Care :

The Bank has been working on providing medical relief and trauma care for victims of accidents through its foundation. It also seeks to create a trained community of service providers who can provide immediate assistance to victims of accidents. The Bank shall continue working on such programs as part of its overall contributions towards promoting healthcare.

5. Environmental Sustainability :

The Bank is sensitive towards its role in ensuring environmental sustainability, ecological balance and conservation of natural resources and will pursue projects that conserve resources and enhance environment such as renewable energy and energy efficiency.

6. Sanitation :

The Bank shall work towards improving/providing sanitation facilities for communities / schools.

7. Reducing inequalities :

The Bank will undertake activities singly and/or conjunction with the government initiatives and schemes to reduce inequalities faced by socially and economically backwards groups.

8. Humanitarian Relief :

The Bank will support relief efforts during natural and other calamities in India.

9. Armed Forces Veterans :

The Bank will institute a program for the benefit of armed forces veterans, war widows and their dependants and widows of armed forces injured in action.

10. Capacity Building of Personnel and NGO Partners : The Bank will build the capabilities of its own personnel as well as that of executing and implementing agencies through training, conferences and experience sharing programmes.

CSR POLICY DESIGN: EVOLUTION AND INTRODUCTION OF BEST PRACTICES

CSR Policy 2013



1. Corporate Social Responsibility Policy for Axis Bank Foundation :

Axis Bank Foundation (ABF) was setup as a Public Trust in 2006 to carry out the Corporate Social Responsibility (CSR) initiatives of Axis Bank. The Bank has been authorized to contribute up to 1% of its profits after tax, every year to ABF.

During the initial five years, the focus was primarily on education and ABF has partnered with sixty NGOs in education to provide equitable education to various underprivileged individuals across the country. ABF has also supported public health & highway trauma care in a modest way to five NGOs. In 2011, ABF ventured into the domain of providing sustainable livelihoods. These programs aim at alleviating poverty and providing sustainable livelihood options.

2. Policy Brief :

The policy develops a conceptual framework for ABF to manage the CSR activities. The policy provides the broad activities which can be undertaken and designs an operating model behind it. The policy provides the framework within which the CSR activities would be managed. It also includes types of employee engagement programs through volunteering programs which can be carried out leveraging the existing Bank network.

3. Scope and coverage :

The policy extends to all grants and donations given by ABF under livelihood, education, highway & trauma care and other areas. It outlines the method of audits to be conducted for programs and method / frequency of impact assessment of the programs. Policy covers the mechanism as followed by ABF for appraisal and monitoring of programs. It is also applicable to staff and officer engagement programs being carried out under the aegis of ABF.

4. Nature of the Policy :

Issues covered in this policy document should be seen as directional in nature rather than restrictive. Any grants given outside these guidelines should be approved by the board of ABF and adequately justified. Meticulous following of these guidelines would help the Foundation to improve the impact and stay committed to the long term objectives of ABF.

5. Objectives :

- a. To aim to provide 1 million sustainable livelihoods by Dec 2017 through partnerships with organizations having models which can be replicated with ease across a broader geographic spectrum and population.
- b. To contribute in the Education sector by promoting literacy among the disadvantaged and provide support to differently abled people.
- c. To support accident victims by partnering projects related to Highway Trauma Care.

6. Guiding principles :

a. Strategize program portfolio to minimize concentration risk by:

Setting upper limits on funding projects: This can be achieved by having sub-limits on program themes and categories. Sectors to be selected for funding and thereafter for each sector, sub-categories to be listed with acceptable exposure limits.

Limits on geographic coverage: State wise limits should be such, so as to avoid concentration in any one geographical area of the country. Special focus is to be given to poorer districts of the country.

Limits on partner exposures: Any single partner exposure should not be beyond acceptable limits in order to diversify funds across partners.

Impact Assessment: Programs to be selected based on the social impact they would create in the community and benefits that local people can draw from the program interventions. Defining clear targets for program delivery and continuous monitoring of such deliverables should be made an integral part of the monitoring mechanism.

b. Extending grant support for a balanced commitment period depending on the program type and level of interventions.

7. Activities under CSR :

Activities should be undertaken in a manner so as to implement them through Specialized Agencies such as voluntary agencies, civil society organizations, social entrepreneurs, community based organizations, trusts/missions, Self Help Groups, institutes/academic organizations, professional consultancy organizations etc.

Activities should be related to:

- a. Eradicating hunger and poverty by creating sustainable livelihoods. Promotion of entrepreneurship, self-employment in any field by providing training, imparting vocational guidance through indirect support by making available financial support by way of grants.
- b. Promoting women empowerment and gender equality by supporting organizations undertaking activities for formation of Self Help groups empowering women toward entrepreneurship etc.
- c. Ensuring environmental sustainability by supporting projects for conservation of natural resources, improving productivity/fertility of land, conservation of water, rural electrification initiatives etc. Provide assistance in creating livelihoods through such environmental projects.
- d. Promoting education to carry on activities that would support, encourage and promote education among the masses, including the underprivileged and provide them with quality learning. Remove illiteracy by way of supporting balwadies, schools, colleges, libraries etc. Support training to institutions for formal and informal education for children and adults. Assist in imparting new learning skills to students and new teaching methods for teachers. Providing necessary support to specially challenged individuals by undertaking special projects through select partners to provide basic education, life training skills and assisting in placement/self-employment opportunities.

- e. Health activities by way of providing medical aid and medical assistance to individuals. Providing for accident cases and supporting organisations engaged in providing support or working for providing relief to victims of accident cases. Providing assistance in the areas of medical and health care, public facilities for sanitation, hygiene etc.
- f. Other social business projects. Promote, maintain or assist activities carried on in India, and as are conducive to the well-being and general welfare of the society or are conducive to the advancement of any object of general public utility.

CSR activities undertaken by employees under project mode. Supporting NGOs to sell their products, green initiatives of re-cycling, organizing health camps, blood donation camps, health talks, awareness campaigns, collection drives for clothes / books / toys etc. for onward donation to other deserving organisations, participating in NGO events, interactions, children's functions, volunteering activities to support the disadvantaged; especially the differently abled etc.

8. Programme appraisal, monitoring and review :

A monitoring and disbursal process which ensures that projects are well selected, funds reach the right beneficiaries, and progress is monitored on periodic basis. Process of appraisal and monitoring as below:

- a. Identification of NGO: NGO's should be identified for partnership based on ABF's focus areas, credibility and track record of NGO, geographical coverage offered and potential to reach a large number of beneficiaries through the program.
- b. Due Diligence: Introductory meetings should be held to understand the NGO model; interactions should be done with Program, Finance and Audit teams in order to clearly communicate impact expected and MIS reporting requirements. Visits to project sites should be undertaken to understand the program at field level.
- c. Submission of grant application by NGOs should be done with complete data,
- d. Information and documents in a predefined format.
- e. Sanction Letter and Memorandum of Understanding should be signed between ABF and the NGO partner as a contractual agreement.
- f. Baseline data should be collected for all target beneficiaries for livelihood programs at the start of the intervention.
- g. MIS: Internal Impact Assessment, periodic progress reports, visit reports and other reports should be monitored and recorded at regular frequencies.
- h. Review/renewal of all programs should be done periodically as stipulated in the original sanction.

9. Internal rating :

An internal rating tool to be developed to administer and appraise programs at the time of initial sanction and thereafter all subsequent renewals. The rating would apply to programs irrespective of size and type. All livelihood

proposals and key education proposals should be rated as per the applicable internal rating tool before according sanction. The program manager undertaking the rating exercise would be responsible for accuracy of input in the rating tool and truthfulness of the subjective inputs to the best of his/her knowledge.

The rating tool should provide an opinion on the relative ability of an NGO partner and its program to create a successful impact in the program implementation by designing suitable interventions and expertise in the area of functioning.

Two separate independent sets of rating tools should be prepared. One rating tool designed for appraising fresh/new proposals and second rating tool designed for renewal of proposals.

10. Program audit :

An independent, external audit should be conducted periodically for select programs. The scope of the audit to cover grant utilization, review of expenditure investment pattern, effectiveness of project implementation, financial management systems and books of accounts, adequacy of internal control and review mechanism, integrity of the reporting of performance against targets, regulatory compliance and other related areas.

This would provide reasonable assurance as to whether the financials of NGO partners is free of material misstatement and provides an independent opinion whether the financial reports are presented fairly in accordance with accounting standards and other applicable statutory and professional reporting requirements.

To help protect the organization against risks, the audit brief should include a review of social responsibility / feedback of community awareness where projects are carried out. Though this is an intangible area of analysis, such analysis can raise awareness of risks that may not be illuminated otherwise.

11. Impact assessment :

In order to increase the robustness of project tracking, an impact assessment exercise should be undertaken for select livelihood programs:

a. Set Impact Targets:

Quantitative income enhancement targets should be jointly agreed with partner NGO at the time of sanction.

Baseline and post-intervention income projections should be an integral part of grant process and included as annexure to the proposal/ sanction

Baseline should be validated on programme launch and also validated during audits and field visits.

b. Track project progress and impact:

Report formats should be decided in advance during grant approval process and customized for each program in order to capture the program progress.

Program Manager's visit report and audit report should include observations on baseline income and income enhancement.

c. Incentivise impact oriented projects:

Subsequent disbursements for renewals of the program to be linked to livelihood / income improvement observed for the program. In case the desired impact is not observed over a significant period of time, the program to be reviewed in detail before further disbursements.

d. Impact Assessment MIS to be collected at three levels:

Actual baseline data and MIS on impact parameters to be provided by partners on quarterly basis as part of ongoing MIS reports. This MIS should give brief details of all interventions and income earned pre and post intervention. Regular field visits should be carried out to verify baseline and impact data. Brief details about the same should be incorporated in the visit reports. Audit reports should also carry a reasonable weightage on the impact of the program in addition to financial aspects. Impact assessment of select projects to be carried out through an external agency to get a professional feedback of the program execution and about the impact it has created on the beneficiaries and the society at large.

12. Risk measurement and portfolio monitoring :

The ABF team should carry out an annual review to monitor the quality of the portfolio. Theme wise analysis of programs should be done to get a perspective of each program.

13. HR Policy and engagement with the Bank :

Multiple levels of employee engagement are designed as under:

- a. Volunteer programs for employees Volunteer groups of Bank employees should undertake volunteering work at locations of ABF sponsored programs, with senior volunteers to lead the group. Volunteers should participate in implementation and can be encouraged through rewards and recognition programs.
- b. 3 – 6 months deputation for specific projects Officers can be deputed to work with ABF for specific projects (based on ABF's requirements). This deputation can be made a part of talent management and reckoned while assessing performance.
- c. Transfer of employees to ABF Vacancies at ABF should be treated as Internal Job Posting for Bank employees. Officers can be transferred to work full time for ABF in order to provide alternate career opportunity to employees. Once the stint in ABF is completed, they would take up other assignments in the Bank.
- d. Recruitment from industry NGO specialists from the industry may also be considered for recruitment for specialized area specific job roles in ABF.

14. Effectiveness of policy :

The policy is effective and operational after approval by ABF board members.

15. Review of Policy :

This policy will be reviewed by the ABF's Board every year to ensure its effectiveness, continued application and relevance.

Goal Transitions in Critical Verticals :

Verticals	2013	2014	2015
Education	To provide equitable education to various underprivileged individuals across the country	To reach differently abled children, street children and children of sexually exploited women	Special education for the specially abled and access to quality education for street children and children of sexually exploited women Added focus on financial literacy, consumer education and awareness, supporting MSME sector
Mission			
Goals/Objectives	Promoting literacy among the disadvantaged and provide support to differently abled people	Special education for the disabled from primary levels to skill development. Reach out to children of marginalised sections of the community such as children of commercial sex workers	Access to special and equitable primary, secondary and vocational education for the marginalised sections of the community Creating awareness, educating and empowering marginalised section of the community on financial inclusion and facilitating access to the formal banking system Educating consumers and children at large on managing finances including aspects of banking practices, tax planning, saving and investing
Policy Instruments	Projects in primary and supplementary education	Projects with a specific beneficiary focus were continued or restructured	Projects with a specific beneficiary focus were continued or restructured

Verticals	2013	2014	2015
Sustainable Livelihoods	Poverty Alleviation & Sustainable Livelihoods	To create sustainable livelihoods through vocational education, working in parallel with Govt. programmes and schemes, natural resource management from agriculture to livestock, micro-enterprise	Continued focus on vocational education and skill development. Parallel focus on livelihood enhancement through natural resource management, financial and social inclusion and entrepreneurship development
Mission			
Goals/Objectives	1 million sustainable livelihoods by 2022 Nurturing scalable models	Same as 2013	Management of soil and water conservation leading to more productive outcome for farm and non-farm related livelihoods Create channels for sustainable income
Policy Instruments	Projects in skill development and agriculture related livelihoods	Projects in skill development and natural resource management with an added focus on financial inclusion and entrepreneurship were included. Farm and non-farm based interventions were delivered for rural communities	Projects in skill development and natural resource management with an added focus on financial inclusion and entrepreneurship were included. Farm and non-farm based interventions were delivered for rural communities Reduce inequality of socially and economically backward groups Pursue projects with a focus on renewable energy and energy efficiency under environmental sustainability of schedule VII
Health	To support accident victims by partnering projects related to Highway Trauma Care	2013 projects were continued	Added focus on preventive health care and sanitation

In addition to these CSR areas of critical focus, the Axis Bank and ABF will also support humanitarian relief, programmes that benefit armed forces veterans, contribution to the Prime Minister's relief fund or any other projects which fall under schedule VII as per the immediate needs or social crisis. However, the 2015 CSR policy could have outlined the vision, mission and guiding principles of the organisations CSR interventions in greater detail as evidenced in the earlier versions. As the validity of the document is dynamic in nature, these inputs could be included in planning the policy documents and interventions in the next financial year.

Comparing Components of the ABF Policy Documents

2013	2014	2015
Introduction	Introduction	Introduction
Policy Brief	CSR Purpose Statement	CSR Purpose Statement
Scope and Coverage of projects and monitoring	CSR Guiding Principles – Focussed on operational principles with social impact for marginalised sections of the community with a targeted beneficiary focus on specially abled, street children, destitute women, children of commercial sex workers, sustainable livelihoods. Monitoring systems will incorporate the RBM framework combined with an overall focus on knowledge management with dissemination techniques	CSR Focus Areas – includes additional areas of focus such as promotion of financial literacy, consumer awareness and environmental sustainability through a focus on renewable energy and preventive healthcare & sanitation. It also makes a mention of the PM's national relief fund. The others areas under schedule seven have also been included
Nature of the Policy	CSR Programme Areas – More detailed and focussed than earlier version with the three critical areas which can have direct and indirect inter-linkages across multiple sections of areas of CSR identified under Schedule VII. Given the number of implementing partners, the foundation has identified NGO and internal capacity building as a vertical of focus.	CSR Budget

Comparing Components of the ABF Policy Documents

2013	2014	2015
Objectives	CSR Budget	Validity of CSR Policy
<p>CSR Guiding Principles, primarily programmatic, with spend limits and geographical distribution of projects with an orientation towards impact and outcome were detailed. The instruments for implementation was also outlined, " through Specialized Agencies such as voluntary agencies, civil society organizations, social entrepreneurs, community based organizations, trusts/missions, Self Help Groups, institutes/academic organizations, contracted agencies for civil works, professional consultancy organizations etc."</p>	<p>Validity of CSR Policy – dynamic and adaptive</p>	<p>Execution of CSR interventions through the Bank, Axis Bank Foundation, convergence models and through funds set up by the government was also included. The implementation strategy through specialised agencies and the role of the community was not clearly outlined. This aspect had greater clarity in the 2013 version of the policy document.</p>
<p>Areas of CSR focus: Activities under CSR are aligned to the various areas under Schedule VII and the need to deliver the interventions in project mode were specified. Focus on livelihoods, female empowerment, gender equality, environment sustainability, education (primary), health and social business projects were contoured</p>	<p>Execution of CSR – Implementation model was described</p>	<p>CSR Governance Structure defined roles and responsibilities of internal stakeholders and the overall monitoring and reporting framework</p>

Comparing Components of the ABF Policy Documents

2013	2014	2015
Programme Appraisal, Monitoring and review outlines process in great detail from partnership selection, scrutinisation to grant making. The need for policy instruments like baseline, MIS tracking across critical indicators were described	CSR Governance Structure	Annexure: CSR Program Areas
Internal Rating tool for project selection and review was mentioned	Monitoring and Reporting Framework – Less detailed than 2013 version which was more statutory than the organic and comprehensive structure	
Program Audit – Financial audit components were outlined		
Impact Assessment – Programmatic assessment and internalising findings are outlined for each project based on the programme timeline. This section could have also been included under monitoring. The importance of field visits and quarterly reviews of projects are contoured into the policy document		
Risk measurement and portfolio monitoring		
HR Policy and engagement with the bank – includes scope for volunteering		
Effectiveness and review of the policy		

2013	Education	Livelihood	Gender Equality	Female Empowerment	Health	Social Business Projects
	Primary				Trauma Care	
2014	Education	Livelihood	Humanitarian Relief	Programme for the benefit of Armed forces and veterans	Health	Capacity Building
	Special Education for the specially-abled, street children and children of sexually exploited women. Special Education includes Primary, Secondary and Vocational Education for the above mentioned beneficiaries	Vocational Education			Medical Relief and Trauma Care	ABF personnel
		Natural Resource Management and rural development				Implementing NGO partners
		Financial Inclusion				
		Enterprise Development				

2015	Education	Livelihood	Humanitarian Relief	Reducing Inequalities	Health	Environmental Sustainability	Programme for the benefit of Armed forces and veterans	Capacity Building
	Special Education for the differently abled	Vocational Education	Natural and other disaster relief work in India	Convergence delivery models with government programmes for economically and socially backward groups	Medical Relief and Trauma Care	Renewable energy and energy efficiency		ABF personnel
	Access to quality education for street children and children of sexually exploited women	Natural Resource Management and rural development - farm and non-farm livelihoods			Pre-ventive Health-care	Ecological balance and conservation of natural resources		Implementing NGO partners
	Financial Literacy	Financial Inclusion			Sanitation			
		Entrepreneurship Development						

Structuring Verticals and Indicators :

The interaction with the core team members of the foundation revealed the process of structuring the vertical goals and the implementation strategy for the core areas of focus. The systems model of organisation outlined by Morgan was used as the primary framework to determine the role and functions of the sub-systems.

Managerial and human–cultural sub-system and Team contribution in goal setting and defining verticals is outlined below :

- The senior management was primarily responsible for goal setting. At the top-level, the goals were decided based on their alignment with MDGs and other critical national level developmental gaps. – “Top Down Approach”
- Education theme was also structured with inputs from senior management. Some of the generic principles adopted for selection the thematic areas are like,
 - ABF should work in the poorest areas (Livelihood Theme).
 - Areas where disability is a major issue (Education Theme).
 - Tribal areas etc.
- Goals have been specified within verticals, which is a critical best practice. The implementation team has had a minimal opportunity to review the CSR policy document. The ABF teams' suggestions were included through a feedback mechanism. Inputs are provided on the policy document which were incorporated after deliberation.

Indicators identified during policy structuring :

- Identification and selection of implementing partner with a contextual knowledge about beneficiary profile.
- The primary indicators are Income, social impact, food consumption, reduction in migration, self-employment (in terms of impact of vocational trainings).
- The key indicators looked at in the thematic area of livelihood are Income, Agricultural Yield and Land-holding, food consumption, change in migration patterns, level of self-employment, savings.
- In the other thematic area (Education) the indicators are program specific. There are no common or set parameters.

CHAPTER 5

PROJECT SELECTION PROCESS

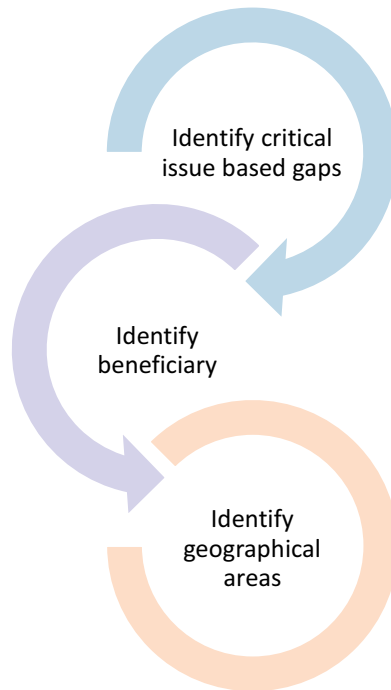
- 5.1 Project Selection (Partnership building, selection, grant application, proposal evaluation/structuring)

The project planning cycle has three critical steps that are outlined below:

1. At the initial phase there are four aspects upon which projects are selected.
 - Verticals
 - State-wise funding available towards the thematic area under the vertical (convergence and overlap options)
 - Project funding and target beneficiary
 - Availability of funding
2. Partner identification is the second phase in the process
 - Partner selection is done considering aspects such as organizational credibility, brand image of the NGO, previous records of intervention, assessments that they have done so far, referral system etc. ABF mostly approaches potential implementing partners that have a specific geographical presence, credibility and track record with extensive programme delivery experience or contextual understanding in areas of CSR focus.
 - Pre-assessment is done with mutual collaboration and a memorandum of understanding. It is mostly through leads given by senior officials, or through a common contact between the partner and the Foundation. Due diligence is conducted across programme, finance and audit. Field visit to understand the model of implementation is also conducted.
 - Education projects have an incremental approach. When this partnership began exposure limit were not determined.
 - ABF has a systematic process which in place for Livelihood under which pre-assessment audits are done of all processes as well as all finances. The brand name of the organisation and their projects till date is also explored in this context.
 - ABF team is focusing on developing sustainable programmes.
3. Due Diligence process for partner identification
 - Comprehensive process of reference checks, website verification, review of the Board of directors and site visits are conducted.
 - ABF team receives financial leads from smaller AB branches who hold bank accounts of many of the partners NGOs.
 - The foundation has structured partnerships with bigger NGO's as they have the capacity to extend the project to a wider beneficiary reach of more than 5000 beneficiaries. These NGOs were identified and selected based on the projects they are implementing for other NGOs.

4. Challenges in the process

- The process for partnership identification is itself challenging. The foundation highlighted that it has experienced difficulty in identifying credible and competent partner agencies to address a specific problem statement in a geographic area.



Grant Application Form :

1) Basic Data :

- 1.1. Name of the Organization
- 1.2. Registered address
- 1.3. Communication address
- 1.4. Organizational Website details(if any)
- 1.5. Date of establishment
- 1.6. Constitution (Please provide copy of the relevant documents)
- 1.7. Registration No. and date of registration, Validity

2) Key people involved :

2.1 Details of persons on governing Board in the below mentioned format

S. No.	Name	Male/ Female	Qualification	Experience	No. of years of Association with the organization	Is the Member drawing remuneration (Y/N)?	Recognition/Awards/ Have influenced policy making at the State or National Level , (Please specify details)	Has the member been convicted of any crime? (If yes, please specify details)	Has the member been declared as a wilful defaulter? (If yes, please specify details)	Are the Board Members / Trustees related to ABF
										Related members

3) Management & Administration Information :

3.1. Details of Management Team

3.2. Details of Organizational Policies (Please provide a copy of each policy)

Sr. No.	Name & Designation	Age	Qualification	Experience	Years of Association with the organization

Sr. No.	Name of the Policy/ Manuals	Formally approved by Board (Y/N)	Implemented since	Last updated on
	<ol style="list-style-type: none"> 1. Travel Policy 2. Purchase Policy 3. Advance Policy 4. Scrap Policy 5. Finance Policy/Manual 6. Leave Policy 7. Appointment Recruitment Policy 8. Gender Policy 9. Appraisal Policy 10. Retirement/Termination Benefits Policy 11. HR Policy/Manual 12. Conflict of Interest Policy 13. Common Cost Allocation Policy 			

Note: * Points 1 – 4 may form part of Finance Policy/manual

Points 6 – 10 may form part of HR Policy/manual

3.3. List of the social security benefits

1. PPF
2. Gratuity
3. Medical Insurance
4. Disability Insurance
5. Personal Accident Insurance

Note: * These are the basic benefits and it can vary from organization to organization

4) NGO Organization :

- 4.1. No. of years in philanthropy
- 4.2. Vision, mission, core objectives
- 4.3. Brief History of the Organization
- 4.4. Organization chart specifying supervisory, admin, project related, advisors, consultants
- 4.5. Does the organization have any religious or political objectives? If yes, please specify.
- 4.6. Is there a second line of leadership within the organization? Please provide details.
- 4.7. List of awards/recognition received by the organization till date:

S. No	Name of the Award	Year of receiving	Name of the Body/ organization who conferred the Award/ Recognition

5) Financials and Compliances (Please provide the financial statements of the last three years) :

- 5.1. Is the NGO registered under Sec 12A of Income Tax Act?
- 5.2. Has the NGO filed Income Tax returns every year since inception? (Please provide the copies of the IT returns filed for the last three years)
- 5.3. Has the NGO filed FC returns every year since registration? (Please provide the copies of the FC returns filed for the last three years)
- 5.4. Does the bye law allow for payment to Board Member? If yes does the organization provide disclosure about the payment in Form 10B
- 5.5. Size of corpus fund
- 5.6. Details of projects handled till date (enclose list)

Sr. No.	Project Title and Objective	Project Location	Donor Agency details	Amount of funding	Project Period	Additional Information, if any

- 5.7. Beneficiaries already impacted as % of total beneficiaries planned across all projects
- 5.8. Details of Finance team (No. of persons working, their designation and list of responsibilities)

Sr. No.	Name and Designation	Qualification	Experience & Years of Association with the organization	List of responsibilities

5.9.Details of the Statutory Auditor

Sr. No.	Name of the Auditing Firm	Years of association with the organization as an Auditor	Does the organization have a signed contract with the Auditor? (Y/N)	Additional information, if any

5.10.Details of the Project Auditor (Only to be filled if Statutory Auditor and the Project Auditor are different)

Sr. No.	Project Name and Project Period	Name of the Auditing Firm	Period for which it was the Auditor	Does the organization have a signed contract with the Auditor? (Y/N)	Additional information, if any

6) External Parties :

- 6.1. In case of onward funding (multi-layered), does NGO have a process for partner selection? If yes, what is the process?

7) Project Description :

7.1. Details of the Project Location

- Geographical (Location: state, district, block, village (Numbers of blocks and villages, would be preferred);
- Demographical;
- Economical;
- Political.

7.2. Details on stakeholder analysis

- Identifying stakeholder and prioritizing them as Primary Stakeholder
- Rationale for selecting the primary stakeholders/ key beneficiaries
- Is the Stakeholder analysis used to identify those stakeholders who present potential risks to the programme? Give details
- Details of key beneficiaries
 - No. of persons, according to sex and age
 - Ethnic particularities, where applicable
 - Social, economic and cultural status
 - Participation of the beneficiaries in planning process and the further participation in the implementation,
 - Monitoring and evaluation of the project

7.3. Details about the team associated with the proposed project

Sr. No.	Name and Designation	Experience	List of responsibilities	Involvement (Fully or Partly)

- 7.4. Whether the entire grant proposal falls within the constitutional document.
- 7.5. Project Name
- 7.6. Project Period
- 7.7. Details of Baseline Study, if any

Target number of beneficiaries :

- 7.8. No. of beneficiaries year wise for 5 years
- 7.9. No. of beneficiaries year wise for 5 years across all states/districts covered
- 7.10. No. of beneficiaries quarter wise for 1st year
- 7.11. Details of involvement of beneficiaries for all the activities at all levels of implementation

Background and rationale :

- 7.12. General situation
- 7.13. Details on gender specific situation analysis (current situation of men and women in general)
- 7.14. Project specific situation- Describe the problem (situation) intended to be addressed through the project. (Provide necessary documents as Annexure)
- 7.15. Goals of the project
 - i. Provide indicators on the basis of which you want to measure, at the end of the project period
 - ii. When and how do you intend to collect and document the data
- 7.16. Purpose/Objectives of the project
 - i. Provide indicators on the basis of which you want to measure, at the end of the project period
 - ii. When and how do you intend to collect and document the data
 - iii. Are the objectives of the program linked to existing national policies & programmes; and government strategies which are on-going in the project area?
- 7.17. Is a Log frame is prepared? Please provide details.

Interventions :

- 7.18. Details of each activity under the project and list the activities which are dependent on other activities
- 7.19. Provide indicators on the basis of which you want to measure the impact, at the end of the project period
- 7.20. Impact of each activity under the project
- 7.21. Outputs of the Project
- 7.22. Provide details of time frame and work plan for the activities
- 7.23. Provide the names/designation of the person responsible for each activity

- 7.24. Is there a clear exit strategy mentioned in the proposal? Please provide details.
- 7.25. Is there a Contingency Plan mentioned in the proposal? Please provide details.
- 7.26. Will the project ensure that the skill levels and capabilities of individuals are developed as required to undertake project activities, and to continue these after the lifetime of the project? Please provide details.

8) Budget (Provide detailed budget as annexure) :

- 8.1. Does the NGO have organizational level Planning & Budget or Project level
- 8.2. Whether the budget is funded by any other funder or not. In case, of multiple donors, provide details
- 8.3. Name of the co-donor(s);
- 8.4. The Funding period of co-donors;
- 8.5. Percent/Quantum of funds agreed upon
- 8.6. Any other details
- 8.7. Grant Amount requested – Total Project Cost, Other donor contribution, Community Contribution, ABF Contribution and % of total Project Cost
- 8.8. (Detailed budget under different heads to be submitted with explanations on the number of resources, centres and the beneficiaries' w.r.t the costing involved)
- 8.9. Cost per beneficiary
- 8.10. Line item wise particulars in detail
- 8.11. If co-funded, clarity on the line items being funded by each funder and % ratio if same line item funded by multiple funders
- 8.12. Overall budget divided district wise for 5 years
- 8.13. Annual budget for 5 years line item wise
- 8.14. Quarterly budget for 1st year, line item wise
- 8.15. Total project amount
- 8.16. Share of ABF
- 8.17. Project outlay as % of total project outlay of the NGO i.e. % ratio of this project vis-à-vis all projects of NGO
- 8.18. Overall ratio of budget: Project Cost, Admin cost, any other
- 8.19. Comments on correlation of budget with programmatic outputs

9) **Monitoring and Evaluation :**

- 9.1. Details of Process/tool/technique used to monitor the progress of work plan
- 9.2. Frequency of Project Team Meetings with the supervising authority
- 9.3. Standardized formats and tools used for reporting the progress of the project
- 9.4. Details of Feedback mechanism, if any from the beneficiaries
- 9.5. Details of factors contributing to or impending achievements of the outcomes

10) **Risk :**

- 10.1. Specify tools and techniques to assess risk
- 10.2. List the probable risks that the project can face
- 10.3. Risk mitigants to overcome the same
- 10.4. Any social/political risks associated with the project

11) **Impact :**

- 11.1. Expected benefits and measurable outcomes – quantitative
- 11.2. Expected benefits and measurable outcomes – qualitative
- 11.3. Ratio of planned incremental income/cost per beneficiary
- 11.4. Sustainability of impact
- 11.5. Feedback from market reports
- 11.6. Scalability of project in future

12) **Sustainability :**

- 12.1 Are appropriate technologies and methods identified, given the technical, human and financial resources of the people who will use and maintain them? Please provide details
- 12.2 Will the organization assess and identify leadership support from within the organization as well as from outside the organization?
- 12.3 Whether there is a strategy to use locally available resources/infrastructures?
 I.If yes, is there a plan to replenish the local natural resources base (soil, water, forests, watersheds, etc.) used for the project, wherever applicable?
- 12.4 Will there be equitable distribution of benefits derived from the project activities?

(Explanation: Here 'equitable' does not mean equal. Benefits will definitely vary. However, we need to understand that equitable distribution of benefits will ultimately result obtaining the long term impact of the program. Equitable distribution of benefits will ascertain that some section of the beneficiary is not being sidelined which may negatively impact the program in the long run)

12.5 Will there be a measure of increase/decrease in the Social welfare as a result of project activities?

12.6 Will the organization record the shift in local participation?

(Explanation : if initially there have been resistance/inhibitions from the beneficiaries and other stakeholders, which section was resistant to change, how have they improved with the program implementation, their level of participation, factors leading to their shift. In case the shift has been the other way round, this data will provide information on which section and factors leading to it based on which the implementing agency as well as ABF can plan corrective action plan.)

13) Renewal of the project :

13.1 Is there any surplus/deficit of the funds at the end of the project phase?

13.2 Were reasons for deviation in budgeted expenditure during the course of program implementation clearly mentioned?

13.3 Were the Progress reports timely submitted?

13.4 Has the activities been carried out as per the yearly activity plan?

13.5 In case of quantitative indicators, what was the level of achievement during the last phase?

13.6 Is the actual cost incurred per beneficiary within estimates?

13.7 Were the inputs/ activities successful in meeting the desired outcome?

13.8 Has the monitoring of the program effectively taken place?

13.9 Has gender impact monitoring been conducted?

13.10 Were the effectiveness of the risk assessments tools/techniques documented?

13.11 During the course of the program implementation were factors contributing to or impending achievements of the outcomes documented?

13.12 Did the evaluation take place as per the plan?

13.13 Does the programme have any unintended positive outcome?

13.14 Did the programme have any negative outcome?

13.15 Observations/ Learnings during the implementation of the project during Year 1

14) Documentation :

Statutory Records	Remarks by the Partner
Registration Certificate (Companies / Trust / Societies Act)	
Memorandum & Articles of Association / Trust Deed/ Bye Laws/ Rules & Regulations (latest updated with all amendments)	
List of present General Body / Governing Body / Board members / Trustees in the format specified above	
Income Tax & others	
Registration under section 12A	
Statutory Records	
Approval under section 80 G	
Exemption under section 10(23C), if any	
Registration under section 35, if any	
FCRA registration (including renewals)	
PAN (Permanent Account Number) (Attach PAN card and letter copy)	
TAN Number (Tax Deduction at Source Account Number) (attach letter copy)	
Acknowledgment of FCRA return	
Acknowledgment of IT return	
Policies	
Please provide a copy of each policy mentioned under point 3.2	
Financial Policy document	
Authority Matrix (organogram)	
Financial Information	
Audited Consolidated Accounts & Audited FC accounts for last three years which should consist of the following documents-	
• Receipts & Payments Account	
• Income & Expenditure Account (for consolidated)	
• Balance Sheet	
• Details of borrowings if any	
Annexure forming part of the Audited consolidated accounts	
Others	
List of donors along with details of committed funds (both foreign and domestic) in the format specified above	
List of field offices	
Market Report	
Certificates	
Letter of appreciation	
Any other documents that may be felt necessary by the Partner organization	

15) List of Non-negotiable :

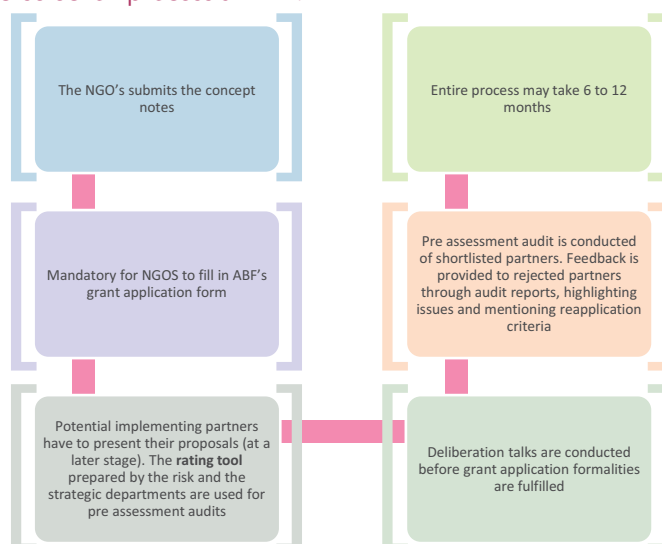
- 15.1. Registration Under Section 12A of Income Tax
- 15.2. The objective(s) of the project should fall under Schedule VII of Section 135 of the CSR Act.
- 15.3. Baseline data should be conducted before the project
- 15.4. The organization should be near to an Axis Bank branch

Proposal structuring and selection process is intensive with elements of inputs, handholding and restructuring, where implementing partners have expanded program objectives with project progression. There is a constant level of inputs from the board members, senior and core team members as a part of project contouring. The proposal ratio of livelihood vis-à-vis education projects stands at 85:15, outlining the transition between focus areas. ABF has gained good experience in hand-holding smaller NGOs (Assist them to increase their capacity). ABF selects smaller NGO's which have potential for growth. Association with organizations like Dilasa, Lend-a-hand, Unnati, Healing Fields etc. were cited as positive examples by the team and through the outcomes captured through third party impact assessments.

Proposal evaluation timelines :

Board meeting are conducted on a 3 monthly basis. Proposal evaluation takes 3-4 months on an average. Guidelines/checklist is maintained for sequential process evaluation. The Internal Committee 'sanctions/approves' projects of value less than 3 crores which are then ratified by ABF Board. Projects that have a value higher than 3 crores are sent directly for board review and approval. Most livelihood projects have been reviewed by the BoT as the project value is higher than 3 crores.

The proposal approval/project selection process at ABF :



Format for proposal evaluation includes the results of the rating tool, beneficiary reach, experience and track record of the NGO, expected impact (income generation). The NGO should understand operational requirements like conducting a baseline study and have the ability to report their activities through a monthly and quarterly reporting format.

5.2 Axis Bank Foundation Project Selection and Project Renewal rating tool :

The Axis Bank rating tool is a critical policy instrument which has five critical modules to scientifically and systematically evaluate the implementing partner's organisational capacities and the feasibility of the proposal shared by the NGO. The first module which has maximum weightage, evaluates implementing partner organisation on its governance and management structure, financial, administrative, systems and processes, compliances, evidence of project management and implementation skills. The second and third module is focused on evaluating the proposal quality and implementation mythological rationale. The implementation methodology is rated across more detailed questions concerning the project plan and monitoring and evaluation tools.

Proposal Quality module is evaluated on the basis of the following parameters:

1. Rationale or problem statement outlining the need for the project and methodology used to understand the crisis
2. Evidence of stakeholder mapping
3. Beneficiary details and the plan for baseline data collection
4. The problem or crisis should be addressed through the planned interventions or activities
5. Other funders of the project
6. Project management strategy is rated on the basis of the yearly plan describing activities, process, outputs, indicators fulfilling SMART criteria, outcomes and risks; milestone linked deliverables, monitoring and evaluation mechanisms and the stakeholders management plan

The fourth module rates the sustainability aspects of the organisation across internal sustainability, project specific sustainability parameters ranging from management of local resources, equitable distribution, identification of indicators to capture project progress and tools for measuring socio-economic transformation. A part of the module includes parameters for understanding level of community engagement and buy-in to the project and level of convergence with existing government policies, programmes and schemes. The data emerging from the rating tool provides critical input for project renewal, which comprises the fifth module. The project renewal is subject to evidence of effective financial management, time bound delivery of interventions, progress against baseline data of quantitative indicators, project outcomes and impact and submission of monitoring reports with critical data. The risk assessment has cut off levels assigning projects into categories. The red category infers that the project should not be renewed, green signals that the project can be renewed and the blue category projects require additional scrutiny before they are renewed.

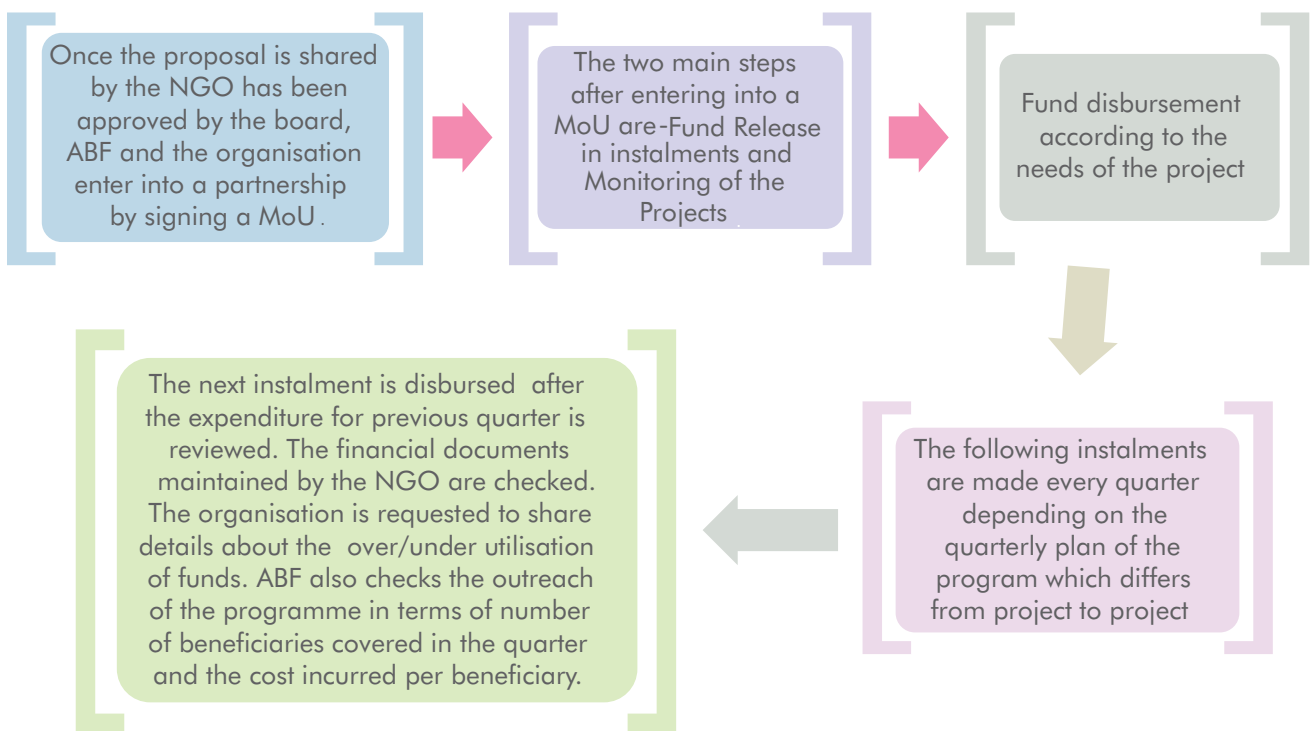
Best Practices Partnership identification and project selection :

- Grant Application template was designed in a way to reduce back and forth communication with the partners.
- Expertise and support is provided to the implementing partner to strengthen their project proposal
- All levels of management are involved in project structuring (board level, senior and core project implementation & monitoring team)
- Scientific and systemic rating tool has been evolved for project selection and renewal

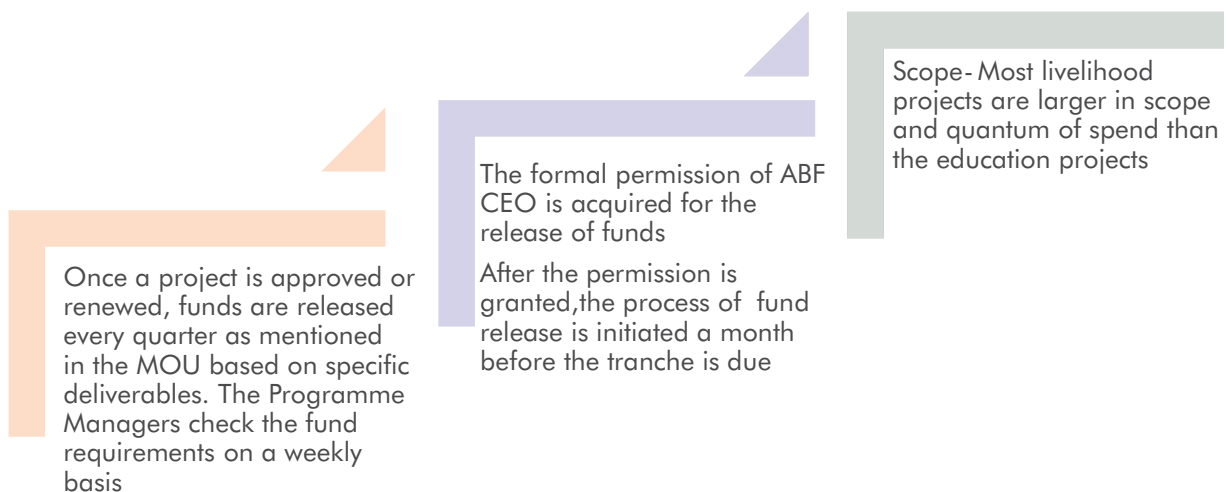
CHAPTER 6

PROJECT IMPLEMENTATION PROCESSES

The foundation has developed a core CSR team that is responsible for partnership identification, proposal structuring, project activation and monitoring. The foundation has a grant-making model, which has established a partnership with a wide universe of over 65 credible implementing partners with 43 active projects across areas of focus. The implementation team is a combined effort of in-house expertise combined with the functional role of implementing partners. The following are the processes followed in implementing projects once approved by the board:



Process of Releasing Funds for projects are outlined below :



Renewal of projects :

- The projects are evaluated as per the rating tool designed by ABF. The renewal of a project depends on the results of this tool.
- A critical point of evaluation for the projects is the ratio of investment to outcome of the project.

Best Practices Project Implementation :

- Project implementation cycle involves sensitive fund release and fund monitoring.
- Sensitive Project Implementation taking field realities into cognizance was evidenced through the process evaluation. ABF maintains a feedback tracking system to incorporate the issues and challenge that have occurred in the course of the project implementation. ABF team can scale up or scale down certain projects (restructuring) based upon the feedback and deliberation with partners as part of course corrections (returning to the drawing board).
- ABF gives one year prior notice to majority of the NGO partner agencies as part of their project exit strategy.

CHAPTER 7

MONITORING AND EVALUATION

The ABF funded projects are monitored through a comprehensive process comprising of correlation and cross validation through policy instruments which includes,

- Collection of baseline data
- Field visit templates
- Monthly reporting
- Quarterly Financial and Programmatic Evaluation
- Mid-term evaluation and Impact Assessment Studies
- Financial audits (Internal and External)
- Risk Evaluation with Media Tracking
- Rating tool for project renewal

Collection of Baseline Data :

Once the project is sanctioned a baseline is done by the same organisation to cover the indicators reflecting the objectives that the programme plans to achieve. Some of the parameters recorded in the baseline are – income indicators, expense indicators, health details, type of ration card, voter card details, the type of house et al. While baseline data is collected across numerous fields, the most important aspects are the income indicators for the livelihood vertical. The baseline data is reviewed by random sampling during the programme manager's visit to the site of project implementation. In 2011, all the baseline data was reviewed to analyse what was being captured and subsequently, the focus has been to have the baseline oriented towards collecting project specific indicators that was structured by the ABF project managers. There have been instances of baseline survey being outsourced to the person or agency of choice. In such cases, the quality of baseline data collected are closely reviewed. The impact and other assessments correlate changes in socio-economic status based on the baseline data.

In certain agriculture related interventions, a needs assessment was conducted in the village to identify the socio-economic crisis before the programme was initiated. This provided an avenues for a holistic approach in structuring interventions. Certain implementing partners have also conducted the assessment using participatory rural appraisal tools encouraging community involvement. For example, PRADAN (an implementing partner) approaches the community and encourages the community members to make an intervention plan by themselves. ABF has been involved in soil and water related intervention with them. ABHA (implementing partner) on the other hand does a quick scan of market in the beginning to understand the need of the market. Subsequently the interest areas of the inventor is nurtured at the ABHA Centres. Baseline data was collected based on the specific rationale and beneficiary profile of the project, apart from other contextual social and cultural factors.

Site Visit :

The core function of the in-house foundation team is monitoring the progress of the ongoing projects against pre-identified critical baseline indicators. Internal processes include the programme manager's visit to the field and sharing the field visit reports with the supervisors include their comments in understanding the progress and concerns of the project. The team also ensures that before their monitoring visit, the information that they wish to track is communicated to the implementing partner so that they can keep the relevant data ready. Involvement with the beneficiaries is covered in the field visit component. The field visit reports need to cover if the interventions have been implemented across a specific beneficiary profile. The managers also tries to evaluate if the programme is going in the right direction or needs course correction. The difference between the baseline and current incomes is calculated. The innovations in agricultural related interventions are at times difficult to report in the existing format and as the difference in productivity is not a short-term deliverable. During the field visit, the programme manager meets 5-10 beneficiaries. Each programme manager on an average manages six projects with each site visit requiring 2-3 days. During the field visit, the programme managers also connects with the nearest Axis Bank where they are the face of the foundation for employee engagement. They are part of an advocacy initiative for Axis Bank's payroll employees explaining the Foundation's work and interventions that are ongoing in the vicinity of the branch office.

There are different parameters for evaluating the project specific to each vertical, in line with the larger organisational principles of result based management. For the education vertical the projects are evaluated against parameters like - what were the project deliverables, what is the attendance rate among the students pre and post intervention, the total number of students attending the school, interacting with more than one stakeholder, constant monitoring etc.

A critical component of the site visit includes meeting with multiple stakeholders. The ABF team member interacts with the implementing partner, local stakeholders and meets with the beneficiaries. In the education vertical, as a part of the field visit, they conduct head counts, calling out names in the register at random to see if the student are actually present. This also includes cross checking the teacher's register with other documents, checking previous records, going through the teacher's lesson plans to check how much they adhere to the proposed techniques, observe the classroom teaching, see the students responses, check the visitors register to see if there have been regular visits from the implementing partners. Class observation is a technique that is used to evaluate if the intervention has helped the students. The financial scrutiny of the budget/funds is done by the head office. The observations made by the field staffs (both officially and unofficially) are also internalised by senior management within the foundation. The interactions with and reports sought by the field staff focus on identifying the gaps in the existing programmes, if there are enough staff members in the organisation to achieve the necessary targets, if the monitoring is conducted strictly or is rather loose at ends. The reports also try assessing programmatic gaps and the reasons. The reports thus obtained are compared against the goals and achievements mentioned verbally by the staff. There have been instances when the monitoring team had requested to have a look at the test papers to see if the students have been evaluated fairly or not. If the visitors register is just scribbled on with, instead of well thought of comments and observations the teacher is questioned for it. Education specific techniques- two digit addition etc. are used to evaluate the students and in case that the desired outcome is not achieved the programme is taken up for course correction.

For interventions structured for the specially-abled, the dropout rates reported are lower than other education related interventions. Along with interacting with the beneficiaries, the team also checks the visiting registers and has a strict check on number of beneficiaries. Constant checks are done to compare the number of beneficiaries between the reported and real numbers, with a check of the baseline data on the implementing partners MIS.

For vocational training programmes the feedback is sought directly from the students to assess their aspirations, apart from interactions with the implementing partners and placement partners. The biggest challenge faced by the implementing partners (with respect to vocational training) is enhancing placement and employability prospects of youth from rural areas and addressing the high attrition rates of beneficiaries that have gained employment after completing the course. From a monitoring perspective, employment and post-placement tracking data are important to evaluate impact and outcomes.

The programme managers frequently visit the site (at least once in every quarter). Some of the indicators for vocational education are detailed below:

-
- 90% attendance
- Minimum score of students – 60%
- If the target number of beneficiaries are reached or not
- Budget utilisation

If the target number of beneficiaries are not reached then the team has a discussion with the field team to understand the reason for the same. It might be a season specific reason – in certain parts of the country during the mahua picking season the children are encouraged to stay at home and help their parents pick up mahua. Progression or gradual improvement in the students is encouraged whereas in the cases of stagnation and regression the implementing partner is supposed to explain the reasons slower implementation and efforts are made to



Team members outlining the monitoring tools

understand the organic or artificial impediments. The team also informed that in many cases the programmes are designed for female beneficiaries. Attendance is a parameter which is strictly assessed. The unique number of beneficiary dropout rate with details for dropout is strictly maintained. Budgetary supervision is also strictly followed and the team keeps a track that there is only 10% increase or decrease in the budget during the field visits. Random phone calls to the beneficiaries and the staff are also made to check if they regularly attend the training centres. The implementing partners are supposed to maintain a strong attendance register and marks.

For the agriculture relief and rejuvenation projects, changes in income levels, entrepreneurship and formation of SHG groups are key indicators. In a similar manner, the programme manager prepares a detailed narrative of the field visit which includes case studies of beneficiary interactions.

In general, across verticals, ABF has inculcated a best practice that the field visit report should be filed within 7 days by the programme manager. These checks and balances with key processes allows for feedback to be conveyed to the implementing partner in a timely manner.



Field Visit Template for education projects

ET-CEO:

Vice President: _____

Date: _____

Visit Report

Project name :
 Name of the Partner :
 General Details of the Partner :
 ABF Program Objectives :
 Total Grant :
 Target no. of Beneficiaries :
 Project initiated since : mmm/yyyy (date of 1st instalment)
 Current Phase Period : mmm/yyyy
 ABF Representative on visit :
 NGO Representative on visit :
 Date of Visit :
 Places Visited (Village/District/State) :
 Details of Previous Visit :

Date of previous visit	
Brief details of issues escalated to the Partner during the previous visits	
Whether all escalated issues resolved by the Partner till date	(Yes / No)
If no, details of follow-up done by ABF over mail correspondence	
Reasons why Partner could not resolve the escalated issues	
Tentative time frame within which the issues will be resolved by Partner	



Field Visit Template for Livelihood projects

ET-CEO:

Vice President: _____

Date: _____

Visit Report

Project name :
 Name of the Partner :
 General Details of the Partner :
 ABF Program Objectives :
 Total Grant :
 Target no. of Beneficiaries:
 Project initiated since : mmm/yyyy (date of 1st instalment)
 Current Phase Period : mmm/yyyy
 ABF Representative on visit :
 NGO Representative on visit :
 Date of Visit :
 Places Visited (Village/District/State) :
 Details of Previous Visit :

Date of previous visit	
Brief details of issues escalated to the Partner during the previous visits	
Whether all escalated issues resolved by the Partner till date	(Yes / No)
If no, details of follow-up done by ABF over mail correspondence	
Reasons why Partner could not resolve the escalated issues	
Tentative time frame within which the issues will be resolved by Partner	

Details of Current Visit:

1. Itinerary summary: _____ Date : _____ Place: _____ Subject of visit: _____
2. Observations (to focus on program conduct, utilisation of our funds and impact):
3. Major Discussions / Suggestions with Core Program team:
4. Review of documentation maintained for community contribution, if any:
5. Overall Impression of the visit:

6. Baseline Information:

Actual No. of Beneficiaries reached as of previous month/quarter	No. of beneficiaries for whom baseline data is available	Percentage of baseline data available

7. Checklist:

Sr. No.	Particulars	Yes / No	If No, give Remarks
I-A	One time information (If answer to any point under I-A is 'Yes', the point should be filled up only in the first visit report. If answer to any point under I-A is 'No', the point should be repeatedly filled in all visit reports for information)		
	Baseline		
1.	Baseline data forms are available for individual beneficiaries in hard copy		
2.	Baseline Form captures income of beneficiaries from all sources		
3.	Baseline data of all beneficiaries is entered in a computer		
4.	Baseline Income summary is available for all beneficiaries centre wise / Branch wise/district wise		

5.	Average baseline for group of beneficiaries is extracted from a computer		
	Impact Post Intervention		
6.	Post intervention income is captured for each beneficiary in a computer		
7.	Post intervention income is captured for all sources of the beneficiary in a computer		
8.	Post intervention income is available source wise and recorded in a computer		
9.	Average income post intervention for group of beneficiaries is extracted from a computer		
10.	Average income post intervention includes income from all sources		
11.	Non-financial impact parameters post intervention are recorded in a computer		
12.	Non-financial impact achievement is captured beneficiary wise in a computer		
I-B	Recurring information (Points under I-B should be filled up for every visit report)		
1.	Sample baseline data checked from hard copy of few individuals tally with data in system for those specific individuals		
2.	Average baseline income as stated by a beneficiary during field visit tallies with what is available on record of NGO books		
3.	Average income post intervention as stated by a beneficiary during field visit tallies with what is available on record of NGO books		
4.	Period within which the increase in income post intervention was experienced by beneficiary		

8. Scope for officer engagement program:

9. Summary of visits conducted:

Total no. of visits to be conducted from April 2011 @ 3 visits p.a.	
No. of visits conducted till date	
No. of visits to be conducted in the current phase (mm/yyyy to mm/yyyy)	
No. of visits conducted in the current phase till date	

Signature:

Name:

Designation:

Date of visit	
Date of report submission	
Date of report closure	

Monthly and Quarterly Reporting Template :

The grant application has a section on milestone based deliverables that is specific to each project. The project is approved by the board and the sanction letter is sent, which includes the monitoring formats for the monthly and quarterly reporting. The monthly progress report provides an overview basis of the activities conducted, progress and capacity etc. These reports are internalized by the core team and senior management at the foundation. Monthly reporting format captures the stage of achievement, synopsis of pending challenges from earlier reports. The report is shared with the implementing partners and subsequently, the NGO reverts on comments shared by ABF core/senior management. After recognising salient features and any implementation challenges, if any, each monthly report is closed with review and comments from the programme manager, senior management and ET & CEO.



Outlining project monitoring

The reports sent by the implementing partners are usually in narrative formats. The implementing partners often lack a structured MIS. The partnership with ABF provided significant inputs and highlighted the need for structuring and maintaining a MIS. The reports shared by the implementing partners are sent to the senior management for their evaluation. The team also prepares the annual visit schedule, which is shared with the implementing partners and the field staff post the initial monthly report. The process of revamping the MIS has been initiated so that records of each NGO can be tracked. The ABF core team explained that initially, it was challenging for the NGOs working with them to understand the process of documentation and report writing in the format that the ABF expected from them with a focus on targets and impact rather than exhaustive narratives.

The quarterly financial and programmatic report is reviewed and further fund disbursement is dependent on clarifications on the progress or lack of progress in achieving specified milestones. Given the challenges of field based projects, the foundation usually releases funds based on timelines specified in the MoU so the programme does not suffer with the implementing partner identifying their course correction plan.

The detailed financial and programmatic report is submitted for review by the implementing partner on a quarterly basis, along with the data of overall beneficiaries. The overall data consists of two parts (number of beneficiaries reached from the very beginning of the year and the number of beneficiaries reached from the beginning of the month).

The livelihood projects have a monthly and quarterly reporting format for the implementing partner. The education team gets reports from the implementing partners every quarter. The team emphasized that however the quarters followed by the education projects are dependent of the school year and not upon the financial quarter that is recognized by the finance department, while considering reporting and fund disbursement. This difference makes it rather difficult for the ABF team to keep track of fund utilization and number of beneficiaries which were covered.

The role of the implementing partner is to delineate the project progress both qualitatively and quantitatively. The framework for monitoring is provided by ABF with little scope for negotiation. The targets are seasonal in nature. For some projects it is not possible to have monthly targets (the number of beneficiaries the organisation has to reach), still monthly reports are sought to describe the planned interventions.

Quarterly reports are more comprehensive and give a holistic understanding of the intervention and the number of beneficiaries reached. The implementing partners also mentioned that they prefer quarterly reports to monthly reports, as they do not have much project related progress to report on a monthly basis. Some of the partners also mentioned that instead of being on field and working, the monthly reports demand that they spend their time in writing reports, which can affect project implementation. The core team was also of the opinion that the monthly reporting format can be incorporated in more mature projects where a monthly progress is more viable instead of overburdening a NGO in the initial stages of the project implementation cycle.

The projects are renewed on an annual basis. The criteria of renewing the project is based on indicators outlined in the rating tool. The renewal is based on the how many beneficiaries were planned to be reached and how many were actually reached. The project is renewed based on the rating tool score for every parameter and based on the cumulative score for each line item. The rating tool is subject to change. It also has weightage for additional components.

Monthly Reporting Template :

Monthly Progress Report :

Report for the month of _____

Title of the Project:

Funded by: Axis Bank Foundation

1. Beneficiary Details:

Period	Target number of beneficiaries	Actual number of beneficiaries
Current Month: June 2014		
Current Year: June 2014 to May 2015		
Cumulative to date: June 2011 to May 2015		

2. Base Line Information:

Actual No of beneficiaries reached as per previous month/quarter	No of beneficiaries for whom baseline data is available	Percentage of baseline data available

3. Component/Activity Wise Progress

Sr. No	Interventions	Current Month		Cumulative for Year IV		Cumulative for the project till date	
		Target	Achievement	Target	Achievement	Target	Achievement
1.							
2.							
3.							
4.							
5.							

Narrative Report:

Name:

Designation :

Signature:

Date: _____

Budget Format - Consolidated

Name of Partner :

Project Period :

TOTAL PROJECT BUDGET											
		ABF					Project Income/ Fees	Other Donor	Govt.		Total
Sr. No	Budget Head	Year 1	Year 2	Year3	Year 4	Total					
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.
1	<u>PERSONNEL</u>										
1.1	Program										
1.1.1	Position1										
1.1.2	Position 2										
1.1.3	Position 3										
1.1.4	-										
	Sub Total Salary Program										
1.2	Admin										
1.2.1	Position1										
1.2.2	Position 2										
	Sub Total Salary Admin										
	Total Salary(____% of Total Cost)										
2	<u>CAPITAL COST</u>										
2.1.1	Item1										
2.1.2	Item 2										
	Total Capital Cost (____% of Total Cost)										
3	<u>PROGRAM COST</u>										
3.1	Program Planning Activities										
3.1.1											
3.1.2											
3.2	Capacity Building										
3.2.1											
3.2.4											

Name of Partner :

Project Period :

TOTAL PROJECT BUDGET											
		ABF					Project Income/ Fees	Other Donor	Govt.		Total
Sr. No	Budget Head	Year 1	Year 2	Year3	Year 4	Total					
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.
3.3	Activity/Intervention 1										
3.3.1											
3.3.2	-										
3.4	Activity/Intervention 2										
3.4.1	-										
3.5	Activity/Intervention 3										
3.5.1											
3.5.2											
3.6	Activity/Intervention 4										
3.6.1	-										
3.6.2	-										
	Total Program Cost (___% of Total Cost)										
4	<u>OVERHEAD COST</u>										
4.1.1	-										
4.1.2	-										
	Total Overhead (___% of Total Cost)										
	Grand Total										
	% Contributoin of each Funding Source										
	% of program cost										
	% of admin cost										

Budget Format - Annual Budgets

Name of Partner
Project Period

TOTAL PROJECT BUDGET YEAR1									
Sr. No	Budget Head	Unit	Time	Unit Cost	ABF	Project Income/Fees	Other Donor	Govt	Total
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	<u>PERSONNEL</u>								
1.1	Program								
1.1.1	Position1								
1.1.2	Position 2								
1.1.3	Position 3								
1.1.4									
	Sub Total Salary Program								
1.2	Admin								
1.2.1	Position1								
1.2.2	Position 2								
	-								
	Sub Total Salary Admin								
	Total Salary (___%of Total Cost)								
2	<u>CAPITAL COST</u>								
2.1.1	Item1								
	Item1								
	Total Capital Cost(___% of Total Cost)								
3	<u>PROGRAM COST</u>								
3.1	Program Planning Activities								
3.1.1.									
3.1.2.									
3.2	Capacity Building								
3.2.1									
3.2.2									
3.2.3									
3.3	Activity/Intervention1								

Name of Partner
Project Period

TOTAL PROJECT BUDGET YEAR1									
Sr. No	Budget Head	Unit	Time	Unit Cost	ABF	Project Income/Fees	Other Donor	Govt	Total
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3.3.1									
3.3.2									
3.4	Activity / Intervention 2								
3.4.1									
3.5	Activity / Intervention 3								
3.5.1									
3.5.2									
3.6	Activity / Intervention 4								
3.6.1									
3.6.2									
3.6.3	-								
	Total Program Cost (___%of Total Cost)								
4	OVERHEAD COST								
4.1.1									
4.1.2									
	Total Overhead (___% of Total Cost)								
	GrandTotal								
	% Contribution of each funding source								
	% of program costs								
	% of admin costs								

Quarterly Financial Report (QFR) - ABF Grant Funds :

Name of Organization _____

Total Sanctioned Amount Rs _____ Lakhs

Project Start Date: _____ End Date: _____

Year under consideration from _____ to _____

Financial Report for the Period _____ To _____

FOR ABF GRANT FUNDS

Sr.No.	Particulars	Total ABF Budget for the Year	Quarter 1 (from ____ to ____)		Quarter 2 (from ____ to ____)		Quarter 3 (from ____ to ____)		Quarter 4 (from ____ to ____)		Total (from ____ to ____)		% Utilization till date	Remarks/ Explanations for Variances
			Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
	As per Approved Budget													
	Grand Total		10	2	10	6	10	10	25	40				

Note :-

- (1) The quarterly financial report should be accompanied by a point wise explanation for all line items showing a + - 10% variance.
- (2) Funds cannot be used for purposes other than sanctioned in the approved budget, unless written approval is obtained from ABF
- (3) Similarly no adjustments may be made across line items unless written permission for the same is obtained from ABF

Summary :

	Overall Budget till date (for the year)		Actual Utilization till date (for the year)	
	Amount (Rs) (for the year)	% age	Amount (Rs) (for the year)	% age
ABF Grant Funds				
Total Other Donors (part of books and not forming part of books)				
Project Income				
Total				

(When Required, on annual Basis)

Name:

Auditor's Signature

Designation :

Seal

Signature:

FR No.

Date: _____

Date: _____

Notes :

1. In the Summary, the amounts reported in the budget columns for ABF Grant Funds, Other Donors and Project Income should match with those in the approved budget for the year
2. In the Summary, the amounts reported in the actual utilization columns for ABF Grant Funds, Other Donors and Project Income should match with those in the "Total Utilization" columns in the QFRs for ABF grant funds, Other Donors and project Income
3. In case the funding from other donors / project income is not at envisaged levels, of the ratio of ABF funding to non-ABF funding is adverse, an explanatory note should be included as part of the report.
4. This report should be audited on a yearly basis, that is the report of the 4th quarter of each project year should be audited, with the sign and stamp of the auditors on the report itself

Quarterly Financial Report (QFR) – Other Donors :

Name of Organization _____

Total Sanctioned Amount Rs _____ Lakhs

Project Start Date: _____ End Date: _____

Year under consideration from _____ to _____

Financial Report for the Period _____ To _____

FOR OTHER DONORS (Including Government and Beneficiary Contributions)

PART 1: Routed through Books of Partner

Sr.No.	Particulars	Total ABF Budget for the Year	Quarter 1 (from ____ to ____)		Quarter 2 (from ____ to ____)		Quarter 3 (from ____ to ____)		Quarter 4 (from ____ to ____)		Total (from ____ to ____)		% Utilization till date	Remarks/ Explanations for Variances
			Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
	As per Approved Budget													
	Grand Total													

(When Required, on annual Basis)

Name:

Designation :

Signature:

Date: _____

Auditor's Signature

Seal

FR No.

Date: _____

PART 2 : Not Routed through Books of Partner (Including Leveraging , in kind contribution where applicable)

	Amount	Nature of Evidence attached	(Example- Work Order, Bank Pass Book, Sanction Letter, Web site snap shot etc)
Quarter 1 Quarter 2 Quarter 3 Quarter 4			
Total			

Name:

Designation :

Signature:

Date: _____

Note:-

1. This report in Part 1 and Part 2 have to include the combined budgeted and Actual Utilization figures for ALL Non-ABF sources including other donors, Government grants, leveraging, beneficiary contributions EXCEPT project income by way of fees, charges, sale of products etc.
2. Part 1 of the report should include the details of all the amounts routed through the books of account of the partner, and this part of the report should be audited on a yearly basis, that is the report of the 4th quarter of each project year should be audited, with the sign and stamp of the auditors on the report itself.
3. Since Part 2 of the report includes the details of all amounts NOT routed through the books of account of the partner, this part of the report may not be audited but should be signed by the authorized signatory of the partner organization.
4. However, the amounts reported in Part 2 of the report should be substantiated with the evidence/ details of the amounts leveraged / raised through contribution in kind.
5. In case of part 1, the amount actually utilized should be included (and not the amounts sanctioned / received, although a mention of these could be made by way of a note)
6. In case of part 2, the amounts for the work actually done, amounts / benefits actually received / contributed by beneficiaries should be included (and not just the works / amounts sanctioned - although a mention of these could be made by way of a note).

Grant Reconciliation Statement :

Name of Partner _____ Project Reference _____

Grant period _____ Grant Amount _____

Grant Reconciliation for period _____ (beginning of the year to end of reporting period)

FUND RECONCILIATION as on (end of reporting period)		Amount in Rs.
OPENING FUND BALANCE (at the beginning of the year) - (should be same as previous year closing)		
ADD : Remittances received from ABF (for the year under consideration)		
Remittance 1:		
Remittance 2:		
Remittance 3 :		
Remittance 4 :		
Reversal (if any)-provide details separately		
Project Income not forming part of the project budget, if any (whether deposited or not deposited into ABF bank account)		
Bank Interest earned during the year		
(Head office, field/location, Partners, vayalgams, federations etc)		
Total Funds Available		
Less : Expenses (from ABF Grants)		
Quarter 1		
Quarter 2		
Quarter 3		
Quarter 4		
Expenses (if any) from Income not forming part of the project budget (whether deposited or not deposited into ABF bank account) after approval by ABF – give details separately		
Programme Expenses (if any) from Interest after approval by ABF – give details separately		
Total Utilization		
CLOSING FUND BALANCE (at the end of this reporting period)		
Represented by:		
Cash in hand	+	
Cash at bank (project bank accounts)	+	
Cash at bank (bank account in which project income is deposited, in case different from the project bank account)		
Fds		
Advances (give details separately - including advances with locations, field offices, NGO partners, vayalgams, federations)	+	
Less: Payables, Provisions and Liabilities (give details separately)	+	
TOTAL FUND BALANCE (at the end of this reporting period)		
The total fund balance and the assets represented should Tally		

Enclose: Last page of the Bank Statement showing closing bank balance and Bank Reconciliation Statement for the ABF bank account
Name:

Designation :

Signature:

Date: _____

Quarterly Reporting and capturing data against critical indicators – Sample Project :

SAMPLE QUARTERLY REPORT											
IMPACT PARAMETERS - PROGRESS INDICATOR											
Project Period: June 2011 to May 2016											
		Performance indicator	Baseline	3 Mths.	6 Mths.	9 Mths.	12 Mths.	15 Mths.	18 Mths.	21 Mths.	24 Mths.
Impact Parameter											
Families having two income sources	Cumulative	Impact Parameter									
Families having significant rise in income	For the quarter	Rs.									
A: Farm-based											
i Income from sale of livestock											
ii Additional income from livestock											
iii Capital appreciation from livestock (excl. original)											
iv Income from secondary enterprise											

A. Total Farm-based income (I to iv)											
B. Non-farm-based											
Total income (A + B)											
Savings habit grows											
No. of accounts	Cumulative	No. of accounts									
No. of deposits in last quarter	For the quarter	No. of deposits									
Families having access to two full meals a day	For the quarter	No. of Families									
Have access to safe drinking water	Cumulative	No. of Families									
Beneficiaries having kitchen garden at their premise	Cumulative	No. of Families									
Families following child immunization*	Cumulative	No. of Families									
Children of school going age are attending schools regularly*	Cumulative	No. of Families									
Eligible couples practicing family planning*	Cumulative	No. of Families									
Families enjoying a safe housing	Cumulative	No. of Families									
Accessed health facilities*	Cumulative	No. of Families									
Keeps the home clean and wear clean clothes	Cumulative	No. of Families									

Beneficiaries who can write names and number	Cumulative	No. of Families									
Beneficiaries having voter card	Cumulative	No. of Families									
Beneficiaries having ration card	Cumulative	No. of Families									
* If applicable											
** Cumulative as at the end of reporting period											
*** Report for each cycle											

Name:

Designation :

Signature:

Date: _____

Mid-term Assessment / Impact Assessment :

The mid-term reports look at the number of beneficiaries, scopes and objectives of the programmes and how successfully have they been covered. The study is usually carried out by the professionals who often suggest course correction. The first report sent is a draft report and then it is finalized after the recommendations are discussed. Some recommendations are acted up on by depending on the budget capacity of the NGO. The recommendations in the impact assessment reports are also forwarded to the NGO – both programmatic and financial ones. The programme manager responsible for the project along with the superiors goes through the report and pick up the most important recommendations. Some recommendations that are very capital intensive are often quite difficult to implement. Other recommendations like income generating skills are taken in consideration. For example, after one of the studies six income generating activities for the SHG members was initiated. The impact assessment is done only for all interventions. ABF team interacts with the community, parents and focuses on community participation. The education programmes are renewed a three yearly basis.

Sustainability and exit strategy :

The livelihood projects were initiated four years ago. Some of the education related programmes have been discontinued, but no end term evaluation or study was carried out. It was mentioned by the ABF team that though they have not conducted end term evaluation of the projects that have been discontinued, they have tried to design the projects in a sustainable manner. The organisations are usually informed 1-2 years in advance before exiting from a project. In some cases, the project has been discontinued from one location and started in another geographic areas. The research team was informed that in the case of some of the skill training programmes, the trainees are asked to pay a nominal fee. This fee is charged with a view to make the project more sustainable, so that the funds can be utilised for basic expenses and future project requirements of the partner organisation.

Critical Monitoring Challenges :

Currently ABF's processes are manual and suggestion has been to transfer digitize them. A structured MIS can result in more effective monitoring. The monthly progress reports would also be shared with all the members of the team once the MIS is in place. The plan is to have data sorting at many levels – from type of intervention to the state it is implemented in etc.

Feedback Incorporation Mechanism :

- ABF team gives their feedback through a formal letter to partner organisations based on their observations of field visits. The ABF team mentioned that incorporating the feedbacks is up to the NGOs discretion.
- An ABF team member is incharge for the audit and impact assessment studies and for communicating to the NGOs the feedback/ recommendations given only through impact assessment and audit reports, not the ones made during field visits. He will also be tracking whether they are being incorporated by the partner organisation.

Financial Auditing – A Critical Component of Project Management :

The financial auditing is done by an external auditor who has an understanding of the development sector. Out of the 43 interventions, 21 are audited by the external auditor and specifically for livelihood projects with a budget of more than 5 crores. The ABF decides the scope of the audit and the auditor also goes through the vouchers et al. Some of the audits also require a field component. At the head office of the NGOs their accounting systems are reviewed and financials are also verified. Audit programmes add value to the programmatic and financial aspect.

The financial manual states in detail the financial policy for the particular project. The ABF team highlighted that the impact of the project is validated further through the transparency associated with external evaluation. It also helps them showcase their projects to a wider audience. The team also felt that there can be a bias in the findings if the programme team was doing the assessment themselves.

- Method of accounting funds received from Axis Bank Foundation
- To verify Grant Utilization. Submission of annual audited grant utilisation certificate
- Compliance to grant terms and conditions - Correlate programme achievements to grants received. Non budgeted spends are highlighted for discussion
- Check accounting policy & systems – Cash management, bank management, fixed asset management, procurement process followed
- To check the Operating Effectiveness of Internal Control & Financial Systems towards:
 - Income & Expenditures
 - Assets & Inventory Items
 - Liabilities
 - All payments in accordance with Accounting Manuals
- System of maintaining records and documents pertaining to beneficiaries identified for the specific project
- Methodology adopted to purchase assets / finance assets / initiate training needs/ extend support for the benefit of ultimate beneficiaries
- Methods adopted for disbursing amount to vendors of assets / institution / service providers / identified group
- To check for the Statutory Compliances such as FCRA, Income Tax, PF, professional Tax. Service Tax, etc.
- Governance process of NGO – Enquire about how often the trustees have meeting, review minutes of the meetings, etc.

The more broader scope of audit can be discerned in Annexure-I.

Some Gaps Identified by the Programme Auditor after Initial Auditing of Specific Partners :

- The MOU conditions between implementing partner and local NGOs should be the same as the ones between ABF and implementing, but that was not the case.
- Internal monitoring processes, fund utilisation and payment process to NGOs were not in place.

Impact of the NGO financial management handholding process :

Dhan Foundation :

During the second round of auditing for the NGO, the auditors observed that the grant utilisation and cash management systems were followed as per their recommendations of the 1st round of auditing.

Harsha Trust :

The NGO informed the auditors during the 2nd round of auditing that because of their audit and recommendations, the organisation improved its processes drastically. They have also helped other NGOs to improve their internal monitoring processes. One person from Harsha Trust even became an accounting trainee for a govt. program.

Plan India :

Plan India works with 4 local NGOs for implementing the project. During second round of auditing observed that the gaps from the initial auditing were addressed by the NGO.

Internal auditing and fund disbursement checks and balances :

The foundation also has an statutory auditor M/s. Nissim & Co. who have submitted the first audit report for ABF in 2014. A team of 2-3 people from the audit firm were at ABF for 3 weeks and checked all vouchers, MOU, sanction letters, etc. The delegation of power is also checked to see if power is being misused for release of funds, etc. as review on adhering to internal fund disbursement processes. The auditor commented that the foundation has structured checks and balances for fund disbursement with limitations and cross functional reviews.

The statutory auditor looks after the overall financial audit of ABF. As part of their audit, the auditor checks the fund utilisation process, books of record and also whether all statutory compliances are being met. The auditors also make suggestions for investment of unspent amount as per current guidelines. The statutory auditor also checks into the due diligence for all partner NGOs. They check if the NGO has all required documents and registrations. Their role in NGO engagement is limited to this currently. ABF seeks the service of the audit agency from time to time for clarifications or advice on financial transactions and accounting. General queries include TDS deduction, billing, etc. An employee in charge of income tax at the audit firm visits ABF office every month to check vouchers.

The auditor's advised ABF about the systems they should have in place based on the annual audit report. The major inputs are regarding documentation of bills and vouchers. The systems followed in ABF for documentation (entering vouchers) is done manually using excel. Currently the audit firm is involved in the statutory auditing of ABF.

Process for Renewal of Projects:

The projects are evaluated as per the rating tool designed by ABF. The renewal of a project depends on the results of this tool. A critical point of evaluation for the projects is the ratio of investment to the outcome of the project.

KII with Programme Auditor

The auditor has been associated with ABF since the past 3 years. She has conducted audits mostly for the livelihood projects and also audited some education projects. She has been involved in conducting the post funding financial auditing of partner NGOs. Currently, she is not involved with the pre funding auditing of partners. She also conducts audits before renewal of projects. So far, her firm has conducted only one time audits of NGOs. Except for few organisations like Plan India, Dhan Foundation and Aga Khan where the audit has been conducted twice. She noted their more evolved processes based on incorporating the auditor and foundation's inputs. The audits are done annually. When the grant amount is in excess of the amount agreed on, audits are conducted.

She explained that most of the NGOs had to be hand held while structuring their financial management processes. On the last day of the audit, the auditors have a meeting with the NGO and discuss key findings. The auditors follow a capacity building approach to auditing by provided recommendations to the NGOs. The auditors submit a detailed report about the organisation which includes executive summary of findings, good practices followed and recommendations.

Risk Evaluation with Media Tracking:

More recently, since January 2015, the foundation has also initiated the media tracking of NGO partners, critical stakeholders of ABF on a daily basis. The tracking, done in print and social media provides ABF with an overview of positive and negative news feeds which is used as a risk assessment tool of the portfolio.

Partners Grant Manual:

Recently, ABF had conducted a capacity building workshop for implementing partners to disseminate the Grant Management framework of Axis Bank Foundation. The two day workshop resulted in extensive feedback from the NGOs which was incorporated while drafting the final version of the Partners Grant Manual. The main sections of the grant manual are outlined below.

Preamble

Alignment with the manual providing allowance for exceptional cases

Pre - Funding Financial Due Diligence

Consolidation of all required documentation for diligence, information about grant receiving bank accounts

Budget Preparation and Monitoring Processes

Internal board approval before submission

ABF Grant Utilisation

Unit costs of various activities, variations excess of 10% need prior written approval , required capacity building , spends done with partners organisations mentioned separately in the utilisation certificate, subject to external audits, funding ratios across stakeholders

Grant Request & Reporting Requirement

Fund disbursement is dependent on submission of periodic financial and narrative reports

Book of Accounts

Financial records of ABF grants should be retained till the end of the project period and for a period of 5 years after the project is over , voucher submission format, printouts of book of accounts are shared at quarterly intervals, cash payment limits outlined

Internal Control Process

Dynamic nature of processes and review periods, functional hierarchy, internal audit process, internal checks and balances for maintaining book of accounts

Payment Processes and Supporting Documents

Third party authentication of payments, if feasible . At the village level, have SHG group or village leaders authenticate the bills , leaning for payments by cheques . Bills, vouchers, receipts should be enclosed for specific heads of expenses, maintenance of stock register for foods and consumables was outlined. Beneficiary distribution of aid should be documented with list of names, photo documentation

Banking Processes

Separate bank accounts should be maintained across field office locations, partner NGOs to track unit-wise utilisation. Cash on hand/in-transit insurance cover was agreed upon

Cash Management

Cash management principles

Project Human Resources

Staff requirements as outlined in proposal for full time/part-time staff should be met for effective project delivery and outcomes , payroll management and staff benefits

Procurement/ ABF project assets

Quotation and vendor engagement principles for costs exceeding Rs. 25,000 is detailed. Assets purchased from ABF project grant should be utilised only for the specified project

Grant / Phase Closure Processes

Projects are provided grants through a phase or phases and project closure requires closing the bank account and termination of partnership process. If NGO gets funding for another project then balance from earlier phase can be utilised for the new project as the opening balance

Statutory Compliance and Governance



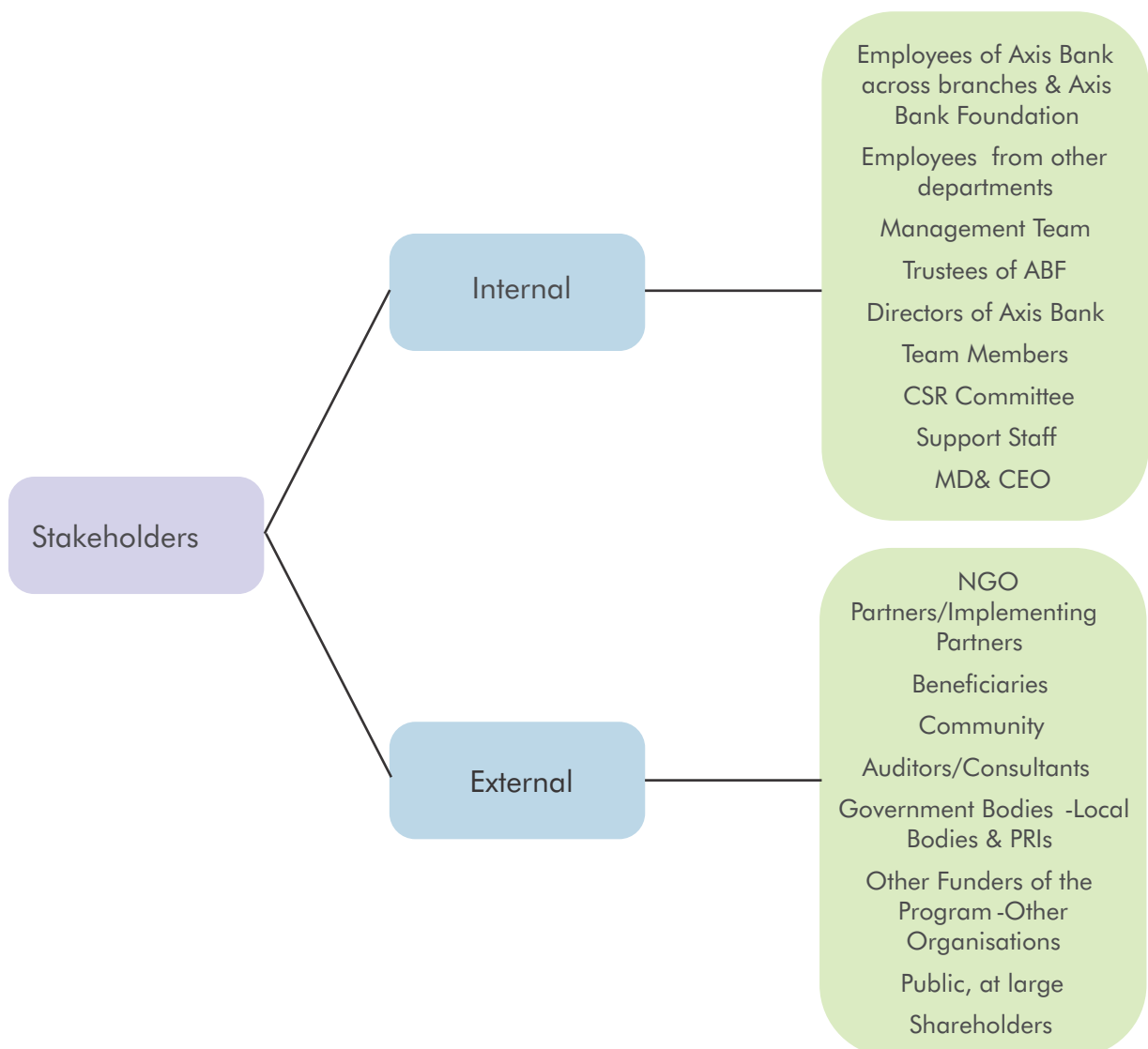
CHAPTER 8

COMMUNICATION AND OUTREACH

The communications process was evaluated to understand the nuances of the communication channels and organisational culture existing between ABF employees and their various stakeholders.

1. Mapping of Stakeholders :

The exercise was conducted to have an overview of all the stakeholders-Internal & External associated with Axis Bank Foundation.



2. Level of Engagement/Communication with each stakeholder :

Internal Stakeholders

The communication channel with each internal and external stakeholder was further explored by dividing the frequency of engagement into three scales- High, Medium & Low.

a) High

- The engagement was decided to be termed as 'High' if it involves monthly reporting and meetings.
- The Trustees of ABF & Directors of Axis Bank also have 'moderate level of engagement with each other.

b) Medium

- The engagement was termed as 'Medium' if it involved quarterly meetings.
- The engagement between employees of ABF and the board.
- The engagement between employees of ABF and employees of Axis Bank can be put under 'Medium' level of engagement, as Program Manager from ABF go for visits to Axis Bank branches in order to encourage them for Axis Cares' and also to inform them about the usage their money is being put to. At present, out of 40,000 employees, 8,300 are registered under the same.
- CSR committee meets quarterly with the seniors.

c) Low

- The engagement between employees of ABF was described as 'Low'.

Internal team meetings are not organised in a planned format at present. No frequency of meetings have been set as of now. Team meetings are organised as and when the need is felt, or when some issue requires specific attention by the Learning & Evaluation team.

Impact Assessment Reports, and Mid-term reviews are received by the concerned Program Manager, and then sent to the top management or Trustees. The report is not forwarded to the employees of ABF. Quarterly Progress Reports, Monthly Progress Reports or other such evaluation reports from external stakeholders remain with the Program Managers, and are sent to the senior management only when required. Need-based meetings are scheduled then. The respective Axis Bank branches are the contact point for internal stakeholders.

External Stakeholders

- a) High- The level of engagement between ABF and partner NGOs was rated as 'high' by the ABF employees. The communication is mostly through e-mails, and telephonic conversations. The employees further said that the communication should be in a dialogic and discussion format, but out of choice and requirement of a particular information, the communication is rushed based on project deliverables.

The engagement with Statutory Auditor was rated as 'high' by the employees of ABF.

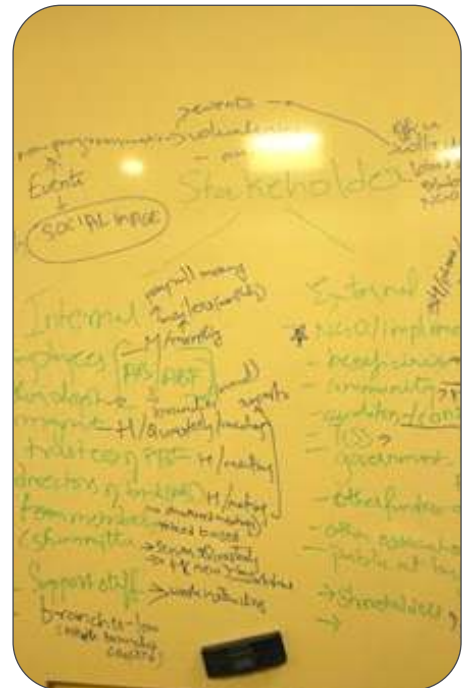
- b) Medium- The level of engagement with beneficiaries can be put under this head. The Program Managers engaged with a particular program go for field visits and interact with a handful of beneficiaries on a quarterly basis. No criteria for beneficiary selection has been defined for field visits. At present, it is done on a selective and availability basis.
- c) Low - The level of engagement with government and Panchayati Raj Institutions was rated as 'Low' by the employees of ABF. No direct engagement with government bodies exists at present.

Engagement with other funders was also rated under 'low' level of engagement.

The foundation publishes annual reports to reach out to public, at large and its shareholders. The Program Managers heading several programs are the contact person for external stakeholders. For example, if there is a Livelihood Program the Program Manager heading that particular program is the contact person for NGOs.

Branding and other Communication Mechanisms :

- a) There is a centralized newsletter explaining the details about the programs implemented by the Foundation.
- b) There is a separate corporate Communication and Marketing Team, they are not directly responsible for branding the work done by ABF.
- c) The Foundation has not yet ventured into public branding. Only the brochures of all the programs being run and undertaken by ABF has been uploaded on the Foundation's website.
- d) The marketing team also visits project sites to explore the scope for branding.
- e) The existing CSR communication campaign is conducted through monthly mailers and Facebook page of Axis Bank.



Stakeholder Mapping

The team at ABF confirmed that there has been a conscious effort to diverge itself from branding aspect as of now. The team feels that with the present staff strength, its capacity and the outreach of its programs, it is better to focus more on the programs. The core team believed that the additional focus on branding can be considered in future when the projects have achieved a certain maturity level.

The Foundation is still in the process of measuring utility from branding. The team at ABF also gave an example of a skilling initiative being undertaken in collaboration with Godrej Agrovet. 52% of the investment in the programme has been done by ABF, and the rest 48% by Godrej Agrovet. However, none of these companies have their logo on the brochures and pamphlets of the skilling program. Only the stationery given to the students has their logo. This has been done consciously as the government also sponsors students to this centre.

Mind mapping adjectives and internal perceptions :

The employees at ABF enthusiastically listed a series of adjectives which can be used to describe the work of their Foundation.



AXIS BANK AND AXIS BANK FOUNDATION :

ABF positions its internal mission into the core AB Values which are:

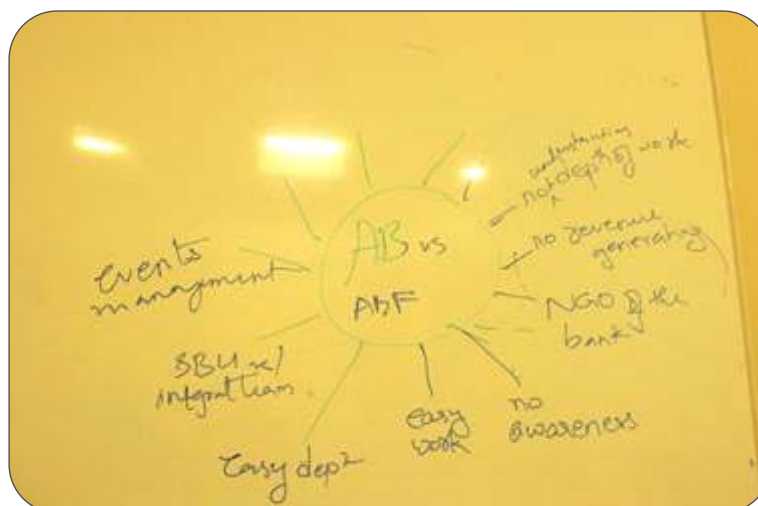
- i. Customer Centricity
- ii. People centric
- iii. Ethics
- iv. Transparency
- v. Teamwork
- vi. Ownership

The core vision of Axis Bank is 'To be the preferred financial solutions provider excelling in customer delivery through insight, empowered employees and smart use of technology'. The Foundation's internal vision is, however, different. The Foundation's aim is to provide 1 million sustainable livelihoods to the underprivileged in some of the most backward regions of the country in the next five years, with 60% of the beneficiaries being women.

It wants to shed its niche image and be a more inclusive stakeholder in the Bank's ecosystem. The Bank should have a wider dissemination of the Foundations' objective and deliverables. The Foundation would like to be identified as an integral and intrinsic aspect of the Bank.



ABF self-perception



What does the Bank think about ABF's work? ABF core member's self-perception

CHAPTER 9

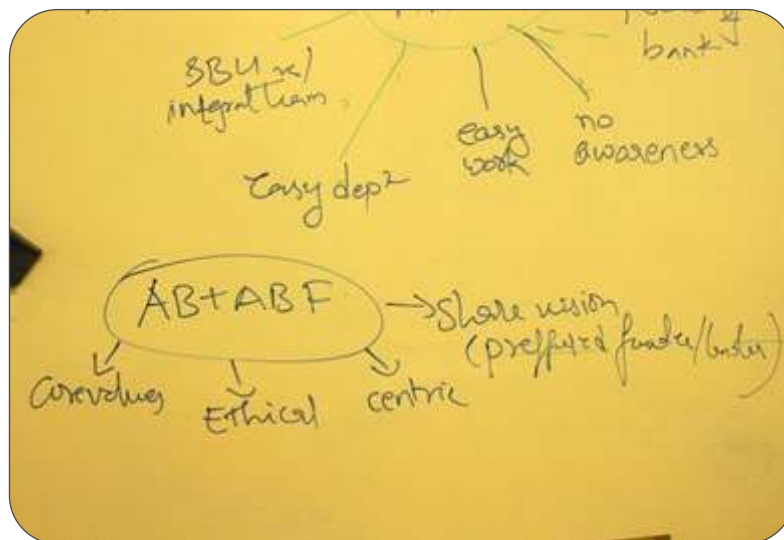
VOLUNTEERING AND ITS IMPACT

Axis Bank Payroll Programme – AXIS CARES :

Under this programme, the employees can pledge any amount as low as Rs.100 from their salary every month. This amount is used towards the company's CSR activity. These employees receive an utilisation mailer informing them about the programme's progress. Currently 8300 employees are enrolled in this programme.

Mitra Jyothi

The ABF employees volunteered at Mitra Jyoti, a partner NGO in an active project under the education vertical. This NGO works for the visually impaired. The volunteering activity included voice recording children's book in English. It was initiated at ABF a year and a half ago and has been conducted twice. The employees were sent a mail regarding the programme and they received responses from 30-40 employees. The employees were given training in batches for the recording. They were taught to use the Daisy software. The volunteers were provided with the software and headphones for recording. A list of books were given for the recording. Each volunteer was given around 30-40 pages to record. A separate room was provided to the employees for recording, but most chose to do it at home during weekends and could finish the recording in a few hours. Editing, quality check, etc. were also done for the completed recording. Despite having an opportunity to volunteer twice, the volunteers expressed the willingness to contribute their time on a monthly basis across projects. Many people have also requested for an entire book for recording. Since, the activity involved recording the books, the volunteers did have an opportunity to engage with beneficiaries. There was no tracking of time dedicated for the volunteering, though the employees were of the opinion that such monitoring mechanisms will be beneficial going forward. The volunteers related their experience to having gained a sense of satisfaction.

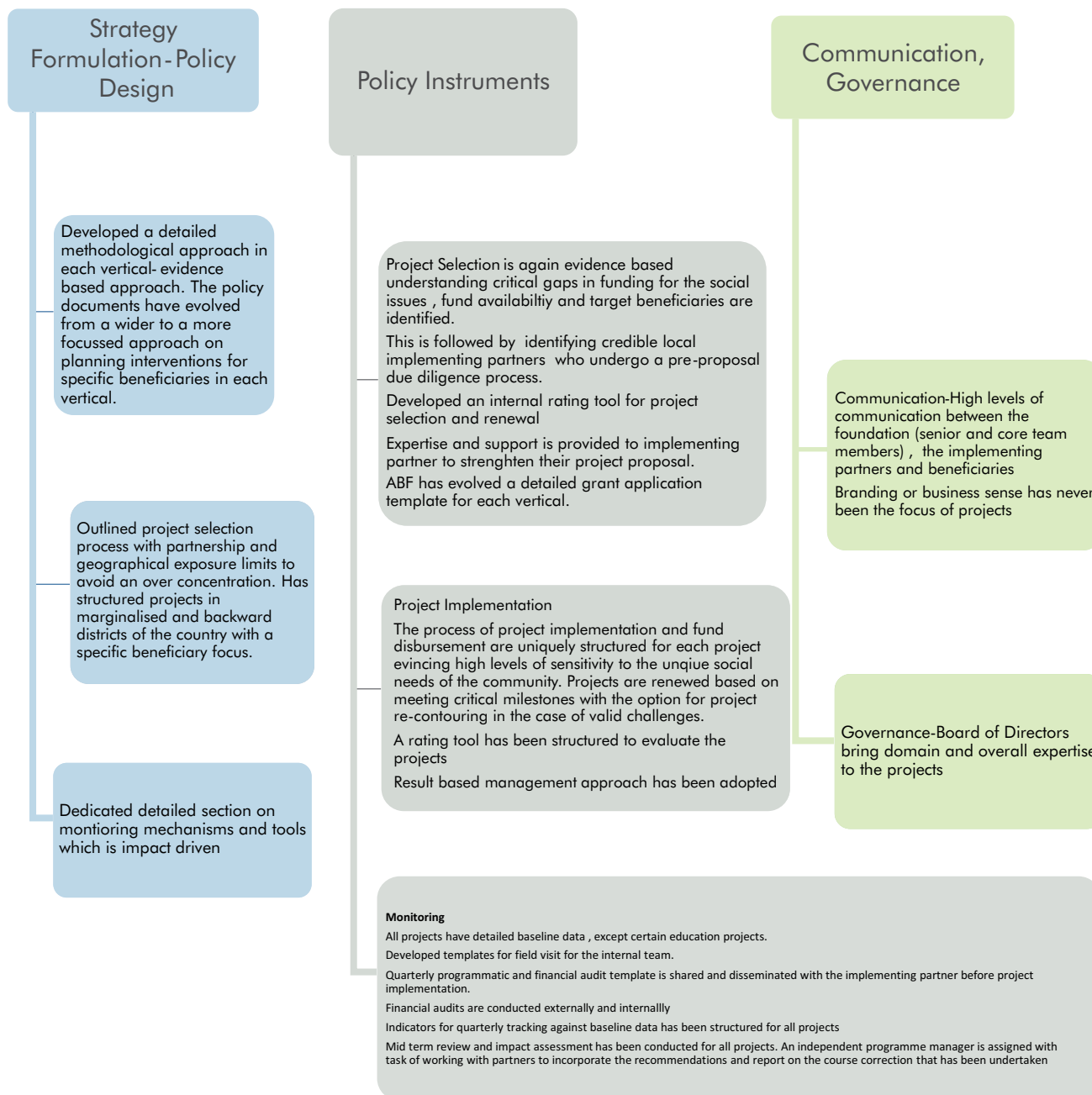


Other volunteering activities:

1. Christmas party was organised for THINK Foundation at Hard Rock Café and some of the employees had volunteered for this event
2. Employees also volunteered for Independence Day programme organised for an NGO named SUPPORT
3. Some employees have volunteered in organising the quarterly blood donation camps at the bank
4. ABF Champions: They are representatives of other departments who champion for ABF causes during exhibitions, blood donation drives etc. in their respective departments
5. AXIS CARES: Volunteering programme where employees pledge some amount from their salary which is used for CSR activities. These employees receive an utilisation mail every month regarding the progress of various projects. This activity is done in collaboration with the marketing department

CHAPTER 10

BEST PRACTICES



ANNEXURE I

Scope of Audit

Financial Management :

- Method of accounting funds received from Axis Bank Foundation
- To verify Grant Utilization. Submission of annual audited grant utilisation certificate
- Compliance to grant terms and conditions
- To undertake prevalent checks with reference to Accounting Policy, it's Applications & Treatments for all Trust funds
 - To check the Operating Effectiveness of Internal Control & Financial Systems towards:
 - Income & Expenditures
 - Assets & Inventory Items
 - Liabilities
 - All payments in accordance with Accounting Manuals
- System of maintaining records and documents pertaining to beneficiaries identified for the specific project
- Methodology adopted to purchase assets / finance assets / initiate training needs/ extend support for the benefit of ultimate beneficiaries
- Methods adopted for disbursing amount to vendors of assets / institution / service providers / identified group
- To check for the Statutory Compliances such as FCRA, Income Tax, PF, professional Tax. Service Tax, etc

Program Related :

- Methodology adopted for identification of ultimate beneficiaries
- Methods adopted to verify receipts of assets by beneficiaries
- Understand the model of the proposed project and give suggestions regarding the required systems to be put in place as per the expectations of funding agencies (if the project is considered).
- To check the management of financial contributions from community / Government and / or other donors and compare the same as per sanction terms / MOU
- System of sharing of MIS (usage report) with Axis Bank Foundation

General Scope :

- Governance including the details of Trustees, Governing Body, Meetings held, Filing of minutes, submission of annual accounts to governing bodies
- General administration of NGO in relation to projects handled by it
- Serious irregularities, if any observed in the audit reports submitted by Internal / statutory auditors including the Management Letter issued by the statutory auditor and how the issues are addressed.
- To check and confirm that NGO has not received any strictures or penalised for its regulators and other agencies(if any) (through management discussions / audit reports)



Knowledge Partner



Axis Bank Foundation, Corporate Office, Axis House, Wadia International Centre, Pandurang Budhkar Marg,
Worli, Mumbai – 400025

www.axisbankfoundation.org | foundation@axisbank.com