

THE CATALYST GROUP



We are five institutions that form the Catalyst Group - Catalyst Management Services, Swasti, Vrutti, Fuzhio and the Catalyst Foundation. This note traces the philosophy and history behind the group and its entities. It provides an opportunity for partners, associates and others who deal with us to understand us better – particularly our intent, why the group approach makes sense, and mechanisms in which we work within the group and with others. The note has also been prepared with a view to increase transparency, accountability and governance. It answers the following questions:

- Who are we?
- Why are we here?
- How we govern ourselves?
- How we contribute to social development?
- How big are we?

1. Who are we?

Our journey as the Catalyst Group journey began in 1994 with the foundation of Catalyst Management Services (CMS), a professional services firm, established as a private limited company.

Its three founders, development professionals from Institute of Rural Management Anand (IRMA) did not have a vision to create a group at the outset, following rather a social entrepreneurial drive to set-up a firm that could contribute to development. Initially CMS took on consultancies as a means to gain experience, establish credibility and grow. Gradually the Founders focused their efforts in the area of social development: an area that reflected their passion, personal value system and core competency.

As CMS focused its work on providing professional services to the social development sector, many opportunities for contribution through direct implementation arose – field model development, program implementation, specific areas of work like Juvenile Diabetes Support Group, etc. – requiring a non-corporate approach.

This paved the way for the establishment of **Catalyst Development Initiatives (CDI)** in 2002; a not for profit society which operated as an incubation vehicle for development ideas. Within CDI, the first incubation initiative was the Bangalore Juvenile Diabetic Society (BJDS) –



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working for the benefit of Children with Type 1 Diabetes. The second was Swasti – a public health resource centre. Both these initiatives on attaining a certain level of institutional maturity became independent organizations, with BJDSG now operating completely independent of the Catalyst Group, run by parents of children with Type-1 Diabetes; and Swasti as a Catalyst Group organization. CDI then incubated Vrutti – the livelihood resource centre. As Vrutti grew and became the main function of CDI, the CDI Board resolved to change the name of CDI to Vrutti, thereby completing the journey of CDI as an incubation organisation.

While CMS focused on professional services, Swasti and Vrutti worked on field and community engagement in specific sectors.

In 2005, Fuzhio was founded for product transactions (procurement, processing and marketing). Initially Fuzhio's focus was on Health Foods and this journey, although bright and big, was short. Subsequently Fuzhio shifted focus to trading agricultural commodities produced by Farmer Producer Organizations (FPO).

In 2015, to consolidate the individual organisations' activities and provide clarity to the Group approach, the Catalyst Foundation, a Trust was set up as a group organization - to be the binding spirit and the umbrella organisation, representing the Catalyst Group. Catalyst Foundation is focused on creating health and wealth for poor and marginalized communities, irrespective of the legal and statutory form of the individual organizations.

In summary, the Catalyst Group now consists of five organisations:

CMS (est. 1994) - a private limited firm which specializes in providing professional services: Works with partners in social development to harness the ecosystem strength for accelerated impact, maximize the social return of initiatives, and create creation of shared value. We deliver these through professional services in the areas of impact measures, performance management (research, monitoring, evaluation and learning, project planning, institutional development, etc.), social investment planning and sectoral connects.

Swasti (est. 2004) - a registered Society (not-for-profit) Health Resource Centre established with a mission to empower people and communities, particularly poor and marginalised, to make the right choices to lead healthy lives; through innovation, knowledge, technical support and policy shaping. The strategic framework reflects this.

Vrutti (est. 2002) - registered Society (not-for-profit) Centre for Sustainable Livelihoods, enhancing people's well-being through knowledge, innovation and transformative actions.

Fuzhio (est. 2005) - a private limited Product company which procures and sells products for marginalized communities (small farmers, sex workers, and other small producers), their organisations and social enterprises.



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Catalyst Foundation (est. 2015 - in process of being established) - a Trust to consolidate the Group's operations, act as a public face for the Group, manage group investments and provide direction for the Group Organisations to operate.

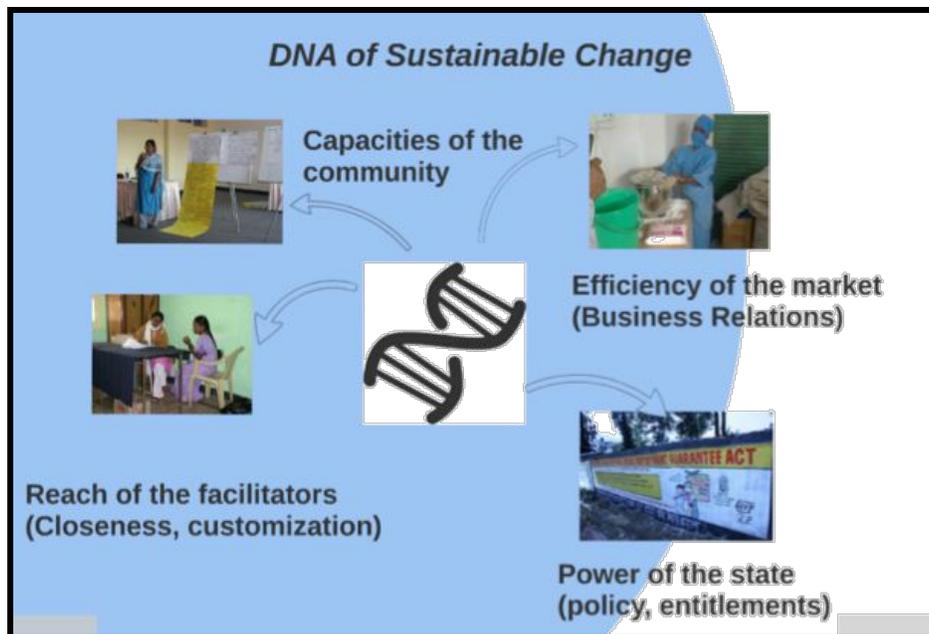
2. Why are we here?

We are often asked why we need five different organisations to achieve our passion. We believe that development is a complex process with many barriers and interconnected issues.

Consider this: people work either in Public Sector, NGO Sector or the Private Sector. Traditionally development organizations were either public or NGO in nature. These boundaries have now blurred, and we, as Catalysts, recognized this early on. Social enterprises, responsible businesses, impact investments, smart subsidies, sustainable solutions are key to development, and these cut across 'sectors'.

We also recognize from our experience (and rich experience of others) that the DNA of any sustainable change and transformation integrates four key ecosystem elements – Capacities of the Community, Efficiency of the Market (Business Relations), Reach of the Facilitators (Closeness, customization) and Power of the State (Policy, Entitlements).

At Catalysts we work through eco-system solutions that combine these elements to bring together people, institutions, systems, solutions and approaches for sustainable impact. These are not divided out into each organisation's work – as they are interconnected and means to an end.



The Catalyst Group as a whole also seeks to make positive change, and the existing terminologies and water tight compartments that institutions are usually branded in do not do us justice ("If you are a company, you are for profit. If you are a Society, you are not for profit.") Rather we use the ecosystem approach mentioned earlier to deliver value to the society. Grant based models are required to derive proof of concept and move to scale. Fee based models enable us to provide evidence and insights to help other organisations reach scale. Some models provide the opportunity to collect fees for services rendered, which then can be used for cross subsidising investments. While some operations may generate surpluses (not necessary profits), they help pay for expenses which cannot be recovered or investments that need to be made to develop a tool. In the process, we do not seek to make profit; but be sustainable and not dependent on donors. We are one of India's first and one among the largest Social Entrepreneurs.

Therefore, the Organisational forms we have chosen have been driven by the following:

- The formats of organizations which allow us to work within the above mentioned approaches
- The legal and tax requirements of the land which need to be followed fully by separating commercial (with a not for profit motive overall) from purely charitable activities
- The need to provide depth through individual organisations and width through the Group approach
- The need to recruit, pay industry standards and retain staff of specific backgrounds
- The organisational formats required for different kind of work – e.g. Field laboratories Ground level labs/innovations versus professional services versus marketing of products produced by poor people.

Together the intent of the group is to empower people.

The table below provides the overview of each organization:

Organisation	Focus	Strategies & some examples of action	Revenue models
Catalyst Management Services	Professional services for Development Organisations	Services – e.g. Impact assessment, monitoring and evaluation, research, etc.	Fee for services



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Swasti	Public Health	<ul style="list-style-type: none"> • Modelling – e.g. HIV prevention community model • Policy shaping – e.g. Human Resources in Health Policy • Technical support. e.g. Planning public health interventions 	<p>Grant, supplemented by own resources</p> <p>Own resources</p> <p>Grants and fee for services</p>
Vrutti	Livelihoods - Farm, Forestry, Fisheries, Livestock and Micro Small Enterprises	<ul style="list-style-type: none"> • Intervention modeling - Farm Enterprise Facilitation Centre, Community-based MFIs, • Program Implementation - Direct and Co-created • Technical Support to development partners - Value chain studies, business planning, strategic planning Network and Policy engagement - RRA Network, RTRS, etc. 	<p>Project and Programme Grants</p> <p>Own resources</p> <p>Fee for services</p>
Fuzhio	Products, Marketing	<ul style="list-style-type: none"> • Business services - consultancies for marketing, product development, strategies • Commodity Marketing - Sunflower, Soya, etc. • Products Marketing - Solar lamps, etc. • Agricultural Inputs supply - seeds, biochar, bio pesticides 	<p>Fee for Services</p> <p>Sale of products</p> <p>Sale of products</p> <p>Sale of products</p>

The overall intent of the Group is to promote sustainable development while we ensure our own sustainability as social entrepreneurs.



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3. How do we govern ourselves?

Our governance architecture is at two levels: (a) individual organisational governance; (b) group governance. The Individual organisational governance mechanisms are both statutory and non-statutory in nature. As per the law each of the organisations has its Governing Boards that, in addition to providing direction to the organisation, are also responsible to ensure all legal and statutory compliances.

The organizations have clear Memorandum of Understanding between them which define the proper protocols for transfers if any. Each organisation's accounts get audited by an independent auditor. Each organisation has its own strategic and operational teams to develop overall strategies and provide guidance on execution.

At the group level, the Trustees of the Catalyst Foundation (representatives from each Organisation in the group) operate as a Strategic Steering Group and are the owners of the Catalyst Group.

In the last two years, we have recognised that there are individuals and institutions that are very comfortable with the organic nature of the Catalyst Group organisations; like the Bill and Melinda Gates Foundation who found a great advantage in this inherent partnership while sanctioning a USD 10 million grant to us. There are others who are not easily able to comprehend the group concept and need more clarity on the relationship and partnership between the Group entities. After considering this, and given that the Catalyst Group promotes and follows highest standards of ethics and transparency, the following measures were introduced to assure organisations working with us of all statutory and operational propriety:

1. Fuzhio and CMS were earlier handling Finance, Administration, HR functions on behalf of the whole group. This has been discontinued with each organization having its own dedicated team handling these functions. This practice has been implemented from 1st April 2013.
2. Movable assets held jointly have been divided and are now held by individual organisations. There are no immovable assets in the group.
3. We have put in place a Procurement policy in all the four organisations, which includes inter-group procurement practices. When there is a procurement of service between the organisations, depending on the situation, one of the following two actions is initiated:
 - a. Pre-approve the procurement with the donor as part of the proposal, so that there is no confusion on intent or practice. Clear TORs and nominations are made in advance and any changes agreed with donors.
 - b. Where procurement is being done from one of the Group organisations during the execution of a contract (and not included in the proposal), then involve the donor and get prior permission as per the procurement policy.



4. All the four Governing Boards operate independently – with no overlap of key functionaries. The founder Directors - Shiv Kumar and Raghunathan are common in all four Governing Boards. In the Governing Boards of the two Societies, they both do not hold Executive Functions, these being held by independent Board members. Other members also who are in more than one Board do not occupy Executive positions in multiple Boards.
5. Inter organizational transfers are purposeful, need-based and there are clear and transparent books of accounts that are audited regularly. These continue to be done as was earlier, keeping in mind now the above aspects.

4. How do we contribute?



Over the twenty years of operation of the group we have contributed in the following ways:

- Improved efficiency and effectiveness of development interventions for over 1,000 organisations who have benefitted from our professional services, getting insights and evidence on their interventions enabling impact acceleration, programme effectiveness and efficiency, performance enhancement, organisational transformation, and maximising social return on investment.
- Helped transform organisations to grow from small operations to fairly large and effective. e.g. ASEEFA (Association for Sarva Seva Farms)
- Helped raise funds – Rs 2,137 crores (343 Million USD) for the HIV, TB and Malaria Programmes of India, Thailand and Afghanistan.



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- Managed development platforms like the Community of Evaluators (South Asia), Centre for Health Market Innovations (CHMI), Centre for Innovations in Education (CIE), the network for Revitalising Rainfed Agriculture, Network of Women's Equality and Equity (NWEE - a network of 10 community based organizations for women in sex work in Bangalore)
- Directly touched lives of 500,000 poor and marginalised individuals and households. We have achieved this by designing, testing and scaling up innovative models.
- Helped shape policies – In Dairy Sector (informal milk markets), HIV- Migration, Human Resources in Health, primary education, rainfed agriculture, biosecurity, and sustainable soya and HIV prevention.
- Provided financial services to a number of large livelihoods initiatives like Western India Rainfed Farming Project, East India Rainfed Farming Projects, India Farm and Forestry Development Corporation, Gram Vikas Trust, Madhya Pradesh Rural Livelihoods Project, 40 Community Organizations working on HIV prevention in Karnataka; Grant Management and Due Diligence for networks like Revitalization of Rainfed Agriculture Network, Community of Evaluators of South Asia, Give to Asia, HIVOS Pro-CIF Fund.
- Provided access to Social Protection to poor and vulnerable communities such as small holder farmers, people living with HIV, most at risk populations (women in sex work, men having sex with men and transgender).
- Achieved extraordinary results in reducing HIV prevalence from 22 to 7 percent in 8 years in Bangalore.
- Developed several innovative models for impact including Empowerment approach to HIV prevention, Farm Enterprise Facilitation Centre, Health Education Livelihoods Outcomes, Workplace Advancement Initiatives, People and Panchayat Water Governance.
- Pioneered several methodologies including Polling booth, Measure of Livelihoods (MOL), Simplified Micro Accounting Systems (SMACS), Group Self-Assessment, Geographical mapping, etc – each of which are widely used in the Development community.

Milestones, Awards and Recognitions

The work done by us over the last twenty years has not gone unnoticed. Some of the recognitions received by us over the last few years include:



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Catalyst Management Services

- The CMS team was awarded the prestigious Indian Council of Agricultural Research National award for their multidisciplinary action research (in agriculture and allied sciences) on Traditional Dairy Sector, 2008.

Vrutti Livelihood Services Center



- Vrutti was awarded the prestigious 2013 World Bank India Development Marketplace grant to scale up its Agriculture Enterprise Facilitation Centre Model (AEFC). The focus of this year's competition has been "Supporting development solutions to scale" and out of 192 viable proposals received by World Bank, Vrutti attained a place on the list of 20 awardees. Through the USD 100,000 World Bank grant, Vrutti is covering 3,000 farming families in one block of Chhattisgarh.
- Best Urban Community Micro Enterprise for the year 2012 by Citi Micro Enterprise Awards
- Outstanding Multidisciplinary Team Research in Agricultural and Allied Science by Indian Council of Agricultural Research - ICAR
- Swathi Jyothi awarded "Best Co-operative of the Year-2012 for Women's Empowerment" by the Karnataka Rajya Souhardhya Samyuktha Sahakari Niyamata, Bangalore (Karnataka Federal Co-operative).
- Vrutti's model of Agriculture Enterprise Facilitation Centre (AEFC) has been recognized as innovation by National Bank for Agriculture and Rural Development (NABARD) and DFID. Two AEFCs at the Block Level in Madhya Pradesh will be established with this support.



Swasti Health Resource Center



- Pragati, our flagship empowerment programme among women in sex work in Bangalore, is recognised as an international model and learning site, hosted over 1,000 visitors in two years.
- We grew from being an implementing partner for GAP Inc in India to being its international partner on the Personal Advancement and Career Enhancement (P.A.C.E.) initiative; quoted in the Forbes Magazine and as a case study in Learning Network on Capacity Development.
- Swasti was recognized in the global Capacity at Development Knowledge Fair, 2010 conducted by UNDP, for its work with community based organisation development. Swasti was one of the top three finalist shortlisted for a model presentation during the Global Event in Marrakech, Morocco.
- Swasti and our partner Swathi Mahila Sangha, a collective of Women in Sex Work were honoured in 2009 with the Spandana award instituted by the Indian Psychiatric Society, Karnataka chapter for the significant contributions in the area of de-addiction.
- Swathi Jyothi, a women's bank ideated and supported by Swasti along with Vrutti Livelihoods Resource Centre, was awarded as one of the best co-operatives by the Karnataka State Federal Cooperative Limited in 2012 and as the Best Urban Community Micro Enterprise in India by the Citi Foundation, USA in 2012.

5. How big are we?

“How big are you?” This is a question that we often get asked. It's a question which has several different objectives and can be therefore answered in many ways:



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- What is your size: Turnover, number of offices, staffing and other traditional metrics
- What is your size of your work: Scale, impact and contributions
- What is your capacity size: How large is your capacity

Philosophically and strategically, Catalyst Group would like to stay small and make big impact. We are not focused on our size, rather the size of our contributions. Therefore we prefer to measure and be measured on this count (see earlier section 4 for our size details in terms of contribution). However for the more traditionally oriented, some traditional metrics:

Organization	Full time staff	Offices	Turnover (FY 2015) *Provisional figures before audit
CMS	40	Bangalore	Rs. 6.3 crores
Swasti	94	Bangalore, Delhi, Hyderabad	Rs. 15.6 crores
Vrutti	65	Bangalore, Bhopal	Rs. 8.04 crores
Fuzhio	1	Bangalore	Rs. 88.9 lakhs
Total	200		Rs. 30.83 crores

The Catalyst Group's capacity to handle assignments, projects and programmes is flexible and operates like a rubber band. We can go to scale when required and shrink to fit as a rule. Some examples of scale:

- Using our Geographical mapping methodology, we have covered 25 states, 276 districts, 729 towns/cities, 16,256 villages and 628,424 respondents.
- The Avahan Programme, implemented by the Catalyst Group reaches 160,000 key populations (marginalised communities), in five states and through 88 Community Organizations.
- We have provided professional services across India and internationally – in about 22 countries in South and South-East Asia, East and South Africa. We undertake multi-state and multi-country assignments.
- We are big enough to bring together individuals and agencies to facilitate networks - Centre for Education Innovation, Centre for Health Market Innovations, Community of Evaluators of South Asia, and the network for Revitalising Rainfed Agriculture, Network of Women's Equality and Equity (NWEE).



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- Vrutti scaled up its Farm Enterprise Facilitation Model (FEFC) from Madhya Pradesh to Chhattisgarh (direct interventions) and Tamil Nadu (partnership): working with around 16,000 smallholders. The FEFC model is internationally recognised for smallholders and received World bank development marketplace award in 2013.

Conclusion

Ever since we started 20 years ago, we have come a long way. While we look back at our achievements and the impact of our work with satisfaction, we are well aware of the vast development agenda before us. As we move ahead we continue to strive for impact and excellence through scale and innovation, keeping the people at the core of all we do.



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