

**Need for taking up out of the
box initiatives under CSR and
support available from
GCSRA**

About GCSRA

- ❑ **Established through Government of Gujarat, Industries & Mines Department Resolution dated 19-12-2014**
- ❑ **GCSRA was registered in April 2015 as a Society**
 - **Advisory Body headed by Hon. Chief Minister of Gujarat**
 - **Governing Body headed by Chairperson of GCSRA**
 - **Authority headed by a highly experienced, retired IAS officer**

Functions of GCSRA

- **Functions include –**
 - **Bringing in adequate clarity in new CSR regime**
 - **Facilitating optimal utilisation of CSR funds available in Gujarat**
 - **Co-ordinating, monitoring & implementing various CSR activities in Gujarat**
 - **Creating a web portal to highlight and facilitate CSR activities in the State**
 - **Channelizing CSR funds as per HDI based sectoral priorities & also in 50 most backward talukas**
 - **Creation of a CSR fund by receiving contribution from various companies**
 - **Address policy and implementation issues**

Objectives of GCSRA

- ❑ **Create a credible platform for CSR initiatives & their recognition**
- ❑ **Improve the outcomes of CSR initiatives through exchange of experience**
- ❑ **Create a reliable & up-to-date data base of credible implementing agencies**
- ❑ **Set standards for training, capacity building, advocacy & rating of CSR initiatives**

Why CSR is important for Corporates

- **Taking credit for creation of social wealth in the local community**
 - **By bringing their project development, planning & execution skills**
 - **By bringing out-of-the box approaches to long standing social problems**
 - **By designing projects with focus on “value for money”**

- **CSR activities with high impact are best image building exercise for Companies. CSR Planning can**
 - **Improve the visibility of the Company**
 - **Resolve conflict with local community**
 - **Improve branding of the Company**
 - **Bring better credibility with any new business partners**

Recognised global CSR efforts

- **John D Rockefeller (Standard Oil)**
 - **Changed his nation & world through charitable giving;**
 - **Donated USD 531 million during 1855-1934**
 - **Created Rockefeller Foundation (1913) and Laura Spelman Rockefeller Memorial (1918)**
 - **Supported development of women & Children, medical education and education.**

Recognised global CSR efforts

□ Andrew Carnegie

- **Largest steel maker in world and most influential philanthropist in US history**
 - **Donated USD 350 million by 1919**
 - **Established 2800 libraries, Carnegie Technical Schools (later Carnegie-Mellon University), Carnegie Foundation**
 - **Was against indiscriminate charity: of every USD 1000 spent in so called charity today, it is probable that USD 950 is unwisely spent as to produce the very evils which it hopes to cure.**
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Recognised global CSR efforts

- ❑ **Henry Ford (Ford Motors)**
 - **Donated 33% of his personal income**
 - **Set up**
 - **An 80 acres orphan home**
 - **Henry Ford Hospital in Detroit**
 - **Ford Foundation**

- ❑ **Andrew Mellon (Financier)**
 - **Donated part of his fortune to University of Pittsburgh (Later re-named Carnegie-Mellon University)**
 - **Set up National Gallery of Art**
 - **Applied his own business principles to shaping his charities- "Charities differ only somewhat from for-profit business"**

Recognised global CSR efforts

- **W K Kellogg (Cereal King of America)**
 - **Set up**
 - **Fellowship Corporation in 1923**
 - **WK Kellogg Foundation- 1930**
 - **Invested USD 66 million in charities**
 - **Michigan Community Health Project**
 - **Set up new hospitals**
 - **Provided nurses and doctors in remote areas**
 - **Ann J Kellogg School for Children with Disability**
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Recognised global CSR efforts

- **Warren Buffett (Berkshire Hathaway)**
 - **Total net worth of USD 62 billion**
 - **Contributed 83% of wealth to Bill & Milinda Gates Foundation, amounting to USD 30.7 billion then**
 - **Also supports Buffett Foundation and other independent charities**
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Recognised global CSR efforts

□ Gates-Buffett Giving Pledge

- A campaign initiated by Bill gates and Warren Buffett
- It's a campaign to encourage wealthy people to contribute to philanthropic causes
 - To help address society's most pressing problems
 - Present innovative approaches and advances in technology have redefined what is possible
 - Pledger decides which cause & organisation to support
 - Over 180 Pledges amounting to UDS B

Recognised Indian CSR Efforts

Donor	Organisation	Contribution (Rs. In cr.)	Cause
Azim Premji	Wipro	12,316	Education
Anil Agarwal	Vedanta Resource	1796	Social & RD
Shiv Nadar	HCL	1136	Education
Ratan Tata	Tata Sons	620	Education
Mukesh Ambani	Reliance	603	Healthcare
Nandan Nilekani	Infosys	498	Education
K R Shriram	Google	377	Education
Ronnie Screwvala	UTV	350	Social & RD
S Gopal Krishnan	Infosys	255	Healthcare
Ravi Pillai	Ravi Pillai Group	145	Healthcare

Recognised Indian CSR or Philanthropy Efforts- 2015

Donor*	Organisation	Contribution (Rs. cr.)	Cause
Azim Premji	Wipro	27,514	Education
Nandan & Rohini Nilekani	Infosys	2404	Urban Governance
NR Narayana Murthy	Infosys	1322	Social dev
K Dinesh & Family	Infosys	1238	Education
Shiv Nadar	HCL	535	Healthcare
Mukesh Ambani	Reliance	345	Healthcare
Sunny Varkey & Family	GEMS	326	Education
Ronnie Screwvala	UTV Group	158	Education
Rahul Bajaj & Family	Bajaj Auto	139	Social Dev
Pallonji Mistry	Shapoorji Pallonji Gp.	96	Social dev

*Source: Hurun India Philanthropy List 2015 & Economic Times, A"bad 9th January 2015

CSR in India

- **50 listed companies spent Rs. 4600 in 2014-15**
 - **Reliance** **Rs. 760 crore**
 - **ONGC** **Rs. 495 crore**
 - **Infosys** **Rs. 239 crore**
 - **NTPC** **Rs. 205 crore and**
 - **TCS** **Rs. 220 crore**

Past CSR efforts in Gujarat

- ❑ **Development of key public institutions in Ahmedabad city by textile mill owners**
 - ❑ **Individual philanthropists in Gujarat created-**
 - Large number of hospitals, even medical colleges
 - Schools, colleges and universities
 - Many business houses have long standing record of meaningful public charities
 - Facilities for special children
 - ❑ **Created dedicated structures to support such activities**
 - ❑ **Forged useful partnerships for such causes**
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CSR at present

- ❑ **Mainly being handled as an appendage to Plant head or HR head's responsibilities**

 - ❑ **Large number of low impact activities are being supported in the name of CSR**
 - **Lack experienced staff to design and execute**
 - **Being implemented either due to emotions or lack of knowledge of social sector**
 - **Not willing to network with other good initiatives**
 - **Lack of information on credible projects/implementers**
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CSR at present

- **Having negligible or low impact**
 - Continues to receive low priority
 - CSR being perceived as burden
 - CSR expenditure is largely being wasted
 - Huge demand for donation from unscrupulous agencies/ low impact, one-off causes
 - Companies unwilling to get associated with CSR activities they promote

 - **Situation is more alarming in PSU's**
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Why 2% mandatory CSR

- **Social development sector has, in last few decades, become highly complex and many practices of industries are being used-**
 - Detailed project report
 - (Social) Cost Benefit analysis
 - Small scale piloting of new ideas before their upscaling
 - Risk assessment
 - Outcome monitoring, etc.
- **The Sector has now moved from working only through heart & anecdotal research to use of hard logic, rigorous research tools, use of IT resources in project implementation & monitoring**
- **As a result,**
 - There is an increasing need of highly skilled professionals in development & implementation of programmes
 - There is also a need for out-of-the-box ideas to resolve long pending issues

Why 2% mandatory CSR

- **A provision for up to 5% CSR contribution on voluntary basis was in the earlier Companies Act as well and a large number of Gujarat based Companies were already spending significant part of their profits for CSR**
- **Rather than imposing some additional tax on corporate income, Government is trying to involve Corporates to bring their business, organisational, implementation and value creating skills to address some of the social problems**
- **Some of the successful CSR initiatives like 108 ambulance service, Akshaypatra mid-day meals kitchen, etc. have already become part of regular Government schemes**

Development of CSR Strategy

□ Development of CSR Strategy

An effective CSR Strategy shall address followings-

- **No replication of existing social scheme unless value being enhanced**
 - **Sustainable & replicable projects that can be up-scaled by others, including Government, e.g. 108 ambulances**
 - **Design & implementation must draw from existing skills of the Company**
 - **Support to be limited to few areas only in order to improve the impact**
 - **Proper visibility to the funding Company**
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