SPENDING CSR FUND

‘Corporates should have emotional connect with the area they choose’

At a ‘CSR Summit’ organised as part of a development dialogue here on Sunday, he said innumerable forces such as bureaucrats, elected representatives, public and civil societies will be active on ground level. Both corporates and NGOs should ensure implementation of their Corporate Social Responsibility (CSR) funded projects within the ambit, he said.

On pressure from elected representatives to spend the CSR fund on their direction, he said the government money is involved in public sector companies, ministers and MPs could seek funds on need-based projects.

As far as private companies are concerned, they have no such compulsion. “To avoid any kind of arm-twisting, the contribution of the CSR fund can be made to the Prime Minister’s Relief Fund, but not to the Chief Minister’s Relief Fund,” he added.

Working in the development sector is not new for India as the concept of voluntary spending was there in society even before the British era. The country was a self-organised society and Elwin Coborn, first and only lay Noble laureate for economics, has done a detailed study on it. It was a ‘rule in use’ earlier, but in the changed circumstances, it has been made ‘rule in form’ by bringing an act on CSR spending,” he said.

Sharma said compared to what the government spends in the development sector, two percent of CSR fund is quite meagre. But, the government wanted the private sector to be part of the social sector spending. This move has brought the government and the profit and nonprofit organisations together. Their collaboration is for larger public welfare, he added.

In fact, Sharma pointed out that while spending the CSR fund, corporates should have an emotional connect with the area they choose and lay out proper policy.

‘Corporates should understand that social work will have positive impact on their business’

Hubballi: Breaking down of objectives of any project implemented under the CSR fund is very much necessary as it will be easy to track it closely and measure its impact, said Vedanta Resources Group’s CSR head Neelima Khetan.

Participating as a panelist at the CSR Summit, she said forcing the profit and nonprofit organisations to come together has led to churning in the system. However, their integration has led to a new kind of relationship and its impact is noticeable on the ground. The corporates should also understand that any good social work will have a positive impact on their business.

The NGOs should realise that the CSR money is quite different than that being spending voluntarily by foundations. As the funding comes with several restrictions and resistance, they should be responsible in its spending. Yes Bank Group head Nimita Vihari said creating social value for every rupee spent under the CSR fund should be the goal of NGOs. The corporates should also collaborate with multiple partners to realise the goal they have set for spending the CSR money. Then only there will be a large impact on social development.

She, however, stressed that an independent assessing body is needed to rank the performance of NGOs involved in different verticals. Rating of NGOs will help the corporates to partner with them and enhance the reach that they have set meaningfully. She also stressed the need for maintaining transparency and accountability by NGOs while spending the CSR fund.

Tata Capital deputy vice-president Radha Sule expressed his concern that none are involved in taking care of the earth. There should be a right kind of mix in spending CSR fund, for environment and ecological matters, and social development. She also stressed on fostering impactful and scalable partnerships to achieve sustainable development goals.