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**Block**

# 3

## **STAKEHOLDERS' ENGAGEMENT**

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### **UNIT 1**

#### **Stakeholders**

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### **UNIT 2**

#### **NGOs and Cooperatives**

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### **UNIT 3**

#### **CSR and Government Programmes**

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### **UNIT 4**

#### **Corporate Foundations**

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### **UNIT 5**

#### **Local Bodies**

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## BLOCK 3 STAKEHOLDERS' ENGAGEMENT

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Block 3 **Stakeholders' Engagement** consists of five units.

Unit 1: **Stakeholders** discusses the concept, definition and types of stakeholders, methods to identify stakeholders, stakeholder mapping and prioritization of stakeholders. It also discusses stakeholder engagement and its benefits.

Unit 2: **NGOs and Cooperatives** discusses about NGOs and Cooperatives and their role in corporate social responsibility. It also talks about how a company can identify the right kind of NGOs for CSR intervention.

Unit 3: **CSR and Government Programmes** discusses the role of government in supporting CSR and good practices to foster CSR. It also discusses the role of public private partnerships in CSR.

Unit 4: **Corporate Foundations** discusses the role of corporate foundations in corporate philanthropy. It also talks about the various types of Non-profit Organizations i.e. Trusts, Societies and Section 8 Companies. It discusses about the role of these organizations in CSR.

Unit 5: **Local Bodies** discusses about the role and functions of urban and rural local bodies. It also discusses the implementation of CSR by both urban and rural local bodies. Finally, it talks about the various challenges faced in CSR implementation.

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# UNIT 1    **STAKEHOLDERS**

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## **Structure**

- 1.1 Introduction
- 1.2 Social Responsibility of Business
- 1.3 Stakeholders: Concept, Definition and Types
- 1.4 Methods to Identify the Stakeholders
- 1.5 Stakeholders Mapping
- 1.6 Prioritization of Stakeholders and Stakeholders' Engagement
- 1.7 Let Us Sum Up
- 1.8 Keywords
- 1.9 Bibliography and Selected Readings
- 1.10 Check Your Progress – Possible Answers

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## **1.1 INTRODUCTION**

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Every business operates within a society. It uses the resources of the society and is dependent upon the society for its smooth functioning. This creates an obligation on the part of business organization to fulfill their needs, to make extra-ordinary efforts for societal benefits, to help the society in the critical times etc. Therefore, all the activities of the business organization should be directed towards protecting the interest of the society and serving the society for betterment. Stakeholders are hence important for any business as they support the business from the perspective of someone who has a stake or has something to gain or lose. When at its best, the relationship between the business and the stakeholders would be healthy and promote mutual benefit. While at its worst, it may be one of constant disputes due to conflicting interests and can make decision making very stressful and slow for the business organizations. Successful relationships with the stakeholders is essential for the success of any business. Hence, it is essential to know about stakeholders while dealing with CSR projects and activities of the companies.

After reading this unit you will be able to:

- Define stakeholders and identify the types of stakeholders
- Discuss methods to identify the stakeholders
- Determine which stakeholders are most useful to engage with using stakeholder mapping
- Classify stakeholders on the basis of their attributes

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## **1.2 SOCIAL RESPONSIBILITY OF BUSINESS**

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Social responsibility is the deliberate effort of the business corporations to satisfy the expectations of various interest groups. Social responsibility is the company's mission to be responsive to social needs by allocating a part of its resources for achieving social goals and tackling social problems.

For example, **Tata Motors** is committed to sustainable development, where business goes hand in hand with societal well-being and environmental consciousness. Their CSR programs are:

- a) **Aarogya-Health:** Focuses on maternal and child health by adopting a holistic approach and striking a balance between preventive healthcare and curative healthcare interventions.
- b) **Vidyadhanam-Education:** Encourage and support the students to participate in co-curricular activities ensures their holistic growth, i.e. academic, physical and social development.
- c) **Kaushalya-Employability or Skilling:** Aims to build the capacity of unemployed youth by providing vocational training in automotive and other industrial trades.
- d) **Vasundhara-Environment:** Strives to contribute to enhanced environmental sustainability by proactively facilitating the protection, conservation, judicious use and augmentation of natural resources.
- e) **Amrutdhara-Drinking water:** This programme not only addresses the concerns relating to safe drinking water, but also helps in improving health, fostering gender equality and promoting social equality.
- f) **Aadhaar-Community Development:** Aimed at serving the socio-economically backward and disadvantaged Scheduled Caste (SC) & Schedule Tribe (ST) communities.
- g) **Seva-Volunteering:** Aimed at providing employees and their families with varied opportunities to meaningfully volunteer their time for social causes.

Various parties towards which business organizations are socially responsible include:

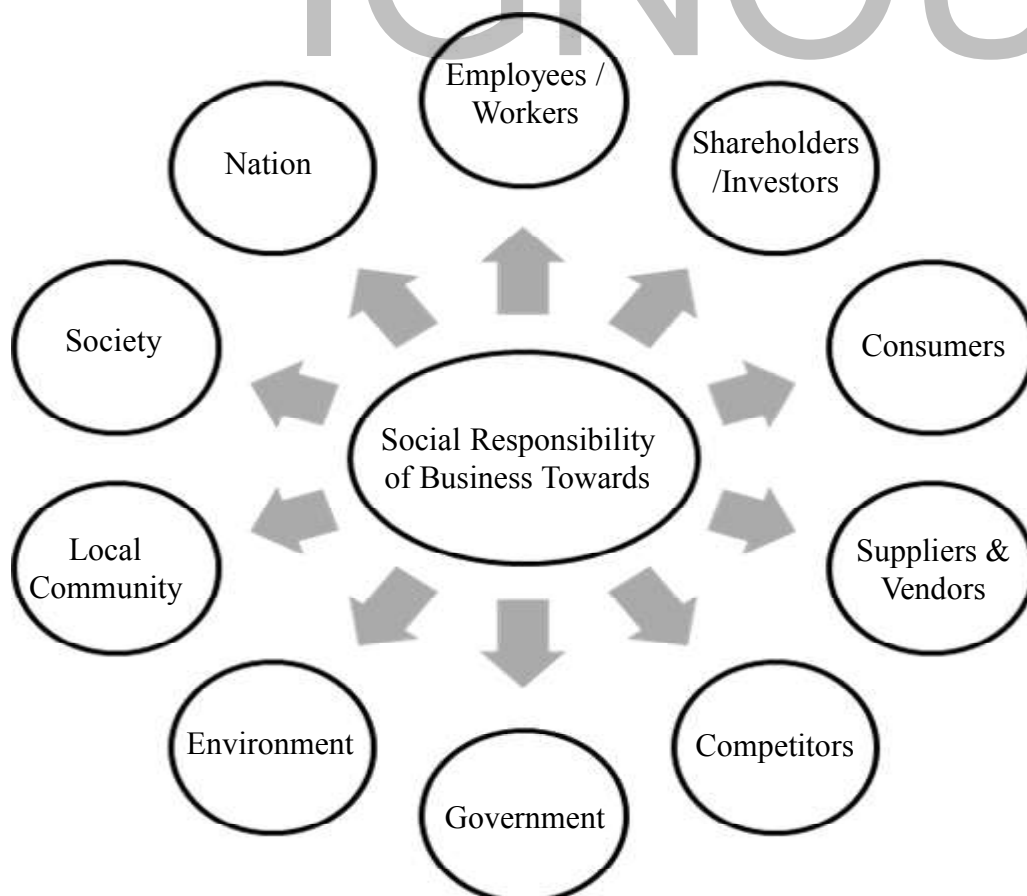
- 1) **Employees/workers:** This is the human element of the business organization, people who convert all the plans and strategies into actions. The organization has a responsibility towards them to provide safety, security, health concern, parity, justice and equality at the workplace.
- 2) **Shareholders or Investors:** are the individuals/groups/organizations that have good faith in the organization's growth and profitability. They expect that it will multiply their money within stipulated time. The concept of 'Shubh Labh' (auspicious gains) applies for its shareholders, i.e., to disburse right profit and share.
- 3) **Consumers:** These are all those who purchase the organization's output (goods or services) for their personal use or to further business purposes. The organization should provide the right product at the right price in the right quality and the right quantity with the right information at the right place to have the customers' trust.
- 4) **Suppliers and Vendors:** These are the individuals or organizations who supply raw materials, machineries, equipment and tools for business processes. The organization should provide them timely payment, continuity, loyalty, trust for maintaining quality standards.
- 5) **Competitors:** All those business organizations dealing with the same kind of products and services come into the category of competitors. The

organization should promote healthy competition in the industry for business growth in the right way.

- 6) **Government:** The government of any country or of any political subdivision of any country, any other person or organization authorized by law to perform any executive, legislative, judicial, regulatory administrative functions of such government. The organization should help and support various schemes of Central and State Government.
- 7) **Environment:** With this perspective, the organization should have good concern for green and clean environment. All the business practices and activities should be planned and performed with eco-friendly approaches.
- 8) **Local community:** It consists of business operators, public agency staff and residents, and their interactions that can include the sharing of resources, information and assistance. The organization should think about the physical, intellectual and societal development of the local community.
- 9) **Society:** A group of people of a country or area sharing values, customs and laws. The organization should maintain social values, norms, and textures of the society.
- 10) **Nation:** The organization should provide economic contribution and make developmental efforts for country's prosperity.

Figure 1 shows the various claimants for social responsibility of any business.

There are many situations where social responsibility of business becomes necessary like to create good corporate image, social commitment, because of legal provision, etc. But the next question arises, why should any business come forward and be responsible towards the stakeholders.



**Figure 1: Claimants of Social Responsibility of Business**  
(Inspired by: Business Environment: Francis Cherunilam)

### 1.3 STAKEHOLDERS: CONCEPT, DEFINITION AND TYPES

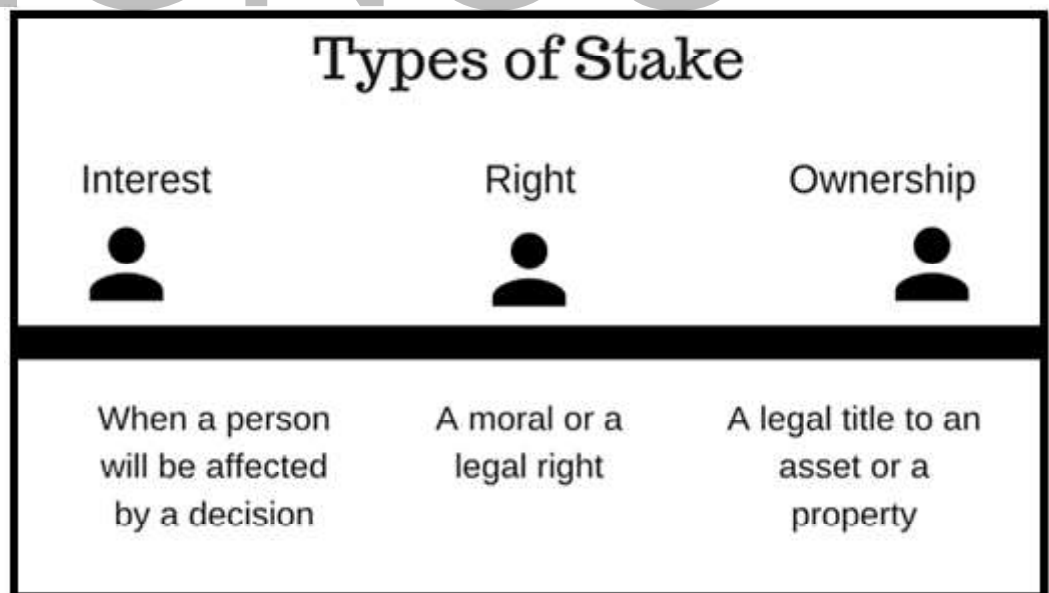
**Corporate Social Responsibility (CSR)** is a duty of every corporate body to protect the interest of the society at large. Even though the main motive of business is to earn profit, corporates should take initiative for welfare of the society and should perform its activities within the framework of environmental norms.

According to Calderon (2011) there are copious definitions of CSR both from the academia and the professional field, but a generally accepted one originated by the European Commission defines CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance”.

A ‘stake’<sup>3</sup> is an interest in or a share in an undertaking (Bucholtz and Carroll, 2011). A stake can simply mean having an interest in a decision, for example: “how will the road bypass affect me?” On the other hand it could be a legal claim. For example, a shareholder has a stake through their part or full ownership of a business.

Bucholtz and Carroll (2011) explain that between these two extremes a stake can also be a ‘right’. A right can be a moral right, for example, an ethical principle or a feeling about fairness in a particular situation – “a right under law for employees to be treated equally regardless of gender, religion, etc.”

**Figure 2: Types of Stake**



(Source: What is a Stake? Meaning of Stake <https://www.stakeholdermap.com/what-is-a-stake.html>)

**Stakeholder** is a person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the organization’s actions, objectives and policies. Some examples of key stakeholders are creditors, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community from which the business draws its resources.



Not all stakeholders are equal. A company's customers are entitled to fair trading practices but they are not entitled to the same consideration as the company's employees.

The Stakeholder Theory (Freeman, 1984) clearly underlines the fact that investing a firm's time and resources to redress issues and concerns of stakeholders is a justifiable managerial activity. This perhaps forms the very basis of the concept of corporate social responsibility (CSR).

### 1.3.1 The Concept of a Stakeholder <sup>4</sup>

This can often be misunderstood. When talking about stakeholders, it is important to realize that:

- **Stakeholders are not only local people.** They include governments and their agencies, as well as people, organizations, institutions and markets, which are not necessarily located close to the organization that is being managed.
- **Stakeholders are not only organizations and formal groups.** They include individuals, communities and informal networks. Facilitators of planning and management processes must be prepared to recognize and involve the sectors of society that are not formally represented and organized.
- **Stakeholders are not only the customers of an organization.** They include people and institutions that impact not just directly but also indirectly on the organization even without using its products.
- **Stakeholders change over time.** New stakeholders can enter in a business organization system, while others may lose their role or interest. For example, changes in the local economy, society, organization system, and in the status of products, will inevitably provoke changes in the ways people use, and relate to an organization. Stakeholder identification is therefore an ongoing process, and it is one that must incorporate a historical dimension.

### 1.3.2 Defining Stakeholders <sup>5</sup>

The word 'stakeholder' has assumed a prominent place in public and non-profit management theory and practice in the last 20 years, and especially in the last decade. The term refers to persons, groups or organizations that must somehow be taken into account by leaders, managers and front-line staff.

R. Edward Freeman, in the classic text *Strategic Management: A Stakeholder Approach* (1984), defined a stakeholder as 'any group or individual who can affect or is affected by the achievement of the organization's objectives'. Typical definitions of stakeholder from the public and non-profit sector literatures include the following variants:

'All parties who will be affected by or will affect [the organization's] strategy' (Nutt and Backoff, 1992).

'Any person, group or organization that can place a claim on the organization's attention, resources, or output, or is affected by that output' (Bryson, 1995).

'People or small groups with the power to respond to, negotiate with, and change the strategic future of the organization' (Eden and Ackermann, 1998).

'Those individuals or groups who depend on the organization to fulfill their own goals and on whom, in turn, the organization depends' (Oohnson and Scholes, 2002).

'The individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities, and are therefore its potential beneficiaries and/or risk bearers' (Post, et al., 2002).

According to the Project Management Institute (PMI), the term stakeholder refers to, 'an individual, group, or organization, who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project' (Project Management Institute, 2013).

### 1.3.3 Types of Stakeholders <sup>6</sup>

Freeman (1984 cited by Miragaia et al., 2014) lists employees, customers, suppliers, shareholders, banks, environmentalists and the government as stakeholders – sourcing from the aforementioned definition by Freeman and Reed (1983) that considers the groups that are able to harm or help the organization as stakeholders. Post et al. (2002) consider stakeholders similarly, as seen in Figure 3.



**Figure 3: Stakeholders of a Large Organization**

*(Source: Adapted from R.E. Freeman 1984, Strategic Management: A Stakeholder Approach)*

Arising from the existence of very many different stakeholder groups, it can be useful to classify them to subgroups along following attributes. The classification can help to determine roughly their importance or needs:

- **Primary stakeholders** have a vested interest in how the organization performs and the actions it engages in to conduct business. Examples of these types of stakeholders are customers, employees, suppliers, board of directors, owners, and shareholders. Primary stakeholders benefit from a well run company but are also harmed by the organization's mishaps. Primary stakeholders directly affect the success and failure of the company.
- **Secondary stakeholders** can influence, both positively and negatively, the actions of the organization. They indirectly affect the organization by taking actions to make it difficult for the organization to succeed or by supporting the organization's efforts. Examples of secondary stakeholders are government agencies, regulation agencies, trade unions, labor unions, political groups, social groups, and the media.
- **Internal stake holders** are those who operate entirely within the boundaries of the organization. **External stakeholders** are those who provide inputs to the organization (equipment, material suppliers), those who compete with the organization (for customers, resources) and those who have some other interest in the organization's function (government, media, etc.) (Mayers, 2005; Carlon and Downs, 2014)
- **Active and passive stakeholders.** Mahoney (1994) identifies active stakeholders as those who seek to participate in the organization's activities and they may or may not be a part of the organization's formal structure, e.g., management and employees. They are considered active stakeholders as well as can be regulators or environmental pressure groups. Passive stakeholders are those who do not normally seek to participate in an organization's policy making, but it need to be emphasized that even though they should not be considered less interested or less powerful. Passive stakeholders will normally include most shareholders, government or local communities.

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## 1.4 METHODS TO IDENTIFY THE STAKEHOLDERS

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Methods to Identify the Stakeholders<sup>7,8</sup>

There are a number of ways to identify stakeholders. Often, the use of more than one method will yield the best results.

- Social Data Collection:** One of the first and least prominent ways to gain insights about stakeholders of local community is to look at background demographic information about local economic and industrial trends and insights from local media sources. This contains a data sheet for gathering information about a community and considering the potential benefits and impacts of a business organization/project.

These demographic data can often be found online at the community, region, state, and/or federal or national level. The Census Bureau of India has a

website that provides a link to the various statistical agencies. The Social Data worksheets in the toolkit given in the link provided in the website help the user to organize this information for potential local benefits or concerns that can be accessed through more in-depth outreach to the community.

Various forms of social media (e.g., Twitter, Facebook, blogs, WhatsApp) are increasingly relied on to share information and reactions to events. Some of these can be searched for links or information about a community being considered for a business organization location and can provide helpful background information about public concerns and views.

- b) Baseline Survey:** Business or project operators may want to consider conducting a baseline survey to assess knowledge, opinions and attitudes regarding the issues of climate change, other energy technologies and factors in the local community.

The toolkit contains a series of questions (Who, What, Why, When, and How) to help the business operator to start with the desired information, how it might be used, and the various methods for obtaining it. The toolkit also contains a sample survey. If the result of the sample survey is found appropriate, then this can be targeted towards a relatively large number of people. Typically, there are a number of survey options that may include online surveys, polling at locations with crowds (such as shopping malls), phone surveys, and written surveys.

The results of such a survey could further help in stakeholder identification. Results could also be used in the other steps of stakeholder mapping and assessing organization's communication strategies with their stakeholders.

- c) Brainstorm:** Essentially, brainstorming is an exercise in which individuals or small groups of people are asked to develop ideas in response to a specific question or topic. In this case, the question is some formulation of 'who are the organization's stakeholders'? Participants are asked to name stakeholder segments, groups, and/or individuals that they think will be a stakeholder for the project. There are a number of ways to stimulate creative thinking from participants:
- Secure the participation of a relatively diverse group of participants to avoid "group think"
  - Have prompts or tools in hand to be used if needed
  - Keep the tone of the session upbeat and encouraging
  - Record all ideas in a visible place to help stimulate add-on thinking

**Table 1: Stakeholder Identification Tools and Techniques**

Tools / Techniques	Key Questions or Insights
Social Data Collection	<ul style="list-style-type: none"> <li>• Who lives in the community?</li> <li>• What are the economic, education, and employment trends?</li> <li>• What does local news coverage indicate</li> </ul>

	about views on climate change, energy policy, subsurface activity, environmental concerns, etc.,?
Baseline Survey	<ul style="list-style-type: none"> <li>• What are knowledge of and attitudes toward science and energy issues?</li> <li>• What are knowledge of and attitudes toward climate change and CCS?</li> <li>• What is the level of trust in government and host company(ies)?</li> </ul>
Brainstorming	<ul style="list-style-type: none"> <li>• Who are the project's stakeholders?</li> <li>• What is known about their perceptions and concerns?</li> </ul>
Interviews & Focus Groups	<ul style="list-style-type: none"> <li>• Who are the project stakeholders?</li> <li>• What is their contact information?</li> </ul>

- d) Interviews & Focus Groups:** These data collection methods for stakeholders involve inviting stakeholders to express their opinion on the objective. The number of people in a focus-group typically varies from 4 to 12 participants.

The key to holding a successful focus group session is to ensure no participant dictates the discussion. Therefore, careful moderation is critical to the success of a focus group. Another critical success factor is that the discussions should not be based on preconceived notions. Rather, they should be used to understand them better. Participants should not only concur or disagree, but rather build on the opinion expressed. Through focus groups, a large amount of data can be collected. The key is to ensure that participants are carefully selected.

### Activity 1

Visit a CSR project being implemented in the city of your residence. List out the identified stakeholders of the project.

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**Check Your Progress-1**

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) Name the various claimants for social responsibility of any business.

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2) Who is a stakeholder? Name the methods to identify stakeholders.

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## 1.5 STAKEHOLDERS MAPPING

Mapping is an important step to understanding who the key stakeholders are, where they come from, and what they are looking for in the business. Stakeholder mapping is a collaborative process of research, debate, and discussion that draws from multiple perspectives to determine a key list of stakeholders across the entire stakeholder spectrum. The process of stakeholder mapping is as important as the result, and the quality of the process depends heavily on the knowledge about the organization's stakeholders.

Mapping stakeholders is a visual exercise and analysis tool that an organization can use to further determine which stakeholders are most useful to engage with. Mapping allows us to see where stakeholders stand when evaluated by the same key criteria and compared to each other.<sup>9</sup> The aim of this step is to differentiate identified stakeholders groups according to certain attributes.

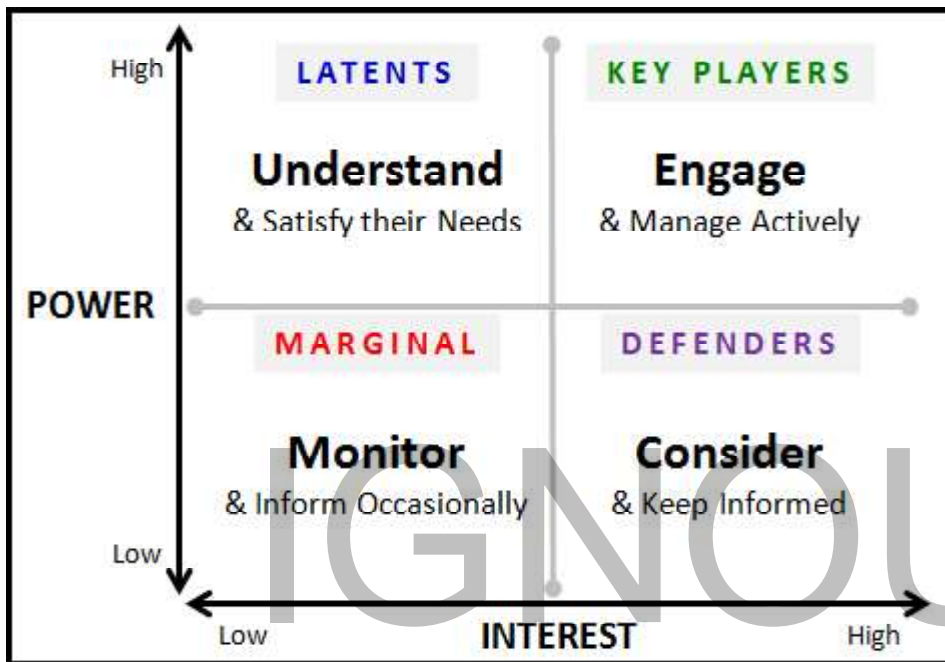
This method is described in detail by Eden and Ackermann (1998, pp. 121–125, 344–346). It is based on two attributes: power and interest that are thought of as range (from low to high) and helps to identify which stakeholders are the most powerful and which has the biggest interest in a company (Bryson, 2004).

### **Power versus Interest Grid<sup>10</sup>**

The **power/interest grid** is a two-dimensional matrix that classifies stakeholders into four groups according to the power they hold and to the degree to which they are likely to show interest (which their positions impose on them):

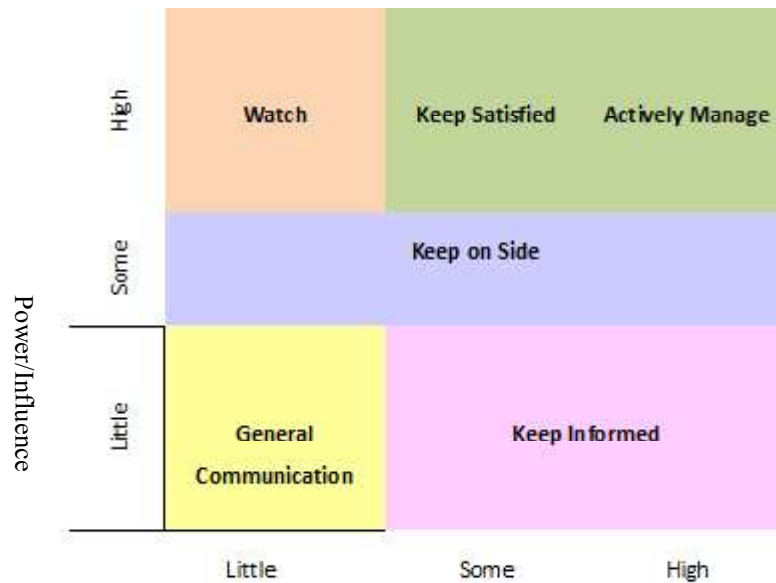
- **High power and high interest stakeholders:** These stakeholders are required to be kept informed. These should be closely involved in all business decisions. (*Key Players*)
- **High power and low interest stakeholders:** These are the stakeholders who need to be kept satisfied to gain their support during business/project. The managers should inform them wherever necessary so as to maintain their interest in the business. These stakeholders are able to reach to more powerful groups such as the organization's owners or even the media. (*Latents*)

**Figure: 4 Power versus Interest Grid**



(Source: <https://citoolkit.com/articles/stakeholder-analysis/>)

- **Low power and high interest stakeholders:** These stakeholders are highly interested in the business results; however, they have little power as individuals to influence any business decision. There should be regular communication with them so that they are kept as informed as is necessary. Examples of these stakeholders are the staff who will apply the improved processes. (*Defenders*)
- **Low power and low interest stakeholders:** These stakeholders do not have a great deal of influence, nor they have any interest in the proposed action. The results are likely to have little impact on them; therefore, they don't require a great deal of consideration. However, there should be an occasional communication with them so that they are kept informed about important issues and changes. (*Marginals*)

**Figure 5: Extended version of Power-Interest Grid**

(Source: <https://www2.mmu.ac.uk/media/mmuacuk/content/documents/bit/Stakeholder-analysis-toolkit-v3.pdf>)

Stakeholders often move around the grid. Some Stakeholders will become more interested as the implementation progresses and they begin to see that the changes will affect them. Others may become more powerful through internal promotion or transfer. Hence, the analysis needs to be carried out regularly throughout the project.

## 1.6 PRIORITIZATION OF STAKEHOLDERS AND STAKEHOLDERS' ENGAGEMENT

### 1.6.1 Prioritization of Stakeholders<sup>11</sup>

It is very difficult for the organization to balance the interest of all the stakeholders as well as meet the business objectives. The former task involves financial resources which may impact the financial performance of the company. Therefore, it becomes very important to prioritize the stakeholders in accordance with their expectations and relevance to the organization.

A number of studies have been made in the past which gives insights about determining the significance of relevant stakeholders.

Savage (1991) discussed about categorizing the stakeholders on the basis of their potential of being cooperative or imposing the threat with the organization. This is more practical approach which distinguishes the supportive stakeholders from the opponent ones. The organization should give more attention to the supporters. This method is questionable and requires more clarity in thought.

Polonsky (1996) recommended that the organization must consider that the stakeholders can influence the third parties or other stakeholders to take action. This explains that even stakeholders who do not have direct impact on a company can also be tactically important because of their influential abilities to other stakeholders.



Freudenberg (1999) arranged stakeholders in line with the attributes of knowledge, power and preferences. These three criteria are interrelated as one who has knowledge is expected to have power. Furthermore, Frooman (1999) developed a resource dependency theory that discussed an organization's dependency on stakeholders, and vice versa. This means stakeholders have direct or indirect influence on organization for human, financial, and informational resources. Afterwards Johnson and Scholes (2002) studied stakeholder's interest in influencing business operations and their ability to enforce their preferences.

Therefore, stakeholder's prioritization should be practical and cost-efficient so as to be applicable in the corporate world. This requires discussing Mitchell, Agle, Wood's (1997) theory based on power, legitimacy and urgency.

### **Mitchell, Agle, Wood's (1997) Theory:**

The stakeholder attributes can be defined on the basis of the following attributes: Power, Legitimacy and Urgency 12

#### **Power**

Power can be defined as "the stakeholder's capacity to influence the organization" (Miragaia et al., 2014). As per Krüger (1974) and Weber/Winckelmann (2009), a stakeholder who is able to impose its own preferences against the company's will can be referred to as powerful.

Etzioni (1964, cited by Mitchell et al., 1997) suggests more precise classification of power, based on the type of resources used to exercise power. It is coercive power, based on the physical resources of force, violence, or restraint; then utilitarian power, based on material or financial resources; and normative power, based on symbolic resources. A party has a power to the extent of how it gains access to coercive, utilitarian or normative means of power.

#### **Legitimacy**

Legitimacy is a desirable social good and it may be negotiated differently at various levels of social organization. Suchman (1995) defines Legitimacy as behavioral patterns which are considered appropriate or preferable within social systems.

#### **Urgency**

Adding the attribute of urgency helps to move the model from static to dynamic. Urgency can exist only when two conditions are met:

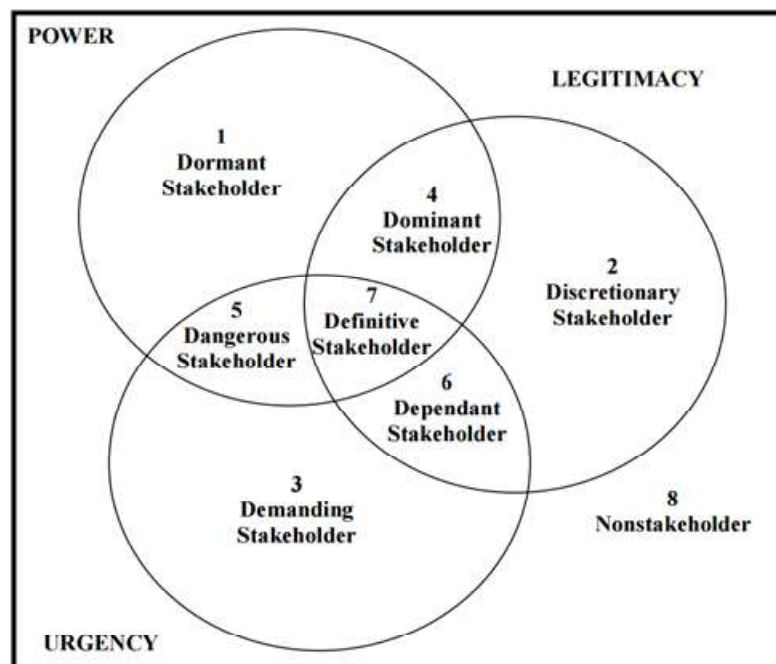
- When a relationship is of a time-sensitive nature, or
- When that relationship is important or critical to the stakeholder.

Therefore, urgency is based on the two attributes: time sensitivity and criticality and can be defined as the degree to which stakeholder claims call for immediate attention.

On the basis of these attributes, stakeholders can be differentiated in eight categories, exhibited in figure 6. Mainly, there are three types of stakeholders:

- 1) latent, which possess only one of the attributes and therefore are considered as low salience classes;

- 2) expectant, which possess two attributes and are called moderately salient stakeholders, and
- 3) definitive, which possess all the three attributes and which are considered as highly salient stakeholders.



**Figure 6: Stakeholder Typology**

(Source: <https://i2s.anu.edu.au/resources/stakeholder-analysis-power-legitimacy-urgency>)

### **Classification of Stakeholders on the Basis of the Attributes Present**

#### **i) Dormant stakeholders**

These are latent stakeholders, who possess only the attribute of power. They can impose their will on the company, but as they do not have any other attribute, their power remains unused.

#### **ii) Discretionary stakeholders**

Latent stakeholders possess the only attribute of legitimacy. This group is particularly interesting for corporate social responsibility questions. There is absolutely no pressure on managers to engage in an active relationship with such stakeholders.

#### **iii) Demanding stakeholders**

This category includes latent stakeholders who have the only attribute of urgency, which is the reason why they are called demanding. They are usually very passionate in acquiring management attention, but without power or legitimacy usually they are not paid any attention.

#### **iv) Dominant stakeholders**

They belong to expectant stakeholder, because they possess two of the attributes. Being both powerful and legitimate, their influence in the firm is assured. They expect and receive much of managers' attention.

**v) Dependent stakeholders**

This group of expectant stakeholders lack power, they have urgent, legitimate claims, which they are having hard time to reach, and therefore they are called dependent. They sometimes seek help through advocacy or guardianship of other stakeholders.

**vi) Dangerous stakeholders**

They are expectant stakeholders possessing urgency and power. These stakeholders are often coercive or even violent. They sometimes express themselves through strikes, employee sabotage, etc.

**vii) Definitive stakeholders**

This group possesses all three attributes and has the highest salience of them all. They are perceived by managers to be present. The most common occurrence is the move of stakeholders from dominant group to definitive (by obtaining the attribute of urgency).

**Activity 2**

On the basis of the above classification of stakeholders, classify the stakeholders identified in 'Activity 1' by comparing their attributes to that of above classification.

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**1.6.2 Stakeholders' Engagement<sup>13</sup>**

Stakeholder engagement refers to the process by which a company communicates or interacts with its stakeholders in order to achieve a desired outcome and enhance accountability. Companies have, to varying degrees, always engaged with stakeholders in one way or another. Historically, engagement tended to be more reactive or focused on risk mitigation.

As the corporate social responsibility movement has grown, companies have become proactive under the assumption that stakeholder engagement can enhance the sustainability and profitability of the organization.

Benefits of engaging with stakeholders include:

- **Building Trust:** Sincere efforts at engagement can improve relations between a company and its stakeholders. This can diffuse existing tensions and make it easier to solve potential problems down the road.
- **Risk Management:** Working with stakeholders can lead to a more stable operating environment and reveal critical information that is important for company decision-making.

- **Brand Enhancement:** By engaging with stakeholders a company can improve its visibility and reputation. Customers, investors, and other economic stakeholders may also view this engagement as a differentiating factor in the market.
- **Improved Productivity:** Better internal engagement can identify areas in which the company can become more efficient. Additionally, employees that have a greater voice in the workplace tend to have higher morale.
- **Strategic Opportunities:** Engaging with stakeholders can help a company to identify new business opportunities and market segments.
- **Partnerships:** By collaborating with stakeholders, companies can pool resources to achieve a common goal.
- **Increased Investment:** Greater transparency and stakeholder engagement can be an attractive draw for capital, particularly from impact investors.

Stakeholder engagement is a key part of corporate social responsibility (CSR) and in achieving the triple bottom line. Companies engage their stakeholders in dialogue to find out what social and environmental issues matter most to them about their performance in order to improve decision-making and accountability. An engaging stakeholder is a requirement of the Global Reporting Initiative, a network-based organization with sustainability reporting framework that is widely used around the world. The International Organization for Standardization (ISO) requires stakeholder engagement for all their new standards. 14

Involving stakeholders in decision-making processes is not confined to corporate social responsibility (CSR) processes. It is a tool used by matured private and public sector organizations, especially when they want to develop understanding and agrees to solutions on complex issues or issues of concern.

### Check Your Progress - 2

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) What is the importance of stakeholder mapping?

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- 2) Discuss the importance of stakeholder engagement in CSR.

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## 1.7 LET US SUM UP

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In this unit you have read about the various claimants of the social responsibility of business. You have also read about the concept of stakeholders, its various definitions and about the types of stakeholders. Freeman defines stakeholders as ‘any group or individual who can affect or is affected by the achievement of the organization’s objectives’. This unit further discusses the methods to identify the stakeholders. The stakeholders can be identified using one or more of these methods: social data collection, baseline survey, brainstorming and interviews and focus group discussions. This was followed by a discussion on stakeholder mapping done to differentiate identified stakeholder groups according to certain attributes. Finally, you read about prioritization of stakeholders by the organization to balance the interest of all the stakeholders as well as meet the business objectives. You have also read about the various benefits of stakeholder engagement.

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## 1.8 KEYWORDS

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**Stakeholder:** A stakeholder is a party that has an interest in a company and can either affect or be affected by the business.

**Baseline Survey:** A baseline survey is a study that is done at the beginning of a project to collect information on the status of a subject (anything from crop yields to birth weights) before any type of intervention can affect it.

**Stakeholder Engagement:** Stakeholder engagement is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions.

**Focus Group Discussion:** A focus group discussion involves gathering people from similar backgrounds or experiences together to discuss a specific topic of interest. It is a form of qualitative research where questions are asked about their perceptions attitudes, beliefs, opinion or ideas.

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## 1.10 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress -1

**Answer 1.** Various parties towards which business organization is socially responsible include:

- 1) Employees/workers
- 2) Shareholders or Investors
- 3) Consumers
- 4) Suppliers and Vendors
- 5) Competitors
- 6) Government
- 7) Environment
- 8) Local community
- 9) Society
- 10) Nation

**Answer 2.** A stakeholder is a person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the organization's actions, objectives and policies.

There are a number of ways to identify stakeholders, for example:

- 1) Social Data Collection
- 2) Baseline Survey
- 3) Brainstorm
- 4) Interviews & Focus Groups

### Check Your Progress -2

**Answer 1.** Mapping stakeholders is a visual exercise and analysis tool that an organization can use to further determine which stakeholders are most useful to engage with. Mapping allows to see where stakeholders stand when evaluated by the same key criteria and compared to each other. The aim of this step is to differentiate identified stakeholder groups according to certain attributes.

**Answer 2.** Stakeholder engagement is a key part of corporate social responsibility (CSR) and in achieving the triple bottom line. Companies engage their stakeholders in dialogue to find out what social and environmental issues matter most to them about their performance in order to improve decision-making and accountability.

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## UNIT 2    NGOs AND COOPERATIVES

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### Structure

- 2.1 Introduction
- 2.2 NGOs in India
- 2.3 The Collective Impact
- 2.4 NGO Intervention in Corporate Social Responsibility
- 2.5 Cooperatives
- 2.6 Cooperatives and Social Development
- 2.7 Let Us Sum Up
- 2.8 Keywords
- 2.9 Bibliography and Selected Readings
- 2.10 Check Your Progress-Possible Answers

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### 2.1 INTRODUCTION

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Corporate social responsibility (CSR) is a form of corporate self regulation integrated into a business model. CSR policy functions as a self regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms. In some models, a firm's implementation of CSR goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by law. CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including consumers, employees, investors, communities and others. The term 'corporate social responsibility' became popular in the 1960's and has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed.

Non Governmental Organizations (NGO's) are private voluntary organizations, not for profits that function as 'moral entrepreneurs' selling ethical ideas and standards. They have played major role in solving social and environmental issues from driving inter governmental negotiations, to regulations of hazards of waste and elimination of slavery. A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. In this unit you will learn about the role of NGOs and cooperatives in furthering CSR initiatives.

After reading this unit you will be able to

- Discuss the role of NGOs in CSR initiatives
- Explain how a company can identify the right NGO for its CSR initiatives
- Discuss the role of co-operatives in CSR initiatives

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### 2.2 NGOs IN INDIA

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A non governmental organization (NGO) is any non profit, voluntary citizen's group which is organized on a local, national or international level. Task oriented



and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to governments, advocate and monitor policies and encourage political participation through provision of information. Some are organized around specific issues, such as human rights, environment or health. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements.

In India, it was the 1970s which saw rapid growth in the formation of formally registered NGOs and the process continues to this day. Most NGOs have created their respective thematic, social group and geographical priorities such as poverty alleviation, community health, education, housing, human rights, child rights, women's rights, natural resource management, water and sanitation; and to these ends they put to practice a wide range of strategies and approaches. Primarily, their focus has been on the search for alternatives to development thinking and practice; achieved through research, community capacity building and creation of demonstrable models.

### **2.2.1 Role of NGOs in CSR Initiatives**

Although in general the majority of businesses are still in the early stages of developing collaborations with NGOs, a wave of companies both new and long-standing are taking the lead in bringing business, financial and human resources as well as a systems approach to the job of bridging India's wide gap between the rich and the poor.

#### **Emerging Trends in Business – NGO Partnerships in India**

##### **a) Growing business demand for community programmes and engagement with NGOs**

CSR initiatives in India are driven in part by the CSR guidelines that either compel state owned companies or put pressure on non-state owned companies and also by company driven moral drivers to participate in the 'betterment of society'. Many companies have started up CSR departments and new community development programmes in the last few years and all see this as a growing trend. Whether initiating from external or internal drivers, the trend appears to be 'infectious' and is causing slow but incremental growth in business-NGO collaboration. There is a strong sense from companies that CSR and community development involvement will soon be mandatory or considered 'essential' and that the years to come will see increased investment in organization and management in this area.

##### **b) Innovative Approaches from Business, Government and NGOs are Emerging**

A new paradigm of 'shared value' or 'inclusive business' that sees business opportunities in development challenges has emerged. This new phenomenon sees large Indian companies increasingly address social issues as business propositions, such as low cost housing, healthcare and education solutions for the bottom-of-the-pyramid populations. Examples of companies that have developed for underserved markets appropriate products include Tata, Nokia, Godrej, Datawind, MCX, ICICI Bank, Hindustan Unilever and Airtel. Examples of social enterprises include Lifespring hospitals, HarWa and Selco. NGOs and governments are adopting new approaches too, particularly in agriculture, green

tech, skills and technology. Pratham, Naandi Foundation, Business Community Foundation and Bhavishya Alliance have all advanced approaches to engaging business in development.

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## 2.3 THE COLLECTIVE IMPACT

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With corporate social responsibility (CSR) being made mandatory in the form of Section 135 of the Companies Act 2013, corporates have now begun to recognize CSR as a core activity, and are looking to find innovative ways to effectively utilize their CSR fund. This has brought to the fore the role that NGOs and other implementing agencies can jointly play along with corporates in order to achieve what is known as collective impact.

Let us take for example collaboration that led to a very effective outcome is that of Bharti Airtel, Star Global Resources and IFFCO Kisan Sanchar Limited (IKSL) where they empowered the farmers by providing them information and services such as free voice messages and a dedicated helpline to interact with experts through a communication network.

Another good example is the association between Save the Children (a non profit organization) and global health care giant GlaxoSmithKline that are collaborating in an innovative initiative to transform an antiseptic (used in mouthwash) into a life saving product for new born babies. Collaborations and associations make an effective business case with respect to achieving maximum impact for a given capital investment.

### 2.3.1 Non-Governmental Organizations and Corporate Social Responsibility

Many non governmental organizations in India are engaged in social development and environmental activities. These organizations are good enough to support industrial development by ensuring community participation in the developmental process. The concept of corporate social responsibility is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. Corporate social responsibility is to be looked upon as mutual support programmes that ensure the development of community near the industrial area along with the expansion and development of the industrial organizations. The community today needs external agencies to help alleviate many social problems like poverty, health, unemployment, community education, homelessness and eco development programs. By looking upon the needs of the community, the organization gets an opportunity to understand the social needs of the people and it will enable them to intervene into such social issues and finding solutions to the many basic needs. It develops greater trust and confidence of the community on the business organization's effort in their real development. The NGOs existing within the industrial location and closer to the community can better act as moderators and facilitators in the realization of their social need and better environmental protection. To develop a better rapport with the community in the implementation of the developmental activities, the NGOs can play a better role with the industry and community. They can help the industrial management in communicating the expansion programme to the community and thereby developing a proactive and social environmental and industrial development policy. Lower operating costs, enhanced brand image and reputation,

reduced regulatory oversight, product safety and decreased liability, improved financial performance, etc., are the benefits to the organization. The benefit is not only for the community and organization but also for the employees.

CSR supports charities to fulfill legal obligation while generating goodwill. For many of India's most loved brands, 'giving back' is not about just fulfilling legal obligation but generating goodwill in their respective communities. There are times when CSR and NGOs go hand-in-hand. Companies, therefore, must spend in areas like literacy, women's empowerment, environment, water, sanitation, child rights, etc. Most companies around the world allocate 100% of their resources before they consider the need of CSR. The same holds true for India, and even after allocating CSR funding, and engaging employees with a mission of social good, companies struggle with their project's sustainability.

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## **2.4 NGO INTERVENTION IN CORPORATE SOCIAL RESPONSIBILITY**

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Many companies simply do not have the bandwidth (employees, consultants and supervision) to undertake consistent CSR implementation. These companies not only need to spend on CSR, but also on CSR training for their employees, or adding manpower dedicated to CSR capability. NGOs in India pitch a streamlined, customized solution to these corporations. For NGOs, corporates are not only a source of consistent funding but also access to strategic resources. An IT giant, for example, can provide technology, processes, and support for educational initiatives.

### **2.4.1 A look at India's NGO sector**

India possibly is home to the world's largest number of active not-for-profit NGOs. At last count, India had 31 lakh NGO - one NGO for about 400 Indians. With the boom in CSR funding, this number can cross 40 lakh - considering that there are thousands of public and private sector companies worth Rs.15,000 to 18,000 crores in their CSR kitty annually. This number doesn't even include India's actual number of NGOs, as many aren't formally registered under the Societies Registration Act 1860, or any other Acts pertaining to non-profit organizations.

### **2.4.2 How does a company identify the right NGO for CSR intervention?**

With this veritable ocean of NGOs, it isn't easy to pick the right one for a company to engage in CSR intervention. Companies not only must allocate funds, but also work with the NGO on CSR interventions. This requires the need for effective monitoring and evaluation mechanisms in place. Many large corporates, like Godrej, Reliance, Wipro, Infosys, Tata, and the Birlas have established their own Foundations and Trusts to achieve this. It is critical for a company to rate an NGO on parameters while short listing one for CSR implementation. Some of these parameters are listed below:

**i) Years in operation**

It is important for a corporate to work with an NGO that has demonstrated years of experience and reliability. During this time, it must have mobilized resources, infrastructure and people for a social cause.

**ii) Geography**

Companies should preferably look for an NGO near the project area. This not only ensures easier logistics, but also an intimate understanding of the local needs, geography, language, culture, etc. The NGO preferably must situate offices or centers with connectivity and other resources in these locations, to efficiently execute projects.

**iii) Reputation**

Transparency, accountability and measurable change in a social welfare context are how an NGO's reputation can be measured. This gives an NGO credibility, making it trustworthy of using corporate assets and funding for CSR goals.

**iv) Certification (e.g., filing for donation tax return)**

Certification allows corporates to assess if an NGO complies with legal norms, as legal issues can compromise CSR implementation. Certification includes Income Tax exemption, FCRA, service tax, and also proper internal documentation in case an audit is requested.

**v) Relevant experience**

An NGO must have shown work in projects relevant to the corporate's CSR goals. Coca Cola India, for example, devotes a substantial amount of CSR efforts to water sustainability, conservation, and sanitation. These projects must be corroborated with completion certificates from clients.

**vi) Leadership**

The NGO's leadership must be well known promoters, with no legal proceedings or controversies to their name.

**vii) Credentials**

An NGO's credentials can also be ascertained via certificates, awards, news coverage, and membership of NGO and corporate bodies like CII, Chamber of Commerce, etc.

### **2.4.3 Case studies of Save the Children's CSR work with leading multinational corporations:**

Here are some case studies from two of the world's most well known brands in telecom (Nokia) and a furniture and home accessories group of companies (IKEA), which show how a company's strengths can be leveraged for social change by Save the Children.

**1) Nokia**

**Disaster Risk Reduction:** Working with Nokia, Save the Children established a new information technology based disaster risk reduction

project. This initiative is working on building resilience of children and communities in emergencies. Some of its initiatives include:

**i) Delhi:**

The Making Schools Safer programme was initiated across 31 slum pockets, covering 50 schools and reaching over 2 lakh people. It is today preparing children and communities to identify daily risks faced by children, and respond to them using IT. Detailed risk assessment has been carried out, and the NGO is establishing resource centers across schools.

**ii) Disaster struck and disaster prone regions**

Nokia is working to provide advanced communication connectivity via its telecom technologies in these regions. This includes access to safety maps and plans, alternate routes and safe zones, real time coordination with community members, and mobile based training and education. The project was deployed in six pilot villages in early 2016, followed by projects across 350 villages and urban settlements across Bihar, Rajasthan, Delhi, Andhra Pradesh, and Tamil Nadu.

**iii) Empowering Accredited Social Health Activists (ASHAs)**

Accredited Social Health Activists (ASHAs) or community health workers were armed with mobile phones that can store medical information, which is hosted on a cloud server using GPRS. They met pregnant women and new mothers, to advise on maternity health and infant health, via the phones which also feature text and audio messages on breastfeeding and importance of institutional delivery. The activists also used the phone to schedule appointments and access patient records. With the NGO's input, pregnancy and newborn care mobile health applications (called 'Comm Care') were developed.

**2) IKEA**

**i) Freeing children from cotton farming labour:**

The IKEA Foundation and Save the Children came together for a €7 million programme to protect eight lakh children living in cotton communities in the states of Punjab, Haryana and Rajasthan, after a successful debut across 1,866 villages of Gujarat and Maharashtra where over 65,000 children were moved to classrooms from the bondages of child labour. Thousands of farmers also pledged to make their farms child labour free.

**ii) Disaster relief: 2012 Assam floods:**

Save the Children with support from IKEA Foundation provided malnutrition screening, followed by access to Save the Children's Nutrition Rehabilitation Centre (NRC) facilities, where they are monitored and provided nutritional care and support. Pregnant and lactating mothers in flood-hit Assam were taught healthy recipes and low cost, dry food for children to improve children's nutritional status. To fight contamination caused by the Assam floods, children and families were engaged in awareness drives on health and hygiene to encourage safe hygiene practices.

**iii) Solar lamps**

For every SUNNAN solar power lamp bought by IKEA customers, the IKEA Foundation donates one to UNICEF and Save the Children to help children play, read, write and study after dusk.

**Activity 1**

Visit a CSR project being implemented by an NGO in the city of your residence. Write about the CSR activity being undertaken by the NGO and name of the corporate for which the activity is being undertaken.

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**Check Your Progress-1**

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What is the relationship between corporate social responsibility and NGOs?

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2) Briefly discuss NGOs intervention in corporate social responsibility?

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## **2.5 COOPERATIVES**

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Groups of individuals around the world and throughout time have worked together in pursuit of common goals. Examples of cooperation, or collective action, can be traced back to our prehistoric predecessors who recognized the advantages of hunting, gathering and living in groups rather than on their own. The earliest cooperative associations were created in Europe and North America during the 17th and 18th centuries. These associations were precursors to cooperatives.

## 2.5.1 What is a cooperative?

The cooperative model has been adapted to numerous and varied businesses. In 1942, Ivan Emelianoff, a respected cooperative scholar, remarked that “the diversity of cooperatives is kaleidoscopic and their variability is literally infinite.” As a consequence of this diversity, no universally accepted definition of a cooperative exists. Two definitions however are commonly used. According to the International Co-operative Alliance (ICA), “A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”. Cooperative leaders around the world recognize the ICA, a non governmental organization with over 230 member organizations from over 100 countries, as a leading authority on cooperative definition and values. The ICA definition recognizes the essential element of cooperatives: membership is voluntary. Coercion is the antithesis of cooperation. Persons compelled to act contrary to their wishes are not fully cooperating. True cooperation with others arises from a belief in mutual help; it can’t be dictated. In authentic cooperatives, persons join voluntarily and have the freedom to quit the cooperative at any time.

Another widely accepted cooperative definition is the one adopted by the United States Department of Agriculture (USDA) in 1987: ‘A cooperative is a user-owned, user-controlled business that distributes benefits on the basis of use’. This definition captures what are generally considered the three primary cooperative principles: user ownership, user control, and proportional distribution of benefits. The ‘user-owner’ principle implies that the people who use the cooperative (members) help finance the cooperative and therefore, own the cooperative. Members are responsible for providing at least some of the cooperative’s capital. The equity capital contribution of each member should be in equal proportion to that member’s use (patronage) of the cooperative. This shared financing creates joint ownership (part of the ICA cooperative definition). The ‘user-controlled’ concept means that the members of the cooperative govern the business directly by voting on significant and long term business decisions and indirectly through their representatives on the board of directors.

## 2.5.2 Steps to form a cooperative society in India

All societies must be formed under the Cooperative Societies Act, 1912 or under the relevant state cooperative laws. Steps involved in the formation of a cooperative society in India are given below:

### **Step 1: At least ten individuals who are desirous of forming a society should come together**

To form a society, the law mandates that a minimum of 10 members having similar aims and objectives to be achieved through the society for their mutual benefit must show their desire to be part of the society.

### **Step 2: Selection of chief promoter by the provisional committee**

Once a group of individuals decide to form a cooperative society, the next step is to form a provisional committee of which everyone is a part. The committee members choose a member to be the chief promoter of the society either by mutual consent or by majority.

**Step 3: Deciding a name for the society**

The next step after selection of the chief promoter is to decide upon a name for the cooperative society which they wish to form

**Step 4: Application has to be made to the registration authority**

After selection of the name of the society, they have to make an application to the registration authority stating their intention to form a society and the name of the society has to be given to the authority for its approval. The registering authority has to confirm that name is in conformity with laws and issue a confirmation certificate to the members. Once the society name is approved by the authority, it is valid for 3 months from the date of approval.

**Step 5: Entrance fees and share capital**

Once the name is approved by the concerned authority, the entrance fee and share capital must be collected from the prospective members so as to meet the statutory requirements under law.

**Step 6: Opening a bank account**

Once the prescribed fee and share capital is collected from the prospective members, then the promoter has to open a bank account in the name of the society and deposit the said fees and share capital in that account and a certificate has to be obtained from the bank to that effect.

**Step 7 Application for registration**

After opening the bank account and depositing the fee and share capital, the promoter has to apply for the society formation to the registration authority and it has to be accompanied with a set of documents, which are given below:

- 1) Form No. A in quadruplicate signed by 90% of the promoter members
- 2) List of promoter members
- 3) Bank certificate
- 4) Detailed explanation of working of the society
- 5) Four copies of proposed laws of the society
- 6) Proof of payment of registration charges
- 7) Other documents such as affidavits, indemnity bonds, any documents specified by the Registrar also have to be submitted.

All these documents have to be submitted at the time of applying for registration of the society to the registering authority and the authority, after it is satisfied with the documents submitted to it, has to apply its mind to whether or not to register the said society.

**Step 8: Acknowledgement of the receipt of the application by the Registrar**

The particulars of the application submitted are then entered in the Register of Application by the registrar of that municipal ward and a serial number is given to the application. A receipt is then issued to the



members for them to follow up on the status of their application. The registrar after perusal of the records submitted has to decide on the issuance of the certificate of registration. If there are any discrepancies noticed, then it has to be informed to the members for rectification.

### **Step 9: Registration**

The final step involves notification of the registration of the society in the official gazette mentioned by the state or central government. Finally, the registration certificate of the society is issued and given to the members of the society.

### **2.5.3 Why cooperate?**

People who organize and belong to cooperatives do so for a variety of economic, social, and even political reasons. Cooperating with others has often proven to be a satisfactory way of achieving one's own objectives while at the same time assisting others in achieving theirs. Farmers create farm supply and marketing cooperatives to help them maximize their net profits. This requires both effective marketing of their products for better prices as well as keeping input costs as low as possible. The farmers recognize that they are usually more efficient and knowledgeable as producers than as marketers or purchasers. By selling and buying in larger volumes they can also usually achieve better prices.

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## **2.6 COOPERATIVES AND SOCIAL DEVELOPMENT**

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In the early stage, the cooperatives were started mainly to take care of the financial needs of farmers at certain critical times like seeding, harvesting, etc. Till the cooperatives were started, the farmers were mainly depending on the money lenders of the region. There was virtually exploitation of the farmers by the few money lenders. Today, to a great extent, the financial need of the farmers is taken care of by the primary cooperative societies, doing lending activities. It is estimated that about 65 per cent of the rural credit is being taken care of by cooperatives. These rural cooperatives have also involved themselves in procurement and distribution of the inputs required for agriculture purpose. Through these activities they make available the quality inputs at optimum prices to the farmers. Otherwise the farmers would have depended on middlemen for this requirement. The dairy cooperatives have provided gainful employment and dignity to many households in the rural areas. The success of the dairy cooperatives could be seen in the states like Gujarat, Maharashtra, Karnataka, Andhra Pradesh, etc. Amul experiment has been acclaimed as a great success and the same pattern is being adopted in many other states. The involvement of women in the rural areas in milk production is a unique contribution of this movement. Otherwise the rural women in India always played a secondary role and they lacked self-confidence. Through the dairy movement, they have not only got gainful employment but also revived their rightful existence and attained dignity. The sugar cooperatives in Maharashtra is another example of successful socio-economic transformation of the rural sector. Some of the examples are Warnanagar Cooperative Sugar Industry, Pravaranagar Cooperative Sugar Industry, etc. They have been able to not only provide economic gains but have also contributed in many other ways. They have developed rural complexes which

include all types of facilities like education, hospitals, entertainment centers, consumers' cooperative stores, etc. They are certainly models for emulation by others. In fact, they are classic examples of how cooperative movement could be contributing to the socio-economic development of India by upgrading the rural sector.

Cooperatives provide a platform especially for women to come together and thereby acquire better bargaining power. Women are active in most types of cooperatives, such as banks, dairy, consumers, agricultural marketing, fisheries, thrift and credit and industrial cooperatives. Women cooperatives play a valuable role in sustained social development.

### 2.6.1 Examples of Successful Cooperatives:

- i) **GCMMF**- It was formed in 1948, it is a cooperative brand managed by a cooperative body, the Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), which today is jointly owned by 3.6 million milk producers in Gujarat.
- ii) **Bhramaramba Society**: is situated at Kurnool of Andhra Pradesh. This Bank has given loans worth almost Rs.50 lakh to over 730 poor families. The recovery rate is a whopping 98 per cent. Registered under the State's 'Mutually Aided Cooperative Society Act', 1995, on 15th August, 1998, the bank had 2,400 women members. Only women sit on its 22-member board and all women staff handles banking operations. The seeds of Bhramaramba Bank were sown in 1995, when poor women in 22 villages of the Midthura Mandal (administrative block) were encouraged to form thrift and microlending self help groups. This social mobilization initiative encouraged them to form thrift and microlending self help groups. This social mobilization initiative is a part of the United Nations Development Programme (UNDP) funded South Asia Poverty Alleviation Programme (SAPAP) and is implemented jointly by the United Nation's Development Programme and the State Government. It has taken roots in 20 mandals across the district of Kurnool, Anantapur and Mahabub Nagar. The ability of women to take critical decisions has come to the fore in the whole process. The members of Bhramaramba Bank have utilized loans for animal husbandry (48 per cent), agriculture and allied activities (28 per cent) and for petty business (16 per cent).

State policy under planning gives a great deal of importance to cooperatives as a desirable form of organization to enable small farmers, households and cottage industries to acquire greater bargaining strength in the economy vis-a-vis the big players, through access to credit, input and produce markets. More generally, the concept of organizing economic activity in a spirit of mutual help and managing them democratically for the benefit of members rather than for profit had a wider moral and ideological appeal to the leaders of that time. This is reflected in the prominence given to cooperation in the early five year plans and the vigorous efforts to encourage, promote and support cooperatives. As a result, there has been a phenomenal expansion in the number of societies and the range of activities. With a few significant exceptions, this growth is largely driven and sustained by government decisions on the allocation of budgetary funds, and on its policy of targeted expansion of public funding of cooperatives at low rates of interest.

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What is a cooperative?

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2) Give an example of a successful cooperative.

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## **2.7 LET US SUM UP**

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With Corporate Social Responsibility (CSR) being made mandatory in the form of Section 135 of the Companies ACT 2013, corporates have now begun to recognize CSR as a core activity and are looking to find innovative ways to effectively utilize their CSR fund. This has brought to the fore the role that NGOs and other implementing agencies can jointly play along with corporates in order to achieve what is known as collective impact. In this unit you have read about role of NGOs and cooperatives in CSR implementation. How to identify the right NGO for CSR intervention has also been discussed. You have read about the NGO intervention in CSR and also about role of cooperatives in social development.

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## **2.8 KEYWORDS**

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**NGOs:** A non-governmental organization (*NGO*) is a non-profit, citizen-based group that functions independently of government.

**Cooperatives:** Cooperatives are people-centred enterprises owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations.

**Cooperative society:** A cooperative society is a voluntary association that started with the aim of the service of its members.

**Social Development:** Social Development refers to how people develop social and emotional skills across the lifespan, with particular attention to childhood and adolescence.

## 2.9 BIBLIOGRAPHY AND SELECTED READINGS

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## 2.10 CHECK YOUR PROGRESS-POSSIBLE ANSWERS

### Check Your Progress - 1

**Answer 1.** Many non governmental organizations in India are engaged in social development and environmental activities. These organizations are good enough to support the industrial development by ensuring community participation in the developmental process. The concept of corporate social responsibility is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. Corporate Social Responsibility is to be looked upon as mutual support programs that ensure development of community near by the industrial area with the expansion and development of the industrial organizations.

**Answer 2.** Many companies simply do not have the bandwidth (employees, consultants and supervision) to undertake consistent CSR implementation. These companies not only need to spend on CSR, but also on CSR training for their employees, or adding manpower dedicated to CSR capability. NGO's in India pitch a streamlined, customized solution to these corporations. For NGOs, corporates are not only a source of consistent funding but also access to strategic resources. An IT giant, for example, can provide technology, processes, and support for educational initiatives.

### Check Your Progress - 2

**Answer 1.** According to the International Co-operative Alliance (ICA): a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

**Answer 2.** Example of a successful cooperative

**GCMMF-** It was *formed* in 1948, it is a cooperative brand managed by a cooperative body, the Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), which today is jointly owned by 3.6 million milk producers in Gujarat.

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## **UNIT 3    CSR AND GOVERNMENT PROGRAMMES**

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### **Structure**

- 3.1 Introduction
- 3.2 Formalizing Corporate Social Giving in India
- 3.3 Role of Government in Supporting CSR
- 3.4 Good Practices to Foster CSR
- 3.5 Public Private Partnerships in CSR
- 3.6 Let Us Sum Up
- 3.7 Keywords
- 3.8 Bibliography and Selected Readings
- 3.9 Check Your Progress - Possible Answers

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### **3.1 INTRODUCTION**

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In the previous units you learnt about the corporate social responsibility (CSR) legislation in India and the various provisions under the Companies Act of 2013 which stipulates companies to engage in social development activities through various means. As the companies begin to acclimatize their operations in light of the Act and streamline investment for social good, there are important stakeholders who are required to be involved in the process in order to streamline and maximize impact on ground. The last unit highlighted the role of NGOs and cooperatives in engaging with corporates to achieve the provisions mandated in the Companies Act of 2013. Besides NGOs which are key stakeholders in furthering CSR initiatives of corporations, the government has an important role to play in facilitating adherence to CSR provisions in the Companies Act and supporting CSR activities on ground while ruling out possibilities of duplication. The role of the government is even more important because the primary onus of social development lies with it. This unit focuses on understanding the multi-faceted role of the government in informing, furthering and streamlining CSR activities to realize the pursuit of social development.

After studying this unit, you should be able to:

- Discuss the role of government in streamlining and supporting CSR initiatives
- Describe government interventions in promoting CSR and fostering best practices
- Illustrate models of government and corporate partnership for furthering CSR

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### **3.2 FORMALIZING CORPORATE SOCIAL GIVING IN INDIA**

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The roots of social investments by profit making entities in India, especially for the purpose of welfare can be traced back to the principle of ‘giving’ as stipulated in the Vedas, the ancient Hindu scriptures. The Rig Veda in the Skanda Purana

prescribes that a patriarch gives 10% of earned income for public welfare work (ET Contributors, 2019). The famous Hindu scripture, *The Mahabharata* also says that “the one who enjoys abundance without sharing with others is indeed a thief” (Sanjai, 2014). Thus, the cultural ethos of our country has written down prescriptions that recommend giving for social good. Over time, the nature of giving has transitioned from charity to philanthropy. Ramachandran (2009) differentiates between the two citing that philanthropy is largely driven by feelings of altruism while charity is often driven by religious and/or moral reasons. Profit making corporations in the country have a long history of oscillating between charity and philanthropy. However, in the absence of a regulatory framework, social investments have largely been voluntary and have fluctuated based on individual orientation towards societal welfare. With the advent of industrialization in the country accompanied by the proliferation of profit making corporations, the government realized the need for a framework standardizing the nature, type and extent of social investment by profit making entities. Several other underlying factors such as the pressure on natural resources, exploitation of the commons led the government to take appropriate measures to orient corporations to give back to the society from where they run their businesses.

It is in this backdrop that the Companies Act of 2013 was conceptualized with the integration of Section 135 stipulating companies registering profits worth Rupees five crore and more in a financial year, to invest two percent of net profits in social activities. With the implementation of this Act, corporate giving has been formalized in India which has led to a larger volume of funds being diverted to addressing social problems in the country. However, the increase in fund inflow has simultaneously given rise to several issues which have resultantly necessitated greater involvement by the government at all levels.

#### Activity 1

Interview four people in the age range of 50-70 years about the forms of social giving that they witnessed in their years of growing up and how has it changed over time. List out their answers

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### 3.3 ROLE OF GOVERNMENT IN SUPPORTING CSR

Government in the democratic milieu of India has a multifaceted role. While it provisions for furthering realization of an ideal welfare state, it binds institutions, whether public or private through various legislations to ensure that the social fabric remains equitable and welfare driven. In this pursuit, the concept of corporate social responsibility is provisioned under the Companies Act of 2013. To ensure that CSR is appropriately understood and implemented, involvement of the government can be disaggregated at various levels.

To understand how the government supports CSR and its practice, let us divide its role into two tiers stratifying it according to the nature and type of involvement.

- i) Legislative Support
- ii) Strategic Support

### 3.3.1 Legislative support

The government machinery is responsible for constituting appropriate legislative provisions to create a framework for ideation and implementation of corporate social responsibility in the country. The Companies Act of 2013 is one such legislative provision that you have read in the previous units. The aforementioned Act outlines the foundational framework specifying the guidelines for companies that qualify the criteria. Section 135 of the Act specifies that every company having a net worth of Rupees five hundred crore or more, a turnover of Rupees one thousand crore or more, or a net profit of Rupees five crore or more in a financial year is supposed to constitute a corporate social responsibility committee comprising of at least three directors of which at least one should be independent. The CSR committee is supposed to formulate and recommend a CSR policy which is indicative of the activities to be undertaken by the company fitting with the ones listed in Schedule VII, recommend the amount of expense to be incurred and monitor the CSR policy from time to time. The board of every company falling in the ambit of CSR obligation shall ensure that the company spends at least two percent of the average net profits the company made during the three preceding financial years (Corporate Social Responsibility, 2019). Besides the companies qualifying criteria, the Act lays down guidelines that can be utilized by any agency that wishes to engage in corporate social responsibility.

Even before the inclusion of Section 135 in the Companies Act re-launched in 2013, the Ministry of Corporate Affairs (MCA) released the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) in 2011. These guidelines were expected to guide businesses on the composition of responsible business conduct. Recently, the guidelines have been revised to integrate the NVGs with Sustainable Development Goals (SDGs) and also assimilate the 'Respect' pillar of the United Nations Guiding Principles (UNGP). The new principles launched in 2018 are called the National Guidelines on Responsible Business Conduct (NGRBC) (Ministry of Corporate Affairs, 2018). These guidelines are expected to assist businesses to perform beyond the regulatory compliances thus paving way for small businesses not falling in the ambit of CSR to also contribute to the cause of social development in the country. Irrespective of the ownership, size, structure, sector or location, all businesses are expected to follow these guidelines through providing a framework that directs businesses to also encourage and support their suppliers, vendors, distributors, partners and other collaborators to follow them. The guidelines lay down nine principles which are interdependent, interrelated and business are expected to address these holistically while being sensitive to characteristics such as caste, creed, sex, race, ethnicity, age, color, religion, disability, socio-economic status, or sexual orientation (ibid, 2018). Following are the nine principles laid out in the guidelines:

- i) Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

- ii) Businesses should provide goods and services in a manner that is sustainable and safe.
- iii) Businesses should respect and promote the well being of all employees, including those in their value chains.
- iv) Businesses should respect the interests of and be responsive to all its stakeholders.
- v) Businesses should respect and promote human rights.
- vi) Businesses should respect and make efforts to protect and restore the environment.
- vii) Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- viii) Businesses should promote inclusive growth and equitable development.
- ix) Business should engage with and provide value to their consumers in a responsible manner.”

(Source: Ministry of Corporate Affairs, 2018).

The guidelines also propose a business responsibility reporting framework which is not mandatory to be followed but serves as an internal tool for businesses wanting to align with the principles laid out in the NGRBC. Both, the principles laid out in the guidelines and provisions in the Act serve as guiding frameworks for all types of businesses to adopt responsible business practices and align their conduct with the larger welfare of the society. These also serve as legislative references that corporates mandated by the Act can use to adhere to the bindings under the Act.

Besides these, the government has also set up mechanisms to ensure compliance to the Act. Over a couple of years post implementation of the Act, the government recognized that several corporate houses falling in the ambit of the Act are not complying with the provisions mandated therein. Thus, a high level committee on corporate social responsibility (HLC) was set up under the chairmanship of the Secretary of Ministry of Corporate Affairs in the year 2018. The objective of constitution of the committee was to review the existing framework and guide and formulate the roadmap of a coherent policy on corporate social responsibility. The committee was also accorded the task of analyzing outcomes of CSR activities/ programmes/ projects and making suggestions on monitoring and evaluation mechanisms (Rana et. al, 2018). Alongside, according to the government notification of 2018, a steering committee on corporate social responsibility (CSR) was also constituted to revisit the activities listed in Schedule VII of the Act, to revisit guidelines for enforcement of CSR provisions including structure of centralized security and prosecution mechanism (CSPM) among other roles accorded to the committee. For the purpose of aiding the committee's work, two sub-committees were constituted:

- a) Legal sub-committee for CSR: the legal sub-committee was constituted with the main purpose of identifying responsibility for non-compliance of CSR provisions and proposed mechanisms to facilitate adherence to the provisions of the CSR Act, 2013.



- b) Technical sub-committee for CSR: the technical sub-committee was responsible to verify the data consistency of National CSR Data Portal, document and segregate the companies falling in the ambit of the Act and further disaggregate companies based on compliance and non-compliance.

(Source: Government of India, 2018).

The government, in its continued attempt to improve the understanding and compliance of CSR in the Indian corporate environs reviews the recommendations of the committees thus constituted. Several attempts are being taken to simplify procedures related to compliance and adherence to the provisions of the Act thereby extending legislative support to corporate entities in the country.

### 3.3.2 Strategic Support

CSR being new to our country, the government has an important role to play in how the legislative provisions are brought to reality. In that pursuit, role of the government extends to making available a guiding framework for corporate entities to make meaningful and impactful contributions towards development of the country. Schedule VII of the Companies Act is a strategic reference point in this regard. In resonance with the then Millennium Development Goals focusing on addressing pressing development issues globally, Schedule VII lists out key reference points for corporates to align their CSR programmes with. The list released by the government is neither exhaustive nor mandatory but puts in place key issues of development that companies can include in their CSR mandate or policy. These activities are:

- a) Eradicating extreme hunger and poverty
- b) Promotion of education
- c) Promoting gender equality and empowering women
- d) Reducing child mortality and improving maternal health
- e) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
- f) Ensuring environmental sustainability
- g) Employment enhancing vocational skills
- h) Social business projects
- i) Contribution to Prime Minister's Relief Fund or any other fund set up by the central government or state governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women
- j) Such other matters as may be prescribed." (MCA, 2013).

It was in 2014 that the list witnessed its first amendment to include several other aspects that did not find mention in the first list. The table below highlights the additions made to the list after the amendment.

**Table 1: Schedule VII Activity List**

Schedule VII Activity List- 2013 (Source: ibid, 2013)	Additional domains –2014 (Source: MCA, 2014)
1) Eradicating extreme hunger and poverty	Malnutrition, preventive health care and sanitation, availability of safe drinking water
2) Promotion of education	Special education and vocational skill enhancement especially among women, elderly, differently abled
3) Promoting gender equality and empowering women	Setting up homes and hostels for women and orphans, setting up old age homes, day care centers and other facilities for senior citizens
4) Reducing child mortality and improving maternal health	None
5) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	None
6) Ensuring environmental sustainability	Ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water
7) Employment enhancing vocational skills	None
8) Social business projects	Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government
9) Contribution to Prime Minister's Relief Fund or any other fund set up by the central government or state governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women	None
10) NA	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art,

	setting up public libraries, promotion of traditional arts and handicrafts
11) NA	Measures for the benefit of armed forces, veterans, war widows and their dependents
12) NA	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
13) NA	Rural development projects

Besides the additions mentioned in Table 1, slight amendments have followed ever since. In August 2014, slum area development was added as a separate domain that corporates can invest in while undertaking CSR. In October of the same year, contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga was added to the domain of ensuring environmental sustainability along with contribution to Swach Bharat Kosh set up by the Central Government for promotion of sanitation added to the domain of sanitation. Very recently, in the year 2019, disaster management, including relief, rehabilitation and reconstruction activities has also been added to the schedule VII activity list (MCA, 2019). Schedule VII activity list is therefore a dynamic list which undergoes amendment in view of the domains that emerge as development priorities for the government. This list is an important strategic reference support extended by the government in order to help corporate entities align their CSR mandate and policies with issues of national priority.

### Check Your Progress-1

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) What steps have been taken by the Government of India to simplify and improve implementation of CSR provisioned in the Companies Act of 2013?

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- 2) In what form does the government extend strategic support to companies to pursue CSR?

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## 3.4 GOOD PRACTICES TO FOSTER CSR

The underlying principle of CSR is creating shared value for all stakeholders involved in its ideation, execution and process. While business conduct becomes socially responsive, it also benefits from gaining a socially responsible image among its targeted consumers thereby giving a thrust to their client base. Parallel to this, government's efforts in addressing pressing development issues in the country are supplemented thereby maximizing outreach and impact. The larger communities which are the targeted beneficiaries are in turn benefited from developmental efforts of both, the government and corporate entities thus creating a win-win situation for all. However, this is an ideal case scenario which is difficult to achieve in real world. CSR, in common parlance is perceived by civil society and communities at large as a campaign to create brand mileage which is often disproportionately high when compared with the effort. Given that corporates are inceptioned and run with a profit driven motive, there is a fundamental distrust of civil society regarding a corporation's legitimate intention to do any socially driven work keeping profits on the backburner (Rangan et.al, 2012). With this being the widely held perception, the government can play a key role in promoting good practices to foster CSR. These can be as follows:

### 3.4.1 Raising awareness:

The government needs to raise awareness to inform corporate entities about pressing development issues the country is grappling with which are also likely to affect businesses if not dealt with. This is likely to prompt businesses to recognize and devise solutions to resolve such problems or partner with the government and/or civil society organizations to further their initiatives towards addressing these problems. Awareness building will also generate greater responsiveness from businesses and will lead to a uniform perception regarding the scope of CSR.

### 3.4.2 Legislative frameworks:

Government legislations like the guidelines on responsible business conduct and Section 135 of the Companies Act of 2013 are instruments to keep the companies better informed of their role in the society and the most appropriate way they can bring about positive change. These legislations are guiding frameworks for corporates to steer the introduction of the concept of CSR in business and find appropriate pathways to weave it into operations with the right orientation. Aligned with the profit making goal, these frameworks help design the CSR policy and mandate, an important first starting point in fostering CSR.

### 3.4.3 Policy making:

one among the best practices to foster CSR is to create policies to set standards. Legislations that are put in place mandating corporate entities to create a CSR committee and invest profits in developmental activities are open to irrational interpretations. Thus, there are several instances where the underlying profit derivative from a CSR effort of a corporate entity surfaces much before the effort itself. The government, through policies can set clear standards for pursuing and achieving the goals which were envisioned while making CSR a stipulation. Such policies, when put in the public domain can also result in creating positive

aspirations among corporates to achieve those standards or go beyond the threshold to not only make a positive impact but also create a socially responsible image.

#### **3.4.4 Transparency:**

The government can play an important role in creating transparency and promoting access to CSR practice of corporates. Promoting such public disclosure can be helpful in two ways. One, it helps improve and set higher standards of CSR practice in the country. Second, it encourages other players to follow suit. Even though, a number of companies release their impact and CSR investment reports, these are based on internal assessments and may be deemed as not reporting precise impact. The government can create a central reporting portal where all corporate entities investing their resources in development through CSR, document their activities for every calendar/ financial year. This portal can serve as not only a reference ground for other aspiring entities which are stepping into the realm of CSR, but also be a platform where initiatives can find concurrence and/or converge to make holistic and lasting impact in select geographies or communities.

#### **3.4.5 Monitoring and evaluation frameworks:**

To foster CSR which is impact oriented, the government needs to set up monitoring and evaluation mechanisms to gauge the impact on ground from CSR initiatives of corporates. These frameworks will also serve as yardsticks for a corporate's internal assessment of its initiatives. From the perspective of governance, these frameworks will also help the government prioritize developmental domains which require intensive efforts and supplement or withdraw from domains that are being taken care of by CSR initiatives to eliminate duplication of efforts.

Additionally, best practices to foster good CSR also include research on stakeholders involved in a particular CSR programme, ensuring creation of CSR communications materials, planning ahead, using personal and corporate channels to convey CSR messages, monitoring contemporary environment for potential opportunities, leveraging technology tools and adapting to dynamic environments (Peterson & Jones-Merrill, 2017).

The role of the government is instrumental and imperative in developing and streamlining practices to foster CSR. It is possible only when the government works in tandem with the CSR initiatives across the country while having validated, reliable and scalable tools to measure the impact of such initiatives and standardized reporting frameworks which not only help streamline the pursuit of development but also help set standards to better the CSR milieu in the country. Partnership is key to creating shared value among all stakeholders. The next section describes a few such public private partnerships in CSR which have helped generate sizeable impact and positively benefited all stakeholders.

**Check Your Progress-2**

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) What are the good practices that the government should introduce to foster CSR?

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- 2) What do you understand by the term shared value in the context of CSR?

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### 3.5 PUBLIC PRIVATE PARTNERSHIPS IN CSR

Kinnear (2018) remarks that collaboration between the government and private sector is one of the most effective ways to improve CSR standards in business. With the government setting minimum business standards, the government can ensure that the standards are met and at the same time, social objectives are achieved while government and private spheres work complementarily for achieving larger social good.

In recent years, CSR has become an integral part of every business portfolio in India and companies have made significant contributions in the development of the country through various initiatives in areas such as education, healthcare, water and sanitation, infrastructure, livelihoods, rural development, and urban development. The mushrooming of corporate foundations is a significant progress for CSR in India. Foundations are usually not-for-profit entities set up to conduct CSR activities. This structure enables them to partner with other organizations engaged in research and implementation activities. They also work with government departments to seek alignment with social, environment, or economic development priorities (Warner, 2014). The government recognizes the role of business in inclusive growth through sustainable development efforts. While companies do carry out CSR work independently, many also work in collaboration with the government in public private partnership mode. In 2012, the Centre of Excellence for Sustainable Development identified companies which were carrying out their CSR activities through corporate foundations. Ten companies were selected based on geographical location and the sector they were working in. Of the ten companies selected, eight have corporate foundations, the CSR

arms that carry out the companies' development initiatives. Data was gathered through interactions with company representatives, government representatives and relevant stakeholders. The interventions of these ten companies address issues of healthcare, livelihoods, education, natural resource management, infrastructure, community development, and clean energy, while collaborating with the government. While some initiatives are localized to the needs and conditions of certain geographical regions, there are some that are being replicated and scaled at the national level.

Between corporate entities and the government, three types of collaborations emerge. These are:

- 1) Where the public partner or the government funds the intervention completely
- 2) Where the government funds most of the intervention and the private player fills in the gaps
- 3) Where both share costs

While in some cases a private player initiates a project and the government then takes it up, in other cases the companies leverage an existing public scheme or intervention. The Centre found that there are definite advantages in public-private collaborations. While the government has the capacity to contribute financial resources and provide scale, the private sector, aside from funds also provides expertise in management, delivery and technology, and is responsible for the day-to-day management and running of the interventions. Private players are in a better position to do the groundwork and can mobilize personnel easily since the government is vulnerable to bureaucratic protocols working on the ground which negatively affects the interventions. In all ten cases analyzed by the Center, there is evidence of the community being positively impacted. Public and private sectors believe that working together in the development sector would achieve the best results and have the greatest impact.

### Activity 2

Read relevant literature on any two public private partnerships which have helped solve a daunting problem in any of India's geographical locations. Identify one such area where public private partnership (PPP) can help solving a problem in your vicinity.

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State led governments have pursued different strategies in instituting public and private partnerships (PPPs). For example, the state of Rajasthan adopted a PPP policy entitled Public Partnership in School Education 2015. This new policy pilots PPP in 10 primary and secondary schools to improve the quality of education in government schools (Morgan, 2017) as the state government is concerned

with the decrease in the number of enrollments in government schools. Other than national government initiatives to encourage PPP, there have also been state level initiatives.

**For example,** the NIIT, a global IT corporation, works with the state governments of Tamil Nadu, Karnataka, West Bengal, and Andhra Pradesh in terms of infrastructure creation, systems integration, facilities management, education delivery, and teacher training, thereby providing quality computer education and computer aided education to thousands of schools. Many of the classrooms in these states have become NIIT centers, which are open to school children and teachers during the day and then used by the franchise holder in the evenings. Another state level PPP initiative is in the Gujarat State of India where schools are jointly financed by the local community and the government. High school buildings are donated, built, and managed by local communities.

**Example:** Another successful example of public private partnerships is a case of the Biocon Foundation. Biocon Foundation, Biocon's CSR arm, has interventions in the areas of health, education and infrastructure. The Foundation claims that 'by establishing primary healthcare centers (PHCs), actively creating awareness about disease prevention, public health and sanitation, infrastructure building and initiating programmes in education, they aim to empower underserved communities towards self help, improved health and in good time, a better standard of living. In 2009, responding to the disaster Karnataka was facing as a result of heavy rains and subsequent flooding, the Foundation built a village to rehabilitate and relocate those who had lost their homes (Agarwal, 2017). The Government of Karnataka initiated a relocation and rehabilitation scheme called Aasare that would be implemented through public-private partnership. Villages located on the banks of the Malaprabha River were relocated to higher grounds. Biocon, along with other companies, was invited to help rebuild villages at new locations. The new village has been built about a kilometer away from the old one, so the community has not been relocated a great distance away. Biocon Foundation has built 411 houses, which were allotted in December 2012, with ownership given to the new residents. There are about 2,000 old and new check dams in tribal dominated Dang region of Gujarat which were in need of renovation. Gujarat CSR Authority (GCSRA), an initiative of Gujarat government, with the support of leading corporate groups have undertaken three projects for repair of check dams in the district (Tiwari, 2018).

These examples are indicative of the fact that if public administrations mobilize their resources in order to create and regularly update a list of needs, it is helpful for civil society, corporate foundations and communities at large to jointly plan CSR interventions with the private sector. Partnerships are useful and impactful especially in scenarios where public sector is incapable to provide direct services in response to social and environmental needs, or where the private sector can provide them more efficiently.



### Check Your Progress-3

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) What are the three types of public private partnerships in the context of CSR?

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- 2) Citing a few examples, explain how public private partnership can be useful in furthering CSR initiatives?

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### 3.6 LET US SUM UP

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The objective of CSR to promote responsible businesses and further development can be realized only with the government playing an active role in its ideation and execution. Besides the legislative and strategic support that the government can provide for furthering CSR, the government has to be instrumental in devising mechanisms to ensure convergence of interventions on ground. It also is responsible to set industry standards that become standardized reference points of aspiration and achievement in CSR. Complementarity of efforts on ground is essential to ensure that the benefits of CSR can be reaped optimally. This can only be possible through innovative public private partnership models being created and replicated all over the country.

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### 3.7 KEYWORDS

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**Responsible business conduct:** The operational protocol of a business which is driven by principles of social sensitivity and responsiveness.

**Shared value:** Reciprocal benefit derived out of a partnership or activity which fetches benefit to all the stakeholders involved.

**Convergence:** Ensuring complementarities of efforts such that impact of an initiative is maximized and duplication is eliminated.

**Public private partnerships:** Partnerships that are initiated between a government/ public funded institution and a private company/ institution or entity.

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### 3.9 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

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#### Check Your Progress - 1

**Answer 1.** The government has set up a high-level committee and a steering committee to improve the understanding and compliance of the CSR Act. The overarching objective of these committees was to review the existing framework of the Act and formulate a roadmap of a coherent policy on CSR alongside proposing ways to monitor and evaluate extent and impact of adherence.

**Answer 2.** The government, as part of the Companies Act of 2013 has schedule VII which scopes out a list of domains that corporate entities designing CSR projects can refer to and align. These domains are strategic reference points for all organizations/ institutions and companies and correspond to the pressing developmental issues in the country as well as globally.

#### Check Your Progress - 2

**Answer 1.** Raising awareness among corporates about pressing social issues, creating legislative provisions to provide legal frameworks promoting adherence to conduct businesses responsibly, formulating policies to set standards, promoting transparency and access to CSR practice of companies, formulating monitoring and evaluation mechanisms to gauge the impact created on ground are some of the good practices to foster CSR.

**Answer 2.** Shared value implies creating a win-win situation for all stakeholders involved in an initiative. In the context of CSR, this implies that besides a profit motive, the company engages in CSR activities in a way which not

only increases its brand value but also contributes to corresponding development issues thereby benefiting communities at large and complementing government efforts.

### Check Your Progress - 3

**Answer 1.** Between corporate entities and the government, three types of collaborations are possible. These are, a partnership where the public partner or the government funds the intervention completely, a partnership where the government funds most of the intervention and the private player fills in the gaps and a partnership where both public and private partner share costs.

**Answer 2.** Public private partnerships can be useful in complementing efforts of each other while using each other's strengths. One such example is that of NIIT, a global IT corporation which is working with state governments of Tamil Nadu, Karnataka, West Bengal, and Andhra Pradesh for infrastructure creation, systems integration, facilities management, education delivery, and teacher training, thereby providing quality computer education and computer-aided education to thousands of schools. Another example is that of Karnataka where after the floods in 2009, the Government of Karnataka initiated a relocation and rehabilitation scheme called Aasare in which villages located on the banks of the Malaprabha River were relocated to higher grounds. Biocon, along with other companies, was invited to help rebuild villages at new locations and the villagers were comfortably shifted to new villages located at a short distance from their previous habitation zone.

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## UNIT 4 CORPORATE FOUNDATIONS

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### Structure

- 4.1 Introduction
- 4.2 What is Corporate Foundation
- 4.3 Role of Corporate Foundations in Corporate Philanthropy
- 4.4 Types of Non Profit Organization
- 4.5 Establishing a Trust
- 4.6 Establishing a Society
- 4.7 Establishing Section 8 Companies
- 4.8 Success Stories of Corporate Foundations in CSR
- 4.9 Let Us Sum Up
- 4.10 Keywords
- 4.11 Bibliography and Selected Readings
- 4.12 Check Your Progress – Possible Answers

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### 4.1 INTRODUCTION

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India has the world's richest tradition of corporate social responsibility. Though the term CSR is comparatively new, the concept itself dates back to over a hundred years. CSR in India has evolved through different phases, like community engagement, socially responsible production and socially responsible employee relations. One of the most significant reasons for a business to get involved in corporate philanthropy is their own survival. The Council on Foundations has pointed out that without healthy communities, healthy companies simply cannot exist. Nowadays business organizations have put corporate giving and CSR at top priority because it helps the organization to connect with community.

Corporate foundations are a good approach to organize and manage philanthropic activities for business giants who participate actively in such activities. The role of foundations in corporate philanthropy is constantly evolving. A corporate foundation increases the visibility of a corporate brand by creating its distinct image in the mind of a community. Foundations have two primary benefits. They can improve the local community through charitable programmes or corporate giving to nonprofits, and they can also improve the company's financial results. All companies are interested in increasing profits. Forming a corporate charity can be a great way to improve the bottom line by generating goodwill in the community and benefiting from the positive marketing that can come from it. 1

After reading this unit you will be able to:

- Differentiate between trusts, societies and Section 8 companies
- Explain the role of corporate foundations in CSR
- Discuss about the establishment of a trust
- Discuss the establishment of a society
- Discuss the requirements of establishing a Section 8 Company

## 4.2 WHAT IS CORPORATE FOUNDATION?

*“We have been doing CSR since the 80s, but when the mandate came we decided to set up a foundation because it helps bring in better corporate governance as it requires one to set up a separate board dedicated to this entity,”*

*Sanjutha Sharma, CSR head of the SBI Foundation.*

### Opening Cases

#### AKSHAYA PATRA FOUNDATION

The Akshaya Patra Foundation has implemented the Mid-Day Meal Scheme in the government schools and government-aided school to satisfy appetite of the students. In the same direction, it also focuses upon the food nutrition and supports the poor children in getting education.

Since 2000, Akshaya Patra has been putting all its efforts towards providing fresh and nutritious meals to children on every single school day. For this purpose it is taking help of latest technology to have just-in-time approach.

It has partnership with the Central Government and various State Governments, along with the persistent support from corporate, individual donors, and well-wishers.

Today, Akshaya Patra is the world's largest (not-for-profit run) Mid-Day Meal Programme serving wholesome food every school day to over 1.8 million children from 16,856 schools across 12 states and 2 Union territories of India. Initially the figure was just 1,500 children in 5 schools in 2000. (For more details visit <https://www.akshayapatra.org/>)

#### AXIS BANK FOUNDATION

Axis Bank Foundation (ABF), a registered trust was formed in 2006 to contribute to society much more than just providing trustworthy and excellent bank services. ABFs initial programmes focused on education and highway trauma care.

Over the years, the Foundation has evolved its approach to meet the contemporary needs of society and aligned all its activities under a unified programme aimed at creating sustainable livelihoods.

Under this, ABF creates opportunities for small, marginal farmers and landless to generate incomes sources from agri and agri allied activities, and natural resource management. ABF also emphasizes on developing vocational skills for disabled and unemployed youth of the country. ABF has partnership with several not-for-profit organizations who also think in the same way to co-create need based programmes. (For more details visit: <http://www.axisbankfoundation.org/>)

Corporate foundations in India are not a new phenomenon. The wealthy of the pre independence era, prompted by the traditions of their community or encouraged by the Gandhian principle of Trusteeship, were generous in giving back to society.

Their humanitarian contributions were not limited to donating to the poor; some goodhearted persons were also involved in setting up some of the most famous

institutions in the country – for example: Jagannath Shankarshet (1803–65), Jamsetji Jeejeebhoy, or ‘J J’ (1783–1859), Sir Jamsetji Tata (1839 -1904) and G D Birla (1894 – 1983) have contributed towards setting up institutions such as Elphinstone College, JJ School of Art and Mahim Causeway, Indian Institute of Science and Birla Institute of Technology respectively.

Over the years, foundations established by companies in India have assumed various forms in terms of their legal status, focus, funding, operations and activities. But the stated focus remains the same: social development, and empowerment of the poor and disadvantaged, in many cases, in the areas where the companies operate. Several companies have their foundations as the social arm of the company to undertake their Corporate Social Responsibility (CSR) activities and programmes.<sup>2</sup>

Corporate Foundation is a charitable foundation which serves as a channel for distribution of a firm’s profits into non-profit activities.<sup>3</sup>

A corporate foundation is a private foundation that gets its funds from a company or corporation. It is independently created for the purpose of making grants. Corporate foundations:

- frequently assume responsibility for the company’s philanthropic giving
- typically start with a single gift endowment that the company can add to as it wishes
- are often governed by company owners or key executives
- are subject to the same tax regulations as private foundations.

Corporate foundations are distinct from “corporate giving programmes” that are administered within a corporation. Corporate giving programmes make grants for limited purposes closely associated with the interests of the company.<sup>4</sup>

The term “corporate foundation” is used to refer to either a private foundation controlled by a corporation, or a public charity associated with a corporation. Most corporate foundations are of the private foundation type. This is because they are created by a single corporation, funded by that corporation’s money, and controlled by that corporation’s employees or directors.<sup>5</sup>

Corporate foundations “are philanthropic organizations that are created and financially supported by a corporation. The foundation is created as a separate legal entity from the corporation, but with close ties to the corporation” (*Council of Foundation*, n.d.).<sup>6</sup>

A Company Foundation is a legally registered not-for-profit organization/ society/ company/ trust established and promoted by the company/business for implementing its CSR commitments, and can be said to fulfill the following criteria<sup>7</sup>:

- 1) *The majority of its funding is from the Company*
- 2) *It is a foundation based in India (Head office in India)*
- 3) *The foundation’s governance body comprises company staff and management*
- 4) *The website and annual report of the company mentions the foundation as the primary vehicle through which it undertakes its CSR activities.*

— Prakruthi, 2015

A foundation is a non governmental entity that is established as a nonprofit corporation or a charitable trust, with the principal purpose of making grants to unrelated organizations, institutions, or individuals for scientific, educational, cultural, religious, or other charitable purposes. This broad definition encompasses two foundation types: private foundations and grant making public charities. 8

A **private foundation** derives its money from a family, an individual, or a corporation. An example of a private foundation is the Ford Foundation. Private foundations must meet a “payout requirement,” meaning they have to give away a certain amount of their assets every year. 8

In contrast, a **grant making public charity** (sometimes referred to as a **public foundation**) derives its support from diverse sources, which could include foundations, individuals, and government agencies<sup>8</sup>. An example of a grant making public charity is the Akshaya Patra Foundation in which an individual or organization can be involved by donating their money or other efforts for its work.

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### 4.3 ROLE OF CORPORATE FOUNDATIONS IN CORPORATE PHILANTHROPY

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Corporate Philanthropy refers to the investments and activities a company voluntarily undertakes to responsibly manage and account for its impact on society. It includes investments of money, donations of products, in-kind services and technical assistance, employee volunteerism, and other business transactions to advance a social cause, issue, or the work of a nonprofit organization. Corporate philanthropy has an opportunity to redefine the purpose and value for corporate foundations and giving programmes. 9

Here are some reasons why an organization should consider starting a corporate foundation for its own:

#### 1) Corporate Foundations Increase Visibility

Consumers and corporate shareholders expect that companies will engage in charitable giving as part of the community responsibility that comes with doing business. A corporate foundation is a highly visible way to segment these activities and demonstrate that it is important to a company. By supporting valuable social causes like sponsorships, scholarships, etc., the visibility of a corporate foundation becomes stronger.<sup>10</sup>

**Example:** The concept and practice of sustainability is at the core of all Tata Chemicals' activities, including its corporate social responsibility initiatives. Tata Chemicals Society for Rural Development (TCSR), set up Okhai in order to empower the rural and semi-urban women by promoting traditional handicrafts which are on the verge of dying due increased urbanization. This community intervention that is helping to change the lives of hundreds of people that live around Tata Chemicals factories across the globe. (For more details visit <http://indiacsr.in/the-success-of-okhai-when-colors-and-imagination-take-flight/>)

#### 2) Corporate Foundations Integrate Philanthropy with CSR

Corporate foundations ensure that companies are proactively participating in philanthropic activities such as donations and volunteerism. Corporate



foundations often get involved in promoting important topics such as sustainability, economic development, corporate ethics, minimizing operational harm, and being a good corporate citizen. 10

**Example:** Indus Action works on ensuring proper implementation of 12(1)(c) of the Right to Education Act (RTE) which mandates each private school to ensure 25% of seats in KG and Class 1 are reserved for economically weaker sections (EWS) families. They act as a bridge between government, private schools and the community. It has helped more than 60,000 children gain admission in private schools for academic year 2018-19 and is targeting to help enroll around 2.50 lakh children in the subsequent year.

### 3) Corporate Foundations' Boards Provide Overseeing

A corporate foundation provides a formal structure for managing corporate giving, and the foundation's board of directors provides important overseeing to make sure goals are being met. The foundation board sets policies for funding and administration ensures compliance with government requirements, oversees the approval of major grants, and ensures that staff is executing the foundation's work properly.<sup>10</sup>

**Example:** Khushi Anganwadi Programme project by HZL is a unique tri-partite Public-Private-People initiative reaching out to 3089 Anganwadis (early childhood care centres) in selected blocks of Ajmer, Bhilwara, Chittorgarh, Rajsamand and Udaipur districts. The goal is to strengthen the efficacy of Government's Integrated Child Development Services (ICDS) Scheme to improve health and well-being of children in the 0 to 6 years age group. The programme touches the lives of 64,000 children directly. The project is being implemented in partnership with reputed NGOs like Gramin Avam Samajik Vikas Sanstha (Ajmer), CARE India (Bhilwara & Chittorgarh), Jatan Sansthan (Rajsamand) and Seva Mandir (Udaipur). (For more details visit <http://www.hzllindia.com/csr/csr-programs/education/khushi-anganwadi-program/>)

### 4) Corporate Foundations Help Avoid Conflicts of Interest

The Council on Foundations indicates that one of the biggest legal challenges encountered by corporations with charitable foundations is avoiding conflicts of interest. Under the law, a private foundation is prohibited from entering into any financial transactions with the parent company as well as any major donors, officers, executives, or subsidiaries. The structured nature of a corporate foundation can help ensure that philanthropic activities are compliant with all legal and ethical guidelines. 10

**Example:** The Global Compact Network India works towards mainstreaming the ten universally acceptable principles in business activities around the world, catalyzing action in support of broader goals, such as the Millennium Development Goals (MDGs) and setting the tone for the post 2015 development agenda within the Indian context. The main objective of GCNI is to provide a forum to various Indian companies and organizations for co-partnerships, build strong network and promote sustainable and positive corporate citizenship by encouraging various Indian corporate bodies/institutions/ NGOs/ SMEs, to become members of the network, all these together aid in dissemination and promotion of global compact principles within their own milieu.<sup>12</sup> (For more details visit <https://www.globalcompact.in/about>)

## 5) Corporate Foundations Go Beyond Cash and Products

While direct cash grants and product donations are a core focus for corporate foundations, there are other areas where foundations often get involved. This can include promoting matching gifts, grants to organizations where employees volunteer, loaning equipment or facilities to non-profits, and encouraging employees to volunteer at charities or serve on non-profit boards. 10

**Example:** Through the Olympic Gold Quest, Parle Products Pvt Ltd. supports Indian sportspersons who have the potential to win medals at the Olympics. In a bid to build an international reputation for athletes, it works to bring about a positive change in the perception of sports in the country. (For more details visit <http://www.parleproducts.com/csr>)

## 4.4 TYPES OF NON PROFIT ORGANIZATIONS

### Various types of not-for-profit organizations<sup>11,12</sup>

In India, not-for-profit organizations generally take three forms: Trusts, societies and private corporate foundations (section 8).

- 1) **Trusts:** Trust is a legal entity, formed by one party, in which assets are entrusted to the second party by the first party, for the benefit of the third party. Here, the first party implies the Trustor; the second party is called the Trustee. The subject matter of the trust is known as Trust Property, and the document detailing the terms and conditions is called Trust Deed. Trusts are governed by the Indian Trusts Act, 1882.

Public charitable trusts may be established for general purposes, including poverty relief, providing education, medical assistance, the provision of facilities for recreation, and any other objective of general public utility. Indian public trusts are generally permanent. No national law governs public charitable trusts in India, although many states (particularly Maharashtra, Gujarat, Rajasthan, and Madhya Pradesh) have their own Public Trusts Acts. e.g., Adharshila Trust New Delhi, whose mission is to build foundations at the grassroots level with dedication and sincerity.

- 2) **Societies:** these are a collection of persons working together for charitable purposes that may be registered. They are usually managed by a governing council or a managing committee and are regulated by the Societies Registration Act, 1860, which has been adopted by various states. Societies may be dissolved but it is not possible for Trusts. An incorporated society must meet the minimum requirement set out in the Incorporated Societies Act 1908. For example, Make a Difference (MAD) is a registered society under the Travancore Cochin Literary, Scientific and Charitable Societies Registration Act, 1955.
- 3) **Section 8 Companies:** Under Section 8 of the Indian Companies Act, the Central Government may issue a license to a limited or private limited company which:
  - Has as its purpose the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment, or any such other object;

- Intends to apply its profits, if any, or other income towards promoting its purposes; and
- Intends to prohibit the payment of any dividend to its members.

Example: Adani Foundation. Company Profile: Adani Foundation was started by Adani Group of companies in 1996. It contributes to education, community health, sustainable livelihoods development and rural infrastructure development programmes.

**Table 4.1: Difference between Society, Trusts and Section 8 Companies**

Basis	Section 8 Companies	Society	Trust
What it is?	A non profit enterprise associated with a commercial business enterprise, and set up to attain goals similar to a trust or society.	A group of persons come together for the initiating any literary, scientific or charitable purpose.	An agreement between parties, whereby one party holds an asset for the benefit of another party
Governing Act	Companies Act, 2013	Indian Societies Act, 1860	Indian Trusts Act, 1882
Time taken to incorporate	3-6 months	1-2 months	2-7 days
Minimum number of members	2	7	2
Family members can be members	No	No	Yes
Root Documents	MOA, Rules & Regulations	MOA, Rules & Regulations	The Trust Deed
Board members	committee, trustees, council, directors, governors, etc.	committee, trustees, council, directors, governors, etc.	Trustees
Voting Rights	Based on shares	Equal rights	Equal rights
Filing of Annual returns	Yes	Yes	No
Ease of incorporation + compliance	Easy	Complex	Less complex
Ease of allotting Share	Yes	No	No

(Source: <http://www.wazzeer.com>, <https://www.schoolserv.in/Trust-vs-Society-vs-Section-Company-Which-suits-best-to-school-starters/>)

## 4.5 ESTABLISHING A TRUST

**Establishing A Trust** 20, 21: In this section you will read about the different aspects of a Trust.

### 4.5.1 What is a Trust?

A trust is transfer of property by the owner (trustor/donor/settler) to another person (trustee) on whom the owner has confidence for the benefit of a third person (beneficiary). Here property means real estate, cash, shares, or any other valuable assets. The 'trust deed' is known as trust instrument by which the entire trust is declared.

### 4.5.2 Objectives of a Trust

The trust should be created for a lawful purpose. As per Section 4 of the Indian Trust Act, 1882, all purposes are said to be lawful unless it:

- 1) Is forbidden by law
- 2) Defeats the provisions of law
- 3) Is fraudulent
- 4) Involves injury to another person or his property
- 5) Immoral or against to public policy

### 4.5.3 Types of trusts:

- Private Trusts (beneficiary is identified and specific person(s), and
- Public Trust (beneficiary is general public) also known as charitable trusts

### 4.5.4 Documents required for registering a Public Charitable Trusts

- A complete drafted trust deed: mentioning name, registered office, areas of operation, objectives, details of trustor, assets of trust, detail of board of trust along with their qualifications terms and tenure, power and functions of trustees etc.
- Proof of registered office or rental agreement with landlord,
- ID proof (PAN and Aadhar) of founder, and
- Two witnesses

### 4.5.5 Advantages and Limitations in Trusts

#### Advantages:

- Assets protection: Assets can be protected through Trust because an asset transferred to an incorporated trust no longer forms a part of the trustor and therefore cannot be snatched if a settler gets into financial difficulties.
- Estate planning: A trust is the most satisfactory way of arranging the estate for providing a source of income in case of uncertainty.

- Tax planning: When assets are transferred to trust thereafter, they are no longer considered as property of trustor.
- A trust will enable the trustee to avoid forceful heir-ship to their next generation after their death.
- Protection of weak or disabled section of society is usually provided through trusts.

#### **Limitations:**

- Irrevocability: There is no control of trustor over the assets as soon as those are put into trust and their costs.

#### **Activity 1**

Visit one trust or society which is active in your vicinity and list the activities undertaken by it in the past one year.

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## **4.6 ESTABLISHING A SOCIETY**

**Establishing a Society** 18,19: In this section we will learn about different aspects of establishing a Society.

### **4.6.1 The Societies Registration Act, 1860**

- A society can be formed by minimum seven or more persons.
- Not only Indian individuals but companies, foreigners also can register for the Memorandum of Society.
- Society can also be registered or unregistered.
- State Governments maintain the society registration.
- To register a society, the establishing members must agree to its name and then prepare the memorandum, along with rules and regulations to be followed by members.

### **4.6.2 Checklist required for registering a society in India**

- PAN Card of all the members of the proposed society
- Memorandum of Association explaining the objectives of society, details about all the members, and address of the registered office of the society.
- Articles of the Association containing the information about rules and regulations of working of the proposed society, details about the meetings and its frequency, about auditors, forms of arbitration in dispute situation, and ways of dissolution.

- Covering letter mentioning the purpose of society, duly signed by all the concerned persons.
- Proof of address of registered office of the proposed society.
- A list of all the members along with their signatures.
- A declaration by the president of proposed society expressing the willingness and ability to hold post.
- Required fees and all the above mentioned documents (in 2 sets) are entailed to submit to the Registrar of Societies. If these are found satisfactory, then registration number and incorporation certificate is issued.

### 4.6.3 Advantages and Limitations in Society

#### Advantages:

- Incorporation makes a society a separate legal entity.
- After incorporation, society gets right to sell, buy, lease, rent, borrow money, and enter into any contract by its name.
- There is no personal liability of the members of the society for any debts, contract or obligations of the society unless these are incurred through unlawful activities or for profit gain.
- An incorporated society is entitled to income tax exemption.

#### Limitations:

Societies are seen as less attractive to commercial investors due to lack of professionalism and managerial practices.

#### Check Your Progress-1

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What is a corporate foundation?

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2) What are the advantages of a society?

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## 4.7 ESTABLISHING SECTION 8 COMPANIES

### How to Establish Section 8 Companies 13, 14,15

Section 8 companies are most preferred NGO type among all three discussed earlier because it provides certain exemptions in terms of tax.

#### 4.7.1 What is a Section 8 Company?

A Section 8 Company is any company which is governed under section 8 of the companies act, 2013 and having the objective of promoting commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment, or any such other aim. As these companies are fully involved in charitable work, so they can also avail tax benefits.

#### 4.7.2 Objectives of Section 8 Company:

- To work towards the well-being of society in the domains of science, art, sports, education, research, social welfare, environment protection etc.
- To promote all the above mentioned fields along with a concern for public interest.

#### 4.7.3 Features of incorporating a Section 8 Company in India

There are numerous features which differentiate Section 8 Companies from others. Those features are:

- a) Section 8 companies cannot be treated as a small company.  
 “A Company to be a small company (other than a public company) must satisfy both the following conditions:
  - 1) paid-up share capital does not exceed fifty lakh rupees and
  - 2) turnover as per profit and loss account for the immediately preceding financial year does not exceed two crore rupees”
- b) Profit or dividend is not shared by shareholders of the company.
- c) The company’s profit is used to attain its objectives.
- d) As per Section 8 (2) of the Companies Act, 2013, such companies can have the benefit of all other limited companies.
- e) The Central Government provides a special license to Section 8 companies and governs them.
- f) Such companies need not to use the suffix ‘Pvt. Ltd.’ or ‘Ltd.’ with its name.
- g) The application for company registration must be made to the Registrar of Companies (ROC). The Central Government delegates the controlling power to ROC.

#### 4.7.4 Documents required for incorporating Section 8 Company

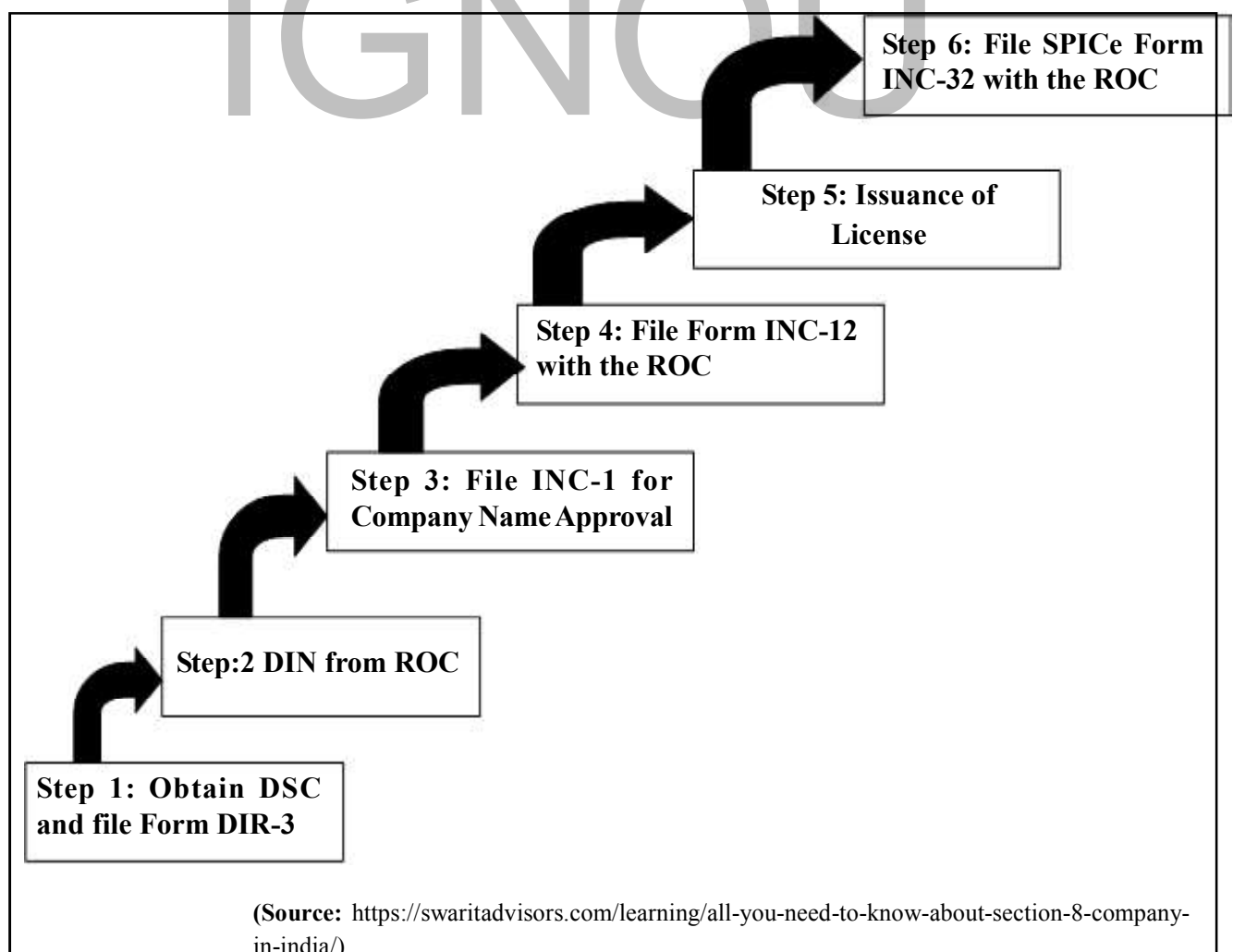
Following documents are required to register a company as Section 8:

- PAN (Permanent Account Number) card copy of all the members (Directors and shareholders) for proof of identity;
- One copy of any proof of address of all the members (Driving License/ Aadhar Card/ Passport/ Voter ID card);
- Latest passport size photographs of abovementioned people;
- Recent utility bills of the registered office;
- If the registered office is on rent, then its rent agreement;
- Filled form of DIR-2, which is actually consent of person to act as a director;
- NOC (No Objection Certificate) from the landlord of the proposed registered office;
- Additional information about the directorship of the directors in any other companies, if any.

#### 4.7.5 Section 8 Company registration procedure

To register a company under Section 8, the following six steps procedure is illustrated:

**Fig 5.1 Registration Process for section 8 Company**





**Step 1: Obtain (Digital Signature Certificate) DSC and file Form DIR-3**

This process starts with obtaining a DSC (Digital Signature Certificate) of the proposed directors of the company. Thereafter, the next task is to file Form DIR-3 to the Registrar of Companies, as a request for issuing DIN (Director Identity Number). This requires attaching Identity proof and address proof documents discussed earlier.

**Step 2: DIN from ROC**

If the ROC confirms the validity and reliability of the form, it will approve and give the DIN to the planned directors.

**Step 3: File INC-1 for Company Name Approval**

Next requirement in the process is to file form INC-1 for getting name approval of the company. This is also made with the ROC. Here, it is suggested to propose two names in the order of choice. Finally, the ROC will allot only one of the names out of two proposed after checking the availability of the same.

**Step 4: File Form INC-12 with the ROC**

Once the company's name approval is obtained, the next task is to file Form INC-12 to the ROC. Following documents are attached with INC-12:

- Form INC-13, Memorandum of Association (MOA);
- Articles of Association (AOA);
- Form INC-14, Declaration from the Practicing Chartered Accountant;
- Form INC-15, Declaration from every person who fills the application;
- Assessed expenditure and income for the next three years.

The signature of every subscriber should be mentioned on the subscription pages of the MOA and AOA of the company. Furthermore, it must also have their name, address, and occupation.

**Step 5: Issuance of License**

The ROC will examine and confirm the forms. If they are satisfied then they will approve it. As well, the ROC will issue the license under Section 8 in Form INC-16.

**Step 6: File SPICe (Simplified Pro Forma for Incorporating a Company Electronically) Form i.e., INC-32 with the ROC**

After receiving the license, the next requirement is filing SPICe i.e., INC-32 with the Registrar of Companies for company incorporation. Following documents are attached with it:

- INC-9, an affidavit from every director and subscriber;
- KYC of every director;
- Declaration regarding the deposits;
- Consent letter of every director;

- Form DIR-2 with an identity proof and address proof of the directors;
- Utility bills as an address proof of office which must not be older than two months;
- NOC in case the office premise is on rent or lease;
- Interest in other entities of all directors;
- Draft MOA and AOA.

If the form is found to fulfill every criterion, then the ROC issues a COI (Certification of Incorporation) along with a unique CIN (Corporate Identity Number).

#### 4.7.6 Business benefits from Section 8 Companies<sup>16</sup>

There are a number of benefits to a company in the formation of its own charitable foundation:

- **Participation:** With a company charitable foundation, a company's staff can be involved in its management and administration. This allows for staff to be fully engaged in the projects and the charitable giving.

**Example:** Along with contributions by ACC Trust at flood relief and rehabilitation in Kerala in the year 2018, ACC employees immediately donated one day's salary to the humanitarian effort. (For more details visit <http://indiacsr.in/corporate-social-responsibility-acc-forefront-flood-relief-rehabilitation-kerala/>)

- **Reputation:** The formation and funding of a charitable foundation can be used in the company's CSR material. The causes supported by the charitable foundation can be monitored to ensure that these are appropriate and will not cause reputational harm to the company rather enhance the image, brand and good sense of belongingness amongst the beneficiaries.

**Example:** The Piramal Foundation is committed to improving primary healthcare and nutrition through Piramal Swasthya, universal primary education through Piramal Foundation for Education Leadership and enabling access to safe drinking water through Piramal Sarvajal. 'Doing Well and Doing Good' is the core corporate philosophy of Piramal Group. (For more details visit <http://www.piramal.com/foundation>)

- **Endowment:** The timing of direct giving can be difficult as causes may not be readily identifiable; also, profits can fluctuate. A company charitable foundation can hold, invest and accumulate funds while projects are being identified. With retained funds, the foundation will be able to support projects as and when need arises.

**Example:** Rapid Response is an award-winning organization which serves the country for disaster response and preparedness. As a disaster relief agency, it helps people to survive and rebuild their lives through food, medical, education, shelter and livelihood programmes. (For more details visit <https://www.rapidresponse.org.in/>)

- **Sustainability:** A charitable foundation can accumulate reserves. This can allow a company to continue its charitable giving strategy even in years in which profits are lower than usual.

**Example:** Sharda Foundation is a social enterprise that enable sustainable livelihood for disadvantaged people in urban and rural areas. Its three point philosophy integrates social and business impact by bridging the gaps in education, employment and entrepreneurship. (For more detail visit <http://www.shardafoundation.org/>)

- **Tax relief:** A corporate foundation may have tax benefits indirectly. Corporations can keep their giving relatively constant by funding the foundation in good years, and by spending down the accumulated fund in less good years.

**Other softer benefits are:**

- Organization philosophy which sets tone of being a great place to work.
- Deep sense of gratitude amongst all stakeholders, management, and employees equally.
- Employee branding and belongingness
- Employee engagement and loyalty, for example, Tata where no employee leaves the job easily.



**Fig 5.2 Advantages of Section 8 Company**

(Source: <https://www.taracorporate.com/section-8-company-registration>)

#### 4.7.7 Disadvantages of registering a company as Section 8 <sup>17</sup>

- Profit or any other income of the company is applied for the promotion of the main objective only.

- Declaration of dividend or distribution of profit to the members is not allowed
- No member can be appointed as a remunerated officer of the company
- No remuneration / benefit shall be paid to a member being a servant / officer of the company (except reimbursement of out of pocket expenses, reasonable interest on money lent or reasonable rent on the premises)

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## 4.8 SUCCESS STORIES OF CORPORATE FOUNDATIONS IN CSR

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### 1) K. C. Mahindra Education Trust (Project Nanhi Kali)

Project Nanhi Kali was initiated in 1996 by the K. C. Mahindra Education Trust (KCMET) with the aim of providing primary education to underprivileged girl children in India. Anand Mahindra, the current chairman of Mahindra & Mahindra Ltd., founded Project Nanhi Kali with a strong belief that educated women would not only contribute to the economy but also issues of population and social evils like the dowry system and child marriage would reduce as more women are educated.

Project Nanhi Kali was designed as a sponsorship support programme which allows individuals to participate and support the education of a girl child in India. Since 2005, Project Nanhi Kali is jointly managed by the K. C. Mahindra Education Trust and Naandi Foundation. The project provides academic, material and social supports that allows a girl child to access quality education, attend school with dignity and reduces the chances of her dropping out.

Project Nanhi Kali has consistently communicated that education is the only tool which enables girls to rise from a life of poverty and go on to live a life of dignity. Its campaign #LadkiHaathSeNikalJaayegi, referred to the patriarchal attitudes towards girls which discouraged them from getting educated, but gave a positive spin to the phrase, by linking their education to achieving their aspirations, to become self-reliant and independent women. Project Nanhi Kali, since 1996 has empowered over 350,000 girls till date, including 153,999 girls in this past year alone. For more detail visit: <https://www.nanhikali.org/> and <http://indiacr.in/mahindra-groups-ladki-haath-se-nikal-jaayegi-in-an-all-new-avatar/>

### 2) Oil and Natural Gas Corporation (ONGC)

The journey of Swachhta in ONGC started with the clarion call from Hon'ble Prime Minister of India for Swachh Bharat Abhiyan from Rajghat on 2nd Oct 2014. In the last three years, ONGC has taken all efforts to make the Swachh Bharat Mission of Hon'ble Prime Minister a success. From the high altitude mountains of the Himalayas to the Holy city of Varanasi, ONGC swachh footprints can be experienced all across the country.

At ONGC, swachhta is no more a directive but has become a habit for the employees, driven both externally and internally. Besides, undertaking regular swachh activities like construction of toilets and cleaning initiatives, ONGC has undertaken some unique swachhta projects, which receives special appreciation from its stakeholders.

Few of such projects are:

- Cleaning and beautification of ancient kunds of Varanasi
- Restoration of 15th century step well
- Cleaning expedition in the high altitudes mountains of The Himalaya
- Rejuvenation and beautification of Tikona park near Jantar Mantar
- Provision of clean drinking water through Water ATM at Varanasi and mobile Water ATM at Lucknow
- Green Rameshwaram Initiative
- Information, Education, Communication (IEC) programme in 5592 schools, where ONGC has constructed 7958 toilets under Swachh Vidyalaya Abhiyan to address the behavioral changes in school children.
- Swachh Vidyalaya Abhiyan
- Open Defecation Free Initiative
- Paperless Office initiative

(For more detail visit <https://www.ongcindia.com/wps/wcm/connect/83fbfb9-ad90-4652-a286>)

### Activity 2

Read about five corporates undertaking CSR activities and write down how each one is engaging in implementation of CSR activities (through trusts, societies or Section 8 Companies).

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### Check Your Progress-2

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What is a Section 8 Company?

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2) What are the business benefits of a Section 8 Company?

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## 4.9 LET US SUM UP

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Corporate foundations are a good way to organize and manage philanthropic activities for business giants who participate actively in such activities. The role of foundations in corporate philanthropy is constantly evolving. A corporate foundation increases visibility of the corporate brand by creating its distinct image in the mind of community. In this unit you have read about the three different non profit organizations through which the corporates implement their CSR activities. They are the Trusts, Societies and Section 8 Companies. A Trust is a legal entity, formed by one party, in which assets are entrusted to the second party by the first party, for the benefit of the third party and is governed by the Indian Trusts Act, 1882. Societies on the other hand are a collection of persons working together for charitable purposes that may be registered and are regulated by the Societies Registration Act, 1860. Section 8 companies are most preferred NGO type among all three because it provides certain exemptions in terms of tax. In this unit you have read about the establishment of all three types of organizations, their advantages and limitations. The unit also has ample case studies for each of the organizations.

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## 4.10 KEYWORDS

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**Corporate Foundations:** A corporate foundation is a type of foundation. This means that it is a non-profit organisation, different from the company. It is part of the private foundation family. The characteristic of this one is that the majority of the funds are coming from one source. The corporate foundation's source is: an enterprise and its employees.

**Trust:** A trust is a three-party fiduciary relationship in which the first party, the trustor or settlor, transfers a property upon the second party for the benefit of the third party, the beneficiary.

**Society:** Society is a group of persons who are associated together for a common purpose. The purpose may be related to promoting any literary, charitable or scientific work.

**Section 8 Company:** A company is referred to as Section 8 Company when it is registered as a Non-Profit Organization (NPO) i.e. when it has motive of promoting arts, commerce, education, charity, protection of environment, sports, science, research, social welfare, religion and intends to use its profits (if any) or other income for promoting these objectives.

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## 4.12 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress -1

**Answer 1.** A Corporate Foundation is a charitable foundation which serves as a channel for distribution of a firm's profits into non-profit activities.<sup>3</sup>

A corporate foundation is a private foundation that gets its funds from a company or corporation. It is independently created for the purpose of making grants.

**Answer 2.** The advantages of a society are:

- Incorporation makes a society separate legal entity.
- After incorporation, a society gets the right to sell, buy, lease, rent, borrow money, and enter into any contract by its name.
- There is no personal liability of the members of the society for any debts, contract or obligations of the society unless these are incurred through unlawful activities or for profit gain.
- An incorporated society is entitled to income tax exemption.

**Check Your Progress -2**

**Answer 1.** Section 8 Company is any company which is governed under section 8 of the companies act, 2013 and having the objective of promoting commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment, or any such other aim. As these companies are fully involved in charitable work, so they can also avail tax benefits.

**Answer 2.** The business benefits of Section 8 Companies are

- **Participation:** With a company charitable foundation, a company's staff can be involved in its management and administration. This allows for staff to be fully engaged in the projects and the charitable giving.
- **Reputation:** The formation and funding of a charitable foundation can be used in the company's CSR material. The causes supported by the charitable foundation can be monitored to ensure that these are appropriate and will not cause reputational harm to the company rather enhance the image amongst the beneficiaries.
- **Endowment:** A company charitable foundation can hold, invest and accumulate funds while projects are being identified. With retained funds, the foundation will be able to support projects as and when need arises.
- **Sustainability:** A charitable foundation can accumulate reserves. This can allow a company to continue its charitable giving strategy even in years in which profits are lower than usual.
- **Tax relief:** A corporate foundation may have tax benefits indirectly. Corporations can keep their giving relatively constant by funding the foundation in good years, and by spending down the accumulated fund in less good years.



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## UNIT 5 LOCAL BODIES

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### Structure

- 5.1 Introduction
- 5.2 Concept of Local Government.
- 5.3 What are Local Bodies?
- 5.4 Functions of Local Bodies in India
- 5.5 Implementation of CSR by local bodies
- 5.6 Challenges
- 5.7 Let Us Sum Up
- 5.8 Keywords
- 5.9 Bibliography and Selected Readings
- 5.10 Check Your Progress – Possible Answers

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### 5.1 INTRODUCTION

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Local government can play a substantial role in fostering CSR activities in their regions and states. Corporate responsibility is a means of setting up a collaborative approach between corporations, civil societies and government to provide solutions to some major problems like poverty, social inequality and unemployment.

India's tradition of paternalistic philanthropy dates back to several years. The process, though commended in recent times, has been in practice since ancient times. Philosophers such as Kautilya have discussed the idea of following ethical principles while carrying out business activities. The idea of helping the poor and needy has been mentioned in early literature. Before industrialization, CSR was mainly driven by religion and charity. The industrial groups of the 19th century were driven towards charity for the social causes and personal savings were mainly used for this purpose. During this period, the industrial families also established temples, schools, higher education institutions and other infrastructure of public use as charitable deeds.

In India, there is a growing understanding that businesses cannot function in isolation and social upliftment is essential for sustainable growth. An ideal CSR practice has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well socio-economic status (Bajpai, 2001). This explains the importance of local bodies in implementing CSR and allied activities.

After reading this unit, you will be able to:

- Explain the meaning of local body and its functions.
- Describe the various local bodies functioning in rural and urban areas.
- Explore the role of local bodies in implementing CSR practices.

## 5.2 CONCEPT OF LOCAL GOVERNMENT

In this section, you will learn about the meaning, composition and functions of local government. The local government plays a very important role in bringing at the forefront issues of importance from local or regional perspective. In other words, we can say that local government is a public organization authorized to devise and administer limited range of public policies with a relatively small territory which is a sub-division of regional or central government. Local government at the rural and urban level is the best means to provide efficient local governance. It manages the local affairs through elected councils. In rural areas, local government helps in looking after the issues of common interest among the village people. In the absence of local government in the rural area, it is very difficult to address the unique local problems faced by the people.

Local governments of towns and cities or village and district governments have no sovereign powers of their own. They rather occupy the unfortunate position of second level importance and also do not enjoy much freedom in the exercise of their powers. However, the presence of local governments in the context of finance has importance from a democratic point of value. Thus, local government is the machinery constituted by the people in an area to administer the affairs of a locality. It deals with matters concerning the inhabitants of a particular limited area. The area whether big or small has the legal right. The local government at the place can act independently and with little of external control can administer the routine affairs of the place very efficiently. But the freedom of action of the local authority is limited. The local governments are designed by the state government and they live and grow as directed by state authorities. People have an opportunity to choose their representatives to take care of their own local needs in a local government. Local governments cater to local needs like water supply, street lights, drainage, education and public health.

### 5.2.1 Functions of Local Government

In general, local governments comprising of rural/urban local bodies perform two kinds of functions:

- 1) **Obligatory functions:** Obligatory functions are mandatory functions performed by the local governments. These include ensuring safe and continuous water supply, providing electricity, cleaning of streets and colonies and construction and maintenance of civic amenities like roads, drains, etc.
- 2) **Discretionary Functions:** Discretionary functions are not compulsory functions of the local government. These include establishment of and maintenance of libraries and reading rooms, construction and maintenance of community gardens, cycling track, etc. The CSR functions of the local government are generally the discretionary functions and are performed mainly on the basis of available funds.

### 5.2.2 Forms of local government

The local governments function both at the rural and urban areas in the name of rural local body and urban local body respectively. The urban bodies identified

as municipal bodies are known as corporations in cities and municipalities in towns. The rural local bodies are named as Panchayat Raj institutions. At the village level the local bodies are known as village panchayats. At the block level they are called panchayat samitis. At the district level they are known as zilla parishads. It is important to know that the existence of municipal government in India since the Vedic times has been confirmed by the archaeological excavations. In the coming sections, we will study more about the local bodies and their various functions in rural and urban areas.

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## 5.3 WHAT ARE LOCAL BODIES?

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Local bodies represent governance at the local level. These bodies look after the administration of villages, towns, or cities. The Local bodies in India are divided into two types: rural Local Bodies and urban local bodies. The local bodies which are formed for planning, development and administration at the local level in the rural areas are known as rural local bodies (panchayats) and the local bodies, which are meant for planning, development and administration in the urban areas, are known as urban local bodies (municipalities).

The constitution of local bodies is the most revolutionary step in the history of governance in India. It has empowered the communities to address their problems. The decentralization of powers at the village level in rural areas removes the pitfalls of governance and it also includes the involvement of all communities irrespective of their caste, religion or any other barrier.

### 5.3.1 Rural Local Bodies

The idea of Panchayati Raj was put forward by Mahatma Gandhi. His idea of 'Gram Swaraj' meant that each village through decentralization must be able to manage its own affairs. Following this idea, in 1950s and 60s, panchayats were established in different states. After this, the community development programmes were started by the government. In 1993, constitutional powers were vested in them and the panchayats became independent. This is well established that panchayats offer proper service delivery in villages, be it, telecom, sanitation, drinking water supply, rural energy or other rural infrastructure. They receive financial aid and technical support from the government to carry out the official programmes.

### 5.3.2 Urban Local Bodies

To look after the affairs of the urban areas, the urban local bodies were created. After the Constitution's 74<sup>th</sup>. Amendment, 1992, the urban local bodies were given constitutional provisions which made them act independently and were held responsible for their allocated functions. The municipal bodies are delegated a large number of functions by the state government. As per the Census of India (1991), there were 3255 urban local bodies (ULBs) in the country. The urban local bodies in India comprise of the municipal corporation (nagar nigam), municipality (nagar parishad) and town area committee.

## 5.4 FUNCTIONS OF LOCAL BODIES IN INDIA

The local bodies connect with the local community in a socially appropriate manner to attend to local needs for the well being of the society. Rural areas have irrigation, sanitation, education, poverty, as the main issues whereas in urban areas, maintenance of urban areas, urban planning, traffic control, solid waste management, etc. are the points of consideration. The local bodies serve to provide solutions to the existing problems and strive for the well being of the people. You must have seen various examples where the urban local bodies in your city have taken steps for providing drinking water supply, or taking measures for the control of vector borne diseases and so on.

### 5.4.1 Functions of the Rural Local Bodies

The chief functions of the rural local bodies are ensuring water supply for drinking and irrigation purposes, sanitation and solid waste management, maintenance of roads and provision of streetlights, maintenance of public places like gardens, community halls, cremation grounds, etc. With the growing awareness regarding pollution, the prevention of pollution by not dirtying common places, not burning of fodder and not throwing anything in water bodies, etc., have also come under the functions of local bodies.

Similarly, actions of solid waste management, street sweeping and cleaning, etc., are carried out rigorously by these local bodies. Along with the main activities, there are ancillary activities which need to be performed in conjunction with the main activities. These include subjects such as immunization, health awareness movements and other activities. In case of road development, levy of taxes and tolls and acquisition of land for roads comes under the ancillary function of local bodies.

You can understand the main and ancillary functions by one more example. Like, the provision of road lights is considered to be a main activity, the collection of fees for street lights, promotion of rural electrification and promoting the use of solar energy for street lightning is considered to be the ancillary activity.

Proper and efficient rural governance is at the heart of sustainability for any village development programme. The role of panchayati raj institutions is to connect citizens with the government, although the scope of good rural governance is much broader. Simply setting up a local system of governance wouldn't help unless people are willing to bring about change and are themselves conscious of their actions. The development of entrepreneurial skills of people is very important in this regard. So in order to harness rural technology, the villagers must be well versed in its use. You must read about the 'Pani Panchayat' story of Maharashtra (given below in section 5.5.1) which has helped improve water supply in villages by building water structures through villagers' involvement. Likewise, community led movements involving women play a great role in bringing about a change. The concerns if not addressed are brought to the notice of the authorities and appropriate action is taken to safeguard the interests of the villagers and communities.

### 5.4.2 Functions of Urban Local Bodies

The 74<sup>th</sup> Constitutional Amendment Act, 1992 identifies 18 functions of urban local bodies which are incorporated in Twelfth Schedule of the Constitution. These are as follows:

- 1) Urban Planning including town planning;
- 2) Regulation of land use and construction of buildings;
- 3) Planning for economic and social development;
- 4) Roads and bridges;
- 5) Water supply for domestic, industrial and commercial purposes;
- 6) Public health, sanitation and solid waste management;
- 7) Fire services;
- 8) Urban forestry, protection of the environment and promotion of ecological aspects;
- 9) Safe-guarding the interest of weaker sections of society, including the handicapped and mentally retarded;
- 10) Slums improvement and upgrading;
- 11) Urban poverty alleviation;
- 12) Provision of urban amenities and facilities such as parks, gardens, playgrounds;
- 13) Promotion of cultural, educational and aesthetic aspects;
- 14) Burials and burial grounds; cremations, cremation grounds and electric crematoriums;
- 15) Cattle pounds; preventions of cruelty to animals;
- 16) Vital statistics, including registration of births and deaths;
- 17) Public amenities, including street lighting, parking lots, bus stops and public conveniences; and
- 18) Regulations of slaughter houses and tanneries.

Urban local bodies play a crucial role in the planning and development of urban areas. With the rapid growth in urbanization and population increase, the municipalities in India are confronted with a number of challenges. The task is effectively carried out by the ULBs, in respective urban areas. There are issues such as upliftment of the weaker sections of society, eliminating poverty, providing employment to all, providing quality life to the people, along with the development related matters confronting the Smart Cities Mission, etc. On one hand, cities have to address the challenges of unplanned urbanization and also have to be prepared for the government's vision of smart cities, on the other hand, cities also have to equip themselves for addressing issues of environmental pollution, waste generation, extreme weather events, and man induced disasters. The infrastructure support will not help unless and until the personnel are trained and competent enough. Along with this, the urban development planning and policies must be interdisciplinary, cross sectoral and dynamic in nature. It is essential that the urban local bodies (ULBs) are able to keep pace with this rising demand.

**Activity 2**

Visit the office of the functionaries of the nearest local body in your vicinity and discuss with them about the local issues which they feel can be best dealt with in collaboration with corporate as a part of their CSR activities. Note down those local issues of interest.

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Some of the functions of the Urban Local bodies are listed below:

- 1) **Development Functions:** All the types of construction like construction of roads, buildings, bridges, flyovers, etc., will come under the category of development functions. Urban local bodies are entrusted with the responsibility of carrying out the land mapping of the area in order to ensure proper land use planning and monitor the construction of buildings and other infrastructure in the urban areas. Although, town planning and construction come under the development authority, several times, the responsibilities are shared. This becomes negative in the sense that multiplicity of authorities makes monitoring and evaluation difficult and there occurs lack of coordination. Similarly, taking measures for social and economic development, opening of schools, gardens, and other places of public interest are the development functions of the urban local bodies.
- 2) **Public Health:** The ULBs are responsible for taking measures for maintaining the public health and prevent the outbreak of diseases by taking corrective actions. During flood or drought or extreme weather events, the supply of water gets interrupted and several disease outbreaks may take up. The Urban Local Bodies also work for maintaining the proper hygiene and sanitation standards to prevent the spread of communicable diseases. Likewise, ensuring water supply not only for drinking purposes but also for irrigation and industrial use is also the function of urban local bodies.
- 3) **Welfare Functions:** Urban local bodies must provide the community services like playgrounds, community halls, markets, street lighting, swimming pools, public conveniences, etc., for the welfare of the people.
- 4) **Regulatory Functions:** Enforcing bye laws, regulation of advertisement and holdings, preventing illegal construction and encroachments on streets, checking food adulteration, etc., are some of the regulatory functions of the urban local bodies.
- 5) **Public safety:** Public safety is an important function of urban local bodies. In cases of fire or accidents, the urban bodies must take timely and proper actions to minimize the losses and must check the causes of these cases.

Apart from this, issues such as urban forestry, slum improvement, promotion of culture, education and aesthetic aspects also come under the functions of urban local bodies. With participatory planning, the communities can be involved by which urban development can be delivered truly according to needs of the citizens.

With this, you can now imagine that the functions and responsibilities of the local governments are of tremendous significance. These vary from state to state and across cities within a state also.

### Check Your Progress-1

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) What are urban local bodies? List some of the functions of urban local bodies.

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- 2) What are the welfare functions of the urban local bodies?

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## 5.5 IMPLEMENTATION OF CSR BY LOCAL BODIES

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The local bodies are directly involved with the activities of rural and urban areas. The local bodies have been taking measures in the direction of corporate social responsibility. In several cases, it has been noticed that they assist the corporate who are eager to lend their support for the well-being of the people. In the previous section, you have studied about the functions of rural and urban local bodies. In this section, you will learn about the importance of these local bodies in corporate social responsibility.

### 5.5.1 Role of rural local bodies in promoting CSR

According to the 2011 census, 69 percent of India's population lives in rural areas, which is roughly equal to 833 million people. This percentage of the population comprises of people who are poor, illiterate and devoid of the modern ways of living. Rural areas are characterised by farms and open spaces. Therefore, corporate social responsibility in rural areas seeks to address mainly infrastructure,

education, health and sanitation, vaccination, women empowerment, community welfare, environment protection, etc. The local bodies are able to better monitor and govern these issues. In view of this, the role of local bodies becomes important as they have an understanding of the local needs and issues. Various local bodies are functioning in the area to promote the livelihood opportunities for tribals and marginalized, particularly women, children and the elderly.

The programmes must promote income-generating activities for tribals and the underprivileged sections of the society particularly women. They provide infrastructural support to schools and training centers, aid in rural electrification through promoting solar street lights, bringing up the poor sections of the society and betterment of the underprivileged sections of the society.

Large corporates have always been interested in doing their bit in improving the well being of the people and condition of the environment. In order to do so, they must first of all identify where technology can be put to use and what are the limitations of urban areas. After making field visits, the zilla parishads (district governing councils) and district rural development agencies (DRDAs) are involved who are implementing major government programmes.

Similarly, big corporates are offering technical support in case of low-cost affordable housing, village drainage system, drinking water supply, providing warehouse for grain drying, seed storage, etc., depending on the type of expertise available with them, which they may share under CSR obligations. Similarly, it has been seen at various occasions that corporate and NGOs also help to arrange loans for the poor from regional rural banks. These banks and financial institutions need to support rural entrepreneurs who can popularize innovations and develop new technologies. Corporates can also impart training to district rural development officers and rural entrepreneurs who play a major role in various important schemes of government.

You must have seen that telecom companies are joining hands with panchayats and providing telecom services in rural areas. The corporate sector must be encouraged to make more investment in rural areas in infrastructure, education, health care, farming and non-farming areas, etc., which are key areas for revitalizing the rural economy. Corporate investment in farming particularly by agribased business firms such as ITC or Pepsi can create sustainable business opportunities for farmers. Corporates have started entering in agriculture along with manufacturing and services. In a way this is helpful if it does not disturb the ecological balance of the area. For example, the contract farming initiative of Pepsi provides a good framework for flow of credit to marginal/small farmers at a reduced transaction cost. Pepsi India grows potatoes, seaweed and citrus fruits under its contract farming initiative. It also proposes to restart its fruit and vegetable business in Punjab.

The CSR of the rural local bodies is focused on holistic development of intended communities, and moreover it aims to create long-term social and economic significance for the organization and society. Infrastructural development in rural areas is always ignored but should receive more focus now. As corporate entities have the necessary technical expertise available with them, industrial enterprises assisted by NGOs and rural entrepreneurs are best suited in developing rural infrastructure such as roads, electricity, and water supply in rural areas (Mital, 2004). Similarly, during water crisis, crop failure and during similar



situations, the corporate can lend their support by building water structures, providing shelter relief, and so on. A number of companies in India engage with local communities and the beneficiaries of these activities are also these communities. The companies should try to develop such frameworks wherein CSR can be extended across the nation with the support of local NGOs. CSR projects undertaken in village areas must be sustainable and it is possible only when the rural committees are made active partners in decision making and implementation. It has also been noticed that even projects on health, employment and education lack community participation and panchayat interventions.

With changing times, it is believed that corporate social responsibility must be taken into the sphere of expanding the functions of local self government to provide some benefit to the communities. It will lead to long term sustainability and continuity and local self-governance helps to execute the policies with the involvement of local people.

### **Case Study: “Project Swasthya Prahari” by Jubilant Life Sciences Limited**

Jubilant Life Sciences Limited is an integrated pharmaceutical and life sciences company. The CSR initiatives of the group include various areas such as community development, health care, culture & sports, environment preservation, vocational training, women empowerment and education. Its activities are primarily conducted at locations where Jubilant has operational centers. Jubilant believes that for long term and sustainable social interventions, it is the people who are best placed to help themselves. Jubilant sees for itself the role of a facilitator or a catalyst in this process. The Project Swasthya Prahari (Health Guards) in the area of health care aims to work for community based mother and child health (MCH) programme. In this programme, the objective is to train and create local talent pool to raise the awareness and the coordination with various service providers. The project aims at developing women health guards to work on safe motherhood for the target population and promote institutional delivery. These guards are identified from the local community around the manufacturing location. They keep a record of expecting and lactating mothers, malnourished children, birth and death, make personal contact with the villagers and motivate them to visit health care centers.

Pani Panchayat is a voluntary activity of a group of farmers engaged in the collective management (harvesting and distribution) of surface water and groundwater (wells and percolation tanks). It was taken up by the farmers of Maharashtra to collect rain water and generate water themselves for irrigation. In 1972, the state of Maharashtra went through a severe drought crisis which affected several hundred villages with a combined population of more than 400,000 people. At this time, the farmers were encouraged to take up watershed management plan and water equity was addressed for the first time. A series of contour bunds were raised to trap water runoff and also to protect the soil from erosion. A percolation tank was constructed at the base of the hill slope which was a micro-watershed. The estimated capacity of the percolation tank was one million cubic feet of water. A well was dug below it and water pumped from here up the hill slope for irrigating the fields. More than 4,000 trees were planted amid the rocky areas and around 2,000 fruit trees were raised on and around the more fertile bunds. Grass and shrub were allowed to grow

on land that was not being cultivated. The area was protected from animal grazing for a while to enable the vegetation to gain strength. Eventually, as the general health of the watershed improved as a result of these measures, production from the land increased to 100 quintals (1 quintal = 100 kg) of food grains.

Source: <http://unosscl.undp.org/GSSDAcademy/SIE/Docs/Vol6/panipachayatpdf>

### 5.5.2 Role of Urban Local Bodies in CSR

The importance of local bodies lies in the fact that large corporate houses do not limit themselves according to the geographical boundaries. Their focus is on the identification of basic needs of a community and afterwards they bring into line the area highlighted by their trusts. The project lead by local bodies is determined by moral obligation that they have to give back to the community to safeguard their social welfare.

The key functional areas of urban local bodies in the field of CSR are:

#### 1) Providing Healthcare and Eradication of Poverty

It includes activities such as organizing health camps, blood donation campaigns, donating money for setting up medical infrastructure, providing medical dispensaries. Efforts to reduce infant and maternal mortality, educating the masses on issues like saving and educating the girl child - all coming under the purview of promoting healthcare and poverty eradication. Providing electricity, safe drinking water and sanitation, poverty alleviation campaigns, etc. are the key functions of urban local bodies in which CSR funds could be invested.

#### 2) Providing Education and Livelihoods

The Local Bodies consider education as an agent of change in society. Apart from setting up of schools, as a part of their CSR agenda, the local bodies provide scholarship to the deserving candidates for further studies and promote skill-based projects which can provide employment to the people. Several local bodies distribute sewing machines, or hardware to rural training centers or some others provide free of cost meals to the workers or to the children in schools. Some other CSR related functions of these bodies are promoting girl education and also adult education in some cases. The Local bodies also cater to the needs of the disabled by providing special infrastructure for the disabled and disadvantaged section of the society. One of the important tasks of the local bodies in rural areas is encouraging the growth of computer literacy by promoting IT education in schools.

#### 3) Promoting Gender Equality and Socio-economic Empowerment

Local Bodies promote gender equality and empower women by taking up several capacity building campaigns. Similarly setting up working hostels for women, old age homes for senior citizens, etc., are also taken up by certain local bodies. In the urban areas, day care centers have been opened to support the working women. Apart from this, initiatives have been taken to improve the conditions of socially backward population as a part of CSR agenda.

#### 4) Ensuring Environmental Sustainability

Environmental concerns have become very important these days. Whether it is a rural area or urban area, you must have come across initiatives such as tree

plantation drivers, or river cleaning activities, or street sweeping drives. The local bodies have taken up the task of promoting environmental sustainability through measures such as organizing tree plantation programmes, setting up rain water harvesting, installation of solar powered energy devices, etc. In the rural areas, conservation of natural resources and preventing cutting of trees are the main activities which are carried out these days.

### 5) Protecting and Preserving National Heritage, Culture and Art

CSR is also aimed at protecting national heritage, art and culture, including protection of ancient buildings, conservation of historical monuments, setting up public libraries, promotion and development of traditional arts and handicrafts. Government initiatives like Swach Bharat, Beti Bachao Beti Padhao, and Skill India are of interest to all stakeholders and can be a good means to foster decentralized development.

As per the guidelines issued by the Ministry of Urban Development, urban local bodies are empowered to approve the projects pertaining to building toilets in urban areas. These bodies can sanction and implement projects to build individual household toilets or community toilets.

The role of local bodies becomes very important in this regard. The local bodies are mostly the NGO partners who have the expertise in the relevant area. In most of the cases, the project models are defined by implementing agencies/ non-profits based on local needs of the community.

#### Activity 2

Visit a CSR project being implemented by a local body in your vicinity and write down the role/functions and responsibilities of the local body in implementation of that project.

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## 5.6 CHALLENGES

There are several challenges that CSR is confronting these days in India. In earlier times, legislation and regulation have determined the delivery of social and environmental objectives. Limited resources of the government, ill framed regulations, and flexible approaches have given rise to voluntary and non-regulatory initiatives. Further, there is a lack of agreement amongst local agencies regarding CSR activities. This lack of agreement often results in replication of activities by corporate in areas of their involvement. There is also lack of interest of the local community in participating and contributing to CSR activities of companies. This is largely because of the fact that the local communities have limited knowledge about CSR within them as no serious efforts have been made to spread awareness about CSR and encourage the local communities about such

initiatives. The situation is further worsened due to lack of communication between the company and the community at the grassroots.

Mostly the local bodies that implement CSR are in the area of education, health or skill development or building infrastructure. In order to provide services, they build new centers, provide medical assistance, organize camps. All these are temporary solutions which do not bring out long term impact. The local communities are not trained to provide these services and therefore there always remains a void. On the contrary, the necessary skill needed to implement the actions are lacking in local service providers. Also, when the funding stops, the villages revert to the previous state. Therefore, external stimulus is fine but in the absence of local bodies and trained officers, all the efforts are in vain. The local bodies must be supported with trained manpower in order to carry out the CSR activities. There is a need for capacity building of the local NGOs as there is shortage of trained and efficient man power who can effectively contribute to the ongoing CSR activities initiated by companies.

The communities are most of the time viewed as beneficiaries in the process of CSR. However, to bring about a positive change, they must be regarded as partners in plans and projects. By this move, the communities will feel motivated and will take active interest. This is in fact the basic principle underlying sustainable development.

Lack of integrated and holistic approach is one of the other challenges mostly faced in these circumstances. Rural development covers varied aspects like agriculture and allied activities like non-farm livelihoods, sanitation, etc. There are certain gender, caste and cultural contexts which hinder the path of CSR implementation in a uniform manner. Therefore, holistic approach is required which can connect the dots between these issues. It is also found that there is absence of well organized NGOs in distant rural areas that can identify and consider the real needs of the community and work with companies to ensure successful implementation of CSR activities.

In a number of occasions it has also been noticed that the panchayats get hold of companies to practice CSR in the region and if the corporate denies participation, the local people threaten them by calling out strike and other means of protest. Several multinational companies in the past have been sent notices by local gram panchayats asking them to undertake CSR works in their village. On investigation, it has been found that the requests are not genuine.

### Check Your Progress-2

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What are the main issues addressed by CSR programmes in rural areas?

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2) What kind of CSR activities are taken up by the local bodies in urban areas?

Local Bodies

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## 5.7 LET US SUM UP

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Corporate social responsibility is practiced by organizations both big and small. It is an attempt to address the social issues along with making profits. The big corporate houses are contributing not only in terms of money but also through various means for safeguarding the well being of the people and towards protecting the environment. The local bodies are aware about the problems and critical concerns of the local region. In this unit, you have read about the constitution of the local body, its functions and the difference in the organization of rural and urban local bodies. The CSR activities of the local bodies have been explained in this unit. There is a difference in the functioning of the rural and urban local bodies in spite of the fact that the basic objectives remain the same. In this unit you have also learnt about the functions of the rural and urban local bodies. The unit also explains the challenges faced by the local bodies in implementing CSR.

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## 5.8 KEYWORDS

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**Local Bodies** : Local bodies are institutions of the local self-governance, which take care of the administration of villages, towns, or cities.

**Rural Local Bodies**: Local bodies which govern the administration of rural areas.

**Urban Local Bodies**: Local bodies which govern the administration of urban areas

**Governance**: Process of administration of a village, town or city.

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## 5.9 BIBLIOGRAPHY AND SELECTED READINGS

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## 5.10 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

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### Check Your Progress – 1

**Answer 1.** To look after the affairs of the urban areas, the urban local bodies were created. After Constitution Act 74 Amendment, 1992, the urban local bodies were given constitutional provisions which made them act independently and were held responsible. Some of the functions of urban local bodies are as follows:

1) Urban Planning including town planning; 2) Regulation of land use and construction of buildings; 3) Planning for economic and social development; 4) Roads and bridges; 5) Water supply for domestic, industrial and commercial purposes; 6) Public health, sanitation conservancy and solid waste management; 7) Fire services.

**Answer 2.** Under the welfare functions, urban local bodies must provide the community services like playgrounds, community halls, markets, street lighting, swimming pools, public conveniences, etc., for the welfare of the people.

### Check Your Progress – 2

**Answer 1.** Therefore, corporate social responsibility in rural areas seeks to address mainly infrastructure, education, health and sanitation, vaccination, women empowerment, community welfare, environment protection, etc. The local bodies are able to better monitor and govern these issues.

**Answer 2.** The key functional areas of urban local bodies in the field of CSR are:

- 6) Providing Healthcare and Eradication of Poverty
- 7) Providing Education and Livelihoods
- 8) Promoting Gender Equality and Socio-economic Empowerment
- 9) Ensuring Environmental Sustainability
- 10) Protecting and Preserving National Heritage, Culture and Art

**Block**

# 4

## **CSR FOR SUSTAINABLE DEVELOPMENT**

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### **UNIT 1**

#### **UN SDGs**

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### **UNIT 2**

#### **Selection of Goals and Indicators**

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### **UNIT 3**

#### **Implementation Plan and Focus Area Alignment**

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### **UNIT 4**

#### **Collective Action and Collaboration**

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## BLOCK 4 CSR FOR SUSTAINABLE DEVELOPMENT

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Block 4 **CSR for Sustainable Development** consists of four units.

Unit 1: **UN-SDGs** discuss the 17 United Nations Sustainable Development Goals (UN SDGs) with respect to the targets of each goal and a selective list of indicators under each of the goals. The unit also discusses NITI Aayog's plan strategy and vision with respect to the SDGs. Finally, it also discusses the significance of UN SDGs from the business point of view and the role of business in achieving them.

Unit 2: **Selection of Goals and Indicators** discusses the need to identify sustainability risks and challenges in the business sector. It also discusses about the corporate selection of individual goals and indicators. The alignment of goals to corporate core strategy is also discussed.

Unit 3: **Implementation Plan and Focus Area Alignment** discusses national and global imperatives from sustainable development point of view. The unit also talks about the commonalities between CSR focus area and national and global priorities.

Unit 4: **Collective Action and Collaboration** discusses SDG 17 on partnership and collaborations. It also discusses the need for collaboration between academia, industry and specialized agency. In addition, it describes the basic principles to be kept in mind while going ahead with any collaboration.



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# UNIT 1 UN-SDGS

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## Structure

- 1.1 Introduction
- 1.2 Understanding Sustainable Development Goals (SDGs)
- 1.3 Niti Aayog 3-7-15 Plan-Strategy-Vision with respect to UN-SDGs
- 1.4 Business Imperatives of UN-SDGs
- 1.5 Supporting Institutions for SDGs
- 1.6 Let Us Sum Up
- 1.7 Keywords
- 1.8 Bibliography and Selected Readings
- 1.9 Check Your Progress – Possible Answers

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## 1.1 INTRODUCTION

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The Sustainable Development Goals (SDGs) process started at the Rio +20 Conference held in 2012. After many multi-stakeholder meetings and discussions, on September 25, 2015, the 193 countries of the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, entitled “Transforming Our World: The 2030 Agenda for Sustainable Development”, which seeks to establish global consensus for the next 15 years. The SDGs (also known as UN-SDGs or Global Goals) aim to address some of the world’s pressing economic, social and environmental challenges. The emphasis is on environment sustainability and equity in development. The SDGs are strongly interrelated – within its own purview and also have connections with wide range of areas and imperatives related to sustainable development. It has 17 goals with 169 actionable targets and specific indicators which basically focus on 5Ps – People, Planet, Prosperity, Peace and Partnerships. The ‘Future We Want’ outcome document of Rio +20 clearly underlined the connection between ecosystem, sustenance and human wellbeing. The achievement of each SDGs, therefore clearly benefits the poor and the common theme of SDGs, is sustainability. In this unit we shall discuss in the UN SDGs in detail.

After studying this unit, you should be able to:

- Discuss the goals, targets and indicators covered under the 17 UN-SDGs
- Explain Niti Aayog’s 3-7-15 year’s Plan-Strategy-Vision with respect to UN-SDGs
- Describe the significance of UN-SDGs from business point of view
- Recognize the role of business in achieving SDGs
- Identify supporting institutions for SDGs

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## 1.2 UNDERSTANDING SUSTAINABLE DEVELOPMENT GOALS (SDGS)

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Let’s start with a brief overview of each of the goals and what they aim to do by 2030.

## Goal 1: End Poverty

In spite of all the efforts made at the national, regional and international levels since ages, more than 800 million people around the world still live in extreme poverty today with an income of less than \$1.25 a day. Now it's high time that we should make sincere efforts to end poverty in every possible way. This goal will make sure that everyone irrespective of age, gender and income has access and equal rights to basic services like food, shelter, clothing, healthcare, education and social protection systems. This goal reduces the exposure to vulnerable events and builds people's resilience so they can actively participate in society with confidence. An overview of all the targets and a selective list of indicators under Goal 1 follows.

### Box 1: Goal 1 – End Poverty in all its forms everywhere Targets

- 1.1** By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
- 1.2** By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
- 1.3** Implement nationally appropriate social protection systems and measures for all and by 2030 achieve substantial coverage of the poor and the vulnerable
- 1.4** By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
- 1.5** By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate related extreme events and other economic, social and environmental shocks and disasters
- 1.6** Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.
- 1.7** Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

### A selective list of indicators under Goal 1 includes:

- 1) Proportion of population below \$1.25 (PPP) per day
- 2) Proportion of population living below national poverty line, by rural/urban
- 3) Multidimensional Poverty Index
- 4) Percentage of eligible population covered by national social protection programmes

- 5) Percentage of women, men, indigenous people and local communities with secure rights to land, property and natural resources, measured by (i) percentage with documented or recognized evidence of tenure, and (ii) percentage who perceive their rights are recognized and protected.
- 6) Losses by natural disasters by climate and non-climate events
- 7) Total Fertility Rate

For a comprehensive list of indicators, you may visit: <https://unstats.un.org/sdgs/indicators/database/>

## Goal 2: Zero Hunger

This goal aims to end hunger and malnutrition for all and develop a world where everyone has access to sufficient and nutritious food all the year round. Together, we must try to make it a reality. Currently, one in nine people in the world are undernourished and go to bed hungry every night. The majority of these live in developing or least developed countries. This goal focuses on addressing diverse issues related to poor agricultural practices and productivity, malnutrition, food waste and functioning of food commodity markets to ensure food security, with enhanced nutritional value for all age groups across gender so that by 2030, every single one will get sufficient nutritious food.

Box 2 provides an overview of all targets and a selective list of indicators under Goal 2.

### Box 2: Goal 2 –End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

#### Targets

- 2.1** By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
- 2.2** By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons
- 2.3** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
- 2.4** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality
- 2.5** By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the

national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed

- 2.6** Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries
- 2.7** Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round
- 2.9** Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility

**A selective list of indicators under Goal 2 includes:**

- 1) Proportion of population below minimum level of dietary energy consumption
- 2) Percentage of women of reproductive age (15-49) with anaemia
- 3) Prevalence of stunting and wasting in children under 5 years of age
- 4) Percentage of infants under 6 months who are exclusively breast fed
- 5) Percentage of women, 15-49 years of age, who consume at least 5 out of 10 defined food groups
- 6) Crop yield gap (actual yield as % of attainable yield)
- 7) Number of agricultural extension workers per 1000 farmers (or share of farmers covered by agricultural extension programmes and services)
- 8) Nitrogen use efficiency in food systems
- 9) Crop water productivity (tons of harvested product per unit irrigation water)

### Goal 3: Good Health and Wellbeing

We all know the significance of being healthy. The famous quote “*Health is Wealth*” reminds us the importance of health in our lives. Over the last 25 years, with the bloom of new and advanced technologies, we have made considerable progress in preventing many harmful diseases and improving the child death and maternal mortality rates. At the same time, we cannot ignore the numbers which point out to the tragic fact that still more than six million children die before the age of five each year or that AIDS is the leading cause of death for adolescents in Sub-Saharan region. There is urgent need of a unified approach covering all related aspects to ensure good health. This goal aims to take care of such related issues.

Box 3 provides an overview of all targets and a selective list of indicators under Goal 3.

### **Box 3: Goal 3 –Ensure healthy lives and promote wellbeing for all at all ages**

#### **Targets**

- 3.1** By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births
- 3.2** By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under 5 mortality to at least as low as 25 per 1,000 live births
- 3.3** By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, waterborne diseases and other communicable diseases
- 3.4** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
- 3.5** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
- 3.6** By 2020, halve the number of global deaths and injuries from road traffic accidents
- 3.7** By 2030, ensure universal access to sexual and reproductive healthcare services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes
- 3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- 3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
- 3.10** Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate
- 3.11** Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all

**3.12** Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing states

**3.13** Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks

**A selective list of indicators under Goal 3 includes:**

- 1) Maternal mortality ratio and rate
- 2) Neonatal, infant and under 5 mortality rates
- 3) Per cent of children receiving full immunization (as recommended by national vaccination schedules)
- 4) HIV incidence, treatment, rate and mortality
- 5) Incidence, prevalence and death rates associated with all forms of TB
- 6) Incidence and death rates associated with malaria
- 7) Probability of dying between exact ages 30 and 70 from any of cardiovascular disease, cancer, diabetes, chronic respiratory disease, (or suicide)
- 8) Per cent of population overweight or obese, including children under 5
- 9) Road traffic deaths per 100,000 population
- 10) Consultations with a licensed provider in a health facility or the community per person per year
- 11) Percentage of population without effective financial protection for health care

**Goal 4: Quality Education**

Good and proper education plays a great role in shaping up our future and life. It helps us to develop thoughts, points of view, and perspectives of looking at life, gives us knowledge of the world around us and changes our personality to make our lives better. Unfortunately, poverty armed with political and social conflicts and enormous difficulties keep many kids around the world away from the basic education. So, this goal is about ensuring quality education of all types (Primary, Secondary, Vocational) and creating lifelong learning opportunities with equal and affordable access for everyone across age, race and gender.

Box 4 provides an overview of all targets and a selective list of indicators under Goal 4.

**Box 4: Goal 4 –Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

**Targets**

**4.1** By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

- 4.2** By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education
- 4.3** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- 4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- 4.5** By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
- 4.6** By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy
- 4.7** By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and nonviolence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development
- 4.8** Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all
- 4.9** By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries
- 4.10** By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing states.

**A selective list of indicators under Goal 4 includes:**

- 1) Percentage of children (36-59 months) receiving at least one year of a quality pre-primary education programme
- 2) Early Child Development Index (ECDI)
- 3) Primary completion rates for girls and boys
- 4) Percentage of girls and boys who master a broad range of foundation skills, including in literacy and mathematics by the end of the primary school cycle (based in credibly established national benchmarks)
- 5) Secondary completion rates for girls and boys

- 6) Percentage of girls and boys who achieve proficiency across a broad range of learning outcomes including in literacy and in mathematics by end of lower secondary schooling cycle (based on credibly established national benchmarks)
- 7) Tertiary enrolment rates for women and men

### Goal 5: Gender Equality

In spite of achieving prosperity and commendable progress in almost every area of life, we cannot say it robustly that there is any change in the way the girls and women are being treated in our society, especially in the deprived and marginalized section of the world. Continuously increasing rates of violence and discrimination against women and girls in day to day life firmly confirms this plight. Goal 5 of SDGs focuses on achieving gender equality by eliminating all forms of violence and discrimination against women and girls, providing them equal and effective access and rights to basic amenities in every front and helping them to reach their full potential through enabling technologies, sound policies and enforceable legislation.

Box 5 provides an overview of all targets and a selective list of indicators under Goal 5.

#### Box 5: Goal 5 – Achieve gender equality and empower all women and girls

##### Targets

- 5.1 End all forms of discrimination against all women and girls everywhere
- 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation
- 5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation
- 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- 5.6 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences
- 5.7 Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws



**5.8** Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women

**5.9** Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

**A selective list of indicators under Goal 5 includes:**

- 1) Prevalence of girls and women 15-49 who have experienced physical or sexual violence (by an intimate partner) in the last 12 months
- 2) Percentage of referred cases of sexual and gender-based violence against women and children that are investigated and sentenced
- 3) Percentage of women aged 20-24 who were married or in a union by the age of 18
- 4) Percentage of girls and women aged 15-49 years who have undergone female genital mutilation
- 5) Average number of hours spent on paid and unpaid work combined (total work burden), by sex
- 6) Percentage of seats held by women and minorities in national parliament and/or sub-national elected office according to their respective share of the population
- 7) Met demand for family planning

**Activity 1**

Write down the five UNSDGs discussed above. Write down the value of any one of the indicators for the state of your residence for each of the five SDGs, e.g.,

*Goal 1: End Poverty; Proportion of population below poverty line (Delhi) = 9.91%*

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## Check Your Progress-1

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) List out the first five sustainable development goals

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- 2) List out any three indicators for Goal 2 (Zero Hunger).

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### Goal 6: Clean Water and Sanitation

Water is central to every sector of life – be it growth, development, the wellbeing of society, culture, economy or environment. However, over the past decades, pressures on water resources have increased dramatically due to rapid growth of population, urbanization, higher consumption levels and climate vulnerability. This goal targets to provide universal, equitable and adequate access to clean water and basic sanitation facility for one and all while managing the water resources sustainably through more integrated international and trans-boundary cooperation, minimizing water pollution, protecting and restoring water-related ecosystems including mountains, forests, wetlands, rivers, aquifers and lakes, strengthening public participation, capacity building and technological advancement.

Box 6 provides an overview of all targets and a selective list of indicators under Goal 6.

#### **Box 6: Goal 6—Ensure availability and sustainable management of water and sanitation for all**

##### **Targets**

- 6.1** By 2030, achieve universal and equitable access to safe and affordable drinking water for all
- 6.2** By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations

- 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- 6.4** By 2030, substantially increase water use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- 6.5** By 2030, implement integrated water resources management at all levels, including through trans-boundary cooperation as appropriate
- 6.6** By 2020, protect and restore water related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes
- 6.7** By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse of technologies
- 6.8** Support and strengthen the participation of local communities in improving water and sanitation management

**A selective list of Indicators under goal 6 includes:**

- 1) Percentage of population using safely managed water services, by urban/rural
- 2) Percentage of population using safely managed sanitation services, by urban/rural
- 3) Percentage of wastewater flows treated to national standards (and reused)
- 4) Indicator on water resources management
- 5) Proportion of total water resources used
- 6) Percentage of wastewater flows treated to national standards (and reused)

### **Goal 7: Affordable and Clean Energy**

With continuously rising global population, more people will need energy to light their homes and streets, use electronic accessories and do their day-to-day activities. To meet this demand, they must have affordable access to energy without any negative environmental consequences. In today's world, when fossil fuels and greenhouse gas emissions are creating many harmful effects on the climate, meeting the current demand of clean sustainable energy at affordable price will be a big challenge. It needs an integrated approach through more international cooperation, upgradation of infrastructure and technology, eco-efficient initiatives and energy services. SDG goal 7 emphasizes for an action to ensure this for all.

Box 7 provides an overview of all targets and a selective list of indicators under Goal 7.

**Box 7: Goal 7–Ensure access to affordable, reliable, sustainable and modern energy for all**

**Targets**

- 7.1** By 2030, ensure universal access to affordable, reliable and modern energy services
- 7.2** By 2030, increase substantially the share of renewable energy in the global energy mix
- 7.3** By 2030, double the global rate of improvement in energy efficiency
- 7.4** By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology
- 7.5** By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing states, and landlocked developing countries, in accordance with their respective programmes of support

**A selective list of indicators under Goal 7 includes:**

- 1) Share of population using modern cooking solutions, by urban/rural
- 2) Share of the population using reliable electricity, by urban/rural
- 3) Implicit incentives low carbon energy in the electricity sector (measured as US\$/MWh or US\$ per ton avoided CO<sub>2</sub>)
- 4) Rate of primary energy intensity improvement

**Goal 8: Decent Work and Economic Growth**

One of the biggest challenges in today's society is related to jobs. Job creation is not keeping pace with the growing labour force. It severely affects economic productivity as well as growth. This goal calls for increasing labour productivity reducing the unemployment rate, especially for young people, promoting development-oriented policies to support job creation with decent pay and safe work environment, eradicating forced labour and protecting labour & human rights, improving services, through innovation and creative entrepreneurship, which are key components of sustained and inclusive economic growth.

Box 8 provides an overview of all targets and a selective list of indicators under Goal 8.

**Box 8: Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

**Targets**

- 8.1** Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

- 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including focus on high value added and labour-intensive sectors
- 8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium sized enterprises, through access to financial services
- 8.4** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10 year framework of programmes on sustainable consumption and production, with developed countries taking the lead
- 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training
- 8.7** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
- 8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 8.9** By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
- 8.10** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
- 8.11** Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries
- 8.12** By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization

**A selective list of indicators under Goal 8 includes:**

- 1) GNI per capita (PPP, current US\$ Atlas method)
- 2) Country implements and reports on Systems of Environmental-Economic Accounting (SEEA) accounts
- 3) Youth employment rate, by formal and informal sector
- 4) Ratification and implementation of fundamental ILO labour standards and compliance in law and practice

## Goal 9: Industry, Innovation and Infrastructure

Despite steady progress in technology, operations and services, large number of people around the world still lack access to basic infrastructure facilities such as electricity, sanitation and communication services. For a society to grow sustainably, resilient infrastructure should be developed with promotion of sustainable industrialization through robust scientific research, technological innovation and effective digital communication, which in turn will create opportunities for everyone while protecting the world environment. Goal 9 strongly supports integrated cooperation and initiatives to facilitate such approach.

Box 9 provides an overview of all targets and a selective list of indicators under Goal 9.

### **Box 9: Goal 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

#### **Targets**

- 9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all
- 9.2** Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries
- 9.3** Increase the access of small scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets
- 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
- 9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending
- 9.6** Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States
- 9.7** Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities

**9.8** Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020

**A selective list of indicators under Goal 9 includes:**

- 1) Access to all weather road (% access within (x) km distance to road)
- 2) Mobile broadband subscriptions per 100 inhabitants, by urban/rural
- 3) Index on ICT maturity
- 4) Manufacturing value added (MVA) as percent of GDP
- 5) Total energy and industry-related GHF emissions by gas and sector, expressed as production and demand-based emissions (tCO<sub>2</sub>e)
- 6) Personnel in R&D (per million inhabitants)

### Goal 10: Reduced Inequalities

Inequality is quite visible throughout the world – the rich get richer and the poor get poorer. The gap between developed and developing countries in various spheres is quite evident. The problem is global in nature, so it requires cross border solutions with national, international and trans-boundary participation of all countries. To create a sustainable future for all, we must create and adopt policies that create and facilitate opportunities for everyone across the age, race, ethnicity and origin. Eliminating discriminatory laws, and practices and promoting appropriate legislation, policies and actions, improving regulation and institutions of financial markets and ensuring equal opportunity for all, especially for developing countries through enhanced representation in global decision-making process may help to minimize the gap. Goal 10 addresses this issue robustly, yet in a comprehensive way.

Box 10 provides an overview of all targets and a selective list of indicators under Goal 10

#### Box 10: Goal 10 – Reduce inequality within and among countries

##### Targets

- 10.1** By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
- 10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 10.3** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- 10.4** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
- 10.5** Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations

- A selective list of indicators under Goal 10 includes:**

- [illegible]

Write down the five UNSDGs discussed in the section above. Write down the value of any one of the indicators for India for each of the five SDGs.

[illegible]



# Check Your Progress-2

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) List out the sixth to tenth sustainable development goals

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2) List out any three indicators for Goal 6 (Clean water and sanitation).

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## Goal 11: Sustainable Cities and Communities

A city is the center of culture, business and growth with modern infrastructure and facilities. It attracts many people and migrants from nearby regions who travel through the city in search of job, employment and better lifestyles every day. It exerts additional pressures on urban environment and public health with enormous challenges including growing numbers of slum dwellers, increased pollution, inadequate basic services and unplanned urban sprawl, which make cities more vulnerable to disasters. Better urban planning and management are needed to make the world's urban spaces more inclusive, safe, resilient and sustainable. To achieve this target, Goal 11 urges for a collective action involving broader range of people in urban planning decisions which can create better facilities and opportunities for all with good public transport system, more clean, green and safe public spaces, affordable public housing while safeguarding the world's cultural and natural heritage and environment.

Box 11 provides an overview of all targets and a selective list of indicators under Goal 11.

**Box 11: Goal 11 – Make cities and human settlements inclusive, safe, resilient and sustainable**

**Targets**

**11.1** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

**11.2** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in

vulnerable situations, women, children, persons with disabilities and older persons

**11.3** By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

**11.4** Strengthen efforts to protect and safeguard the world's cultural and natural heritage

**11.5** By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations

**11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

**11.7** By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

**11.8** Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning

**11.9** By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels

**11.10** Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials

**A selective list of indicators under Goal 11 includes:**

- 1) Percentage of urban population living in slums or informal settlements
- 2) Percentage of people within 0.5 km of public transit running at least every 20 minutes
- 3) Ratio of land consumption rate to population growth rate, at comparable scale
- 4) Losses from natural disasters, by climate and non-climate-related events (in US\$ and lives lost)
- 5) Mean urban air pollution of particulate matter (PM 10 and PM 2.5)
- 6) Area of public and green space as a proportion of total city space
- 7) Percentage of urban solid waste regularly collected and well managed
- 8) Domestic revenues allocated to sustainable development as per cent of GNI

# Goal 12: Responsible Consumption and Production

Due to rapid urbanization, unplanned industrialization and constant population growth, natural resources are consumed faster than they can be restored, while wastes and pollutants are released into the environment faster than the earth can absorb them. It is an alarming situation and if it continues for few more years, the pressure on the earth's ecosystems and biosphere as a whole promise to continue to mount in the foreseeable future. This goal wants us to act in a sensible way and urges to think responsibly about the things we use, the waste we generate and the impacts we create for our mother planet. Achieving this goal requires sustainable business practices and consumer behaviour, efficient management of natural resources and byproducts with adherence to international norms on the management of hazardous chemicals and wastes, creating awareness about responsible behaviour and consumption patterns, strengthening the scientific and technological capacities to move towards more sustainable patterns of consumption and production.

Box 12 provides an overview of all targets and a selective list of indicators under Goal 12.

## Box 12: Goal 12 – Ensure sustainable consumption and production patterns

### Targets

- 12.1** Implement the 10 year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries
- 12.2** By 2030, achieve the sustainable management and efficient use of natural resources
- 12.3** By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses
- 12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
- 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- 12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- 12.7** Promote public procurement practices that are sustainable, in accordance with national policies and priorities
- 12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

**12.9** Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production

**12.10** Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products

**12.11** Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities

**A selective list of indicators under Goal 12 includes:**

- 1) Disclosure of Natural Resource Rights Holdings
- 2) Global Food Loss Index (or other indicator to be developed to track the share of food lost or wasted in the value chain after harvest)
- 3) Consumption of ozone-depleting substances
- 4) Aerosol optical depth (AOD)
- 5) Share of companies valued at more than (\$ 1 billion) that publish integrated monitoring

**Goal 13: Climate Action**

The drastic effects of global warming and climate change is visible everywhere, putting life and property in a vulnerable condition. To combat climate change effects, concrete efforts combined with strong political will, integrated cooperation, suitable policies, strategies, planning and technological measures are needed at national and international level to build resilience and adaptive capacity and limit climate related hazards and natural disasters. This goal lays out a way for countries to work together to achieve this target.

Box 13 provides an overview of all targets and a selective list of indicators under Goal 13.

**Box 13: Goal 13 – Take urgent action to combat climate change and its impacts**

**Targets**

**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

**13.2** Integrate climate change measures into national policies, strategies and planning

**13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

**13.4** Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible

**13.5** Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities

\* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

**A selective list of Indicators under goal 13 includes:**

- 1) Availability and implementation of a transparent and detailed deep decarbonisation strategy, consistent with the 2°C or – below - global carbon budget, and with GHG emission targets for 2020, 2030 and 2050.
- 2) CO<sub>2</sub> intensity of new power generation capacity installed (gCO<sub>2</sub> per KWh), and of new cars (gCO<sub>2</sub>/pkm) and trucks (gCO<sub>2</sub>/tkm)
- 3) Net GHG emissions in the Agriculture, Forest and Land Use (AFOLU) sector (tCO<sub>2</sub>e)
- 4) Official climate financing from developed countries that is incremental to ODA (Official Development Assistance) (in US\$)

## Goal 14: Life below Water

Oceans, seas and marine resources are important parts of ecosystem. They play a vital role in maintaining ecological balance. Ocean can absorb about 30 per cent of carbon dioxide that humans produce. But these important marine structures are getting severely depleted by increasing human activities, causing pollution and enormous harms to marine species and coastal habitats. This goal aims to prevent and significantly reduce marine pollution, sustainably manage and protect marine and coastal ecosystems, effectively regulate harvesting and end illegal overfishing, develop research capacities and marine technology and fully implement international law to effectively conserve and manage the oceans, seas and all their species.

Box 14 provides an overview of all targets and a selective list of indicators under Goal 14.

### **Box 14: Goal 14 – Conserve and sustainably use the oceans, seas and marine resources for Sustainable Development**

#### **Targets**

**14.1** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

- 14.2** By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans
- 14.3** Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels
- 14.4** By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics
- 14.5** By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information
- 14.6** By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation
- 14.7** By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism
- 14.8** Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries
- 14.9** Provide access for small-scale artisanal fishers to marine resources and markets
- 14.10** Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in UNCLOS, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of The Future We Want

**A selective list of indicators under Goal 14 includes:**

- 1) Share of coastal and marine areas that are protected
- 2) Percentage of fish tonnage landed within Maximum Sustainable Yield (MSY)

## Goal 15: Life on Land

Human and animal life is heavily dependent on various land forms for food, shelter, air and maintenance of basic life supporting systems. But the negative effects of unregulated human activities severely damage the beauty and serenity of these beautiful ecosystems. As a consequence, deserts are spreading, arable land is disappearing, forest cover is depleting, animal breeds are gradually becoming extinct or threatened. To sustain our very survival on earth, it is important that all these land ecosystems are properly managed and conserved. This goal calls for a planned action to stop the things that threaten all land forms, by adequately addressing deforestation, land degradation, loss of animal and plant species, trafficking and supply of illegal wildlife products and protected species of flora and fauna, and conservation and restoration of terrestrial ecosystems.

Box 15 provides an overview of all targets and a selective list of indicators under Goal 15.

**Box 15: Goal 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**

**Targets**

- 15.1** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements
- 15.2** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
- 15.3** By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world
- 15.4** By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development
- 15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species
- 15.6** Promote fair and equitable sharing of the benefits arising from the utilization of genetic resources and promote appropriate access to such resources, as internationally agreed
- 15.7** Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products

- 15.8** By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species
- 15.9** By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts
- 15.10** Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems
- 15.11** Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation
- 15.12** Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities

**A selective list of indicators under Goal 14 includes:**

- 1) Annual change in forest area and land under cultivation
- 2) Area of forest under sustainable forest management as a per cent of forest area
- 3) Annual change in degraded or desertified arable land (% or ha)
- 4) Red List Index (Extinction of threatened species)
- 5) Protected areas overlay with biodiversity

**Goal 16: Peace, Justice and Strong Institutions**

For any kind of development to flourish, peace is inevitable. And for maintaining peace, justice and human rights should be properly guarded through adequate and strong institutions.

Countries with significant violence, political conflict and insecurity can never have a peaceful time, it ultimately hampers the development of society and the region as well. This goal emphasizes on initiating action against all forms of violence, abuse, trafficking and exploitation and tries to ensure a society, where everyone can lead a peaceful life with any fear and threat.

Box 16 provides an overview of all targets and a selective list of indicators under Goal 16.

**Box 16: Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**

**Targets**

- 16.1** Significantly reduce all forms of violence and related death rates everywhere



- 16.2** End abuse, exploitation, trafficking and all forms of violence against and torture of children
- 16.3** Promote the rule of law at the national and international levels and ensure equal access to justice for all
- 16.4** By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime
- 16.5** Substantially reduce corruption and bribery in all their forms
- 16.6** Develop effective, accountable and transparent institutions at all levels
- 16.7** Ensure responsive, inclusive, participatory and representative decision-making at all levels
- 16.8** Broaden and strengthen the participation of developing countries in the institutions of global governance
- 16.9** By 2030, provide legal identity for all, including birth registration
- 16.10** Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
- 16.11** Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime
- 16.12** Promote and enforce non-discriminatory laws and policies for sustainable development

**A selective list of indicators under Goal 16 includes:**

- 1) Violent injuries and deaths per 100,000 population
- 2) Number of refugees
- 3) Proportion of legal persons and arrangements for which beneficial ownership information is publicly available
- 4) Revenues, expenditures and financing of all central government entities are presented on a gross basis in public budget documentation and authorized by the legislature
- 5) Percentage children under age 5 whose birth is registered with a civil authority
- 6) Existence and implementation of a national law and/or constitutional guarantee on the right to information
- 7) Perception of public sector corruption

**Goal 17: Partnerships for the Goals**

From previous explanations, one thing is very clear – SDGs’ implementation is not an easy task at all and requires participation from everyone, from governments

to private sectors, civil society, businesses, individuals and even volunteers. A stronger commitment to global partnership and cooperation, coherent policies, an enabling environment for sustainable development at all levels and by all actors of 193 participating countries would help make the goals a reality. Goal 17 proposes a line of action for nations to work together to achieve all other goals.

Box 17 provides an overview of all targets and a selective list of indicators under Goal 17.

**Box 17: Goal 17 – Strengthen the means of implementation and revitalize the global partnership for sustainable development**

**Targets**

**Finance**

- 17.1** Strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection
- 17.2** Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of ODA/GNI to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries, ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries
- 17.3** Mobilize additional financial resources for developing countries from multiple sources
- 17.4** Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress
- 17.5** Adopt and implement investment promotion regimes for least developed countries

**Technology**

- 17.6** Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism
- 17.7** Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

- 17.8** Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

### **Capacity Building**

- 17.9** Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South and triangular co-operation.

### **Trade**

- 17.10** Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda
- 17.11** Significantly increase the exports of developing countries in particular with a view to doubling the least developed countries' share of global exports by 2020
- 17.12** Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from the least developed countries are transparent and simple, and contribute to facilitating market access

### **Systemic Issues**

#### *Policy and Institutional Coherence*

- 17.13** Enhance global macroeconomic stability, including through policy coordination and policy coherence
- 17.14** Enhance policy coherence for sustainable development
- 17.15** Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

#### *Multi-stakeholder partnerships*

- 17.16** Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries
- 17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

*Data monitoring and accountability*

**17.18** By 2020, enhance capacity building support to developing countries, including for least developed countries and small island developing states, to increase significantly the availability of high quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

**17.19** By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries

**A selective list of indicators under Goal 14 includes:**

- 1) Domestic revenues allocated to sustainable development as per cent of GNI (Gross National Index), by sector
- 2) Official development assistance and net private grants as per cent of GNI
- 3) Private net flows for sustainable development at market rates as share of high income country GNI, by sector
- 4) Annual report by Bank for International Settlements (BIS), International Accounting Standards Board (IASB), International Financial Reporting Standards (IFRS), International Monetary Fund (IMF), World Intellectual Property Organization (WIPO), and the SDGs and the implementation of relevant SDG targets
- 5) Share of SDG Indicators that are reported annually
- 6) Evaluate wellbeing and positive mood effect

**Activity 3**

Write down the five UNSDGs discussed in the section above. Write down the value of any one of the indicators for India for each of the five SDGs.

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**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) List out the 11<sup>th</sup> to 17<sup>th</sup> sustainable development goals.

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- 2) List out any three indicators for Goal 16 (Peace, Justice and Strong Institutions).

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### **1.3 NITI AAYOG 3-7-15 PLAN-STRATEGY- VISION WRT UN-SDGS**

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With the demolition of the Planning Commission and the 12th five-year plan of India on March 31, 2015, the Government of India has set up The National Institution for Transforming India (NITI Aayog) with a new idea of planning for future development of India.

#### **1.3.1 What is Niti Aayog's 3 years plan?**

The three year action agenda of the NitiAayog is for the period 2017-18 to 2019-20. It can act as the first step towards attaining the envisioned SDG outcomes by 2031-32. The document is divided into 7 parts with 24 chapters, with a number of specific action points for each part to boost India's development. The key parts of this document cover revenue and expenditure allocation, transforming agriculture and industry services, regional development, connectivity, energy, science and technology, governance, innovation, entrepreneurship, social sectors and sustainability among others.

#### **1.3.2 What is Niti Aayog's seven year strategy?**

The seven year strategy document known as the 'National Development Agenda' proposes policy framework and strategic interventions in line with SDGs.

### 1.3.3 What is Niti Aayog's 15 years vision?

About 300 specific action points covering a wide range of sectors have been drawn up as part of the 15 year vision. However, specific details of those action points haven't been made public yet.

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## 1.4 BUSINESS IMPERATIVES OF UN-SDGS

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### 1.4.1 Significance of goals, indicators and targets from business point of view

The significance of Goals, Indicators & Targets from business point of view are manifold:

- a) The 17 Goals and 169 Targets formally adopted by the world community at the General Assembly in September 2015 provides a clear roadmap for the next 15 years (2016-2030) in which the governments, civil societies and businesses are committed to eliminate worst situations affecting human society like poverty, hunger, jobs and environmental destruction.
- b) The stakeholder consultative approach prior to the formalization of SDGs is different from similar efforts done in the past. It is with clear focus to design a sustainable future for the whole world, with full commitment and adherence to transparency and participation of multiple stakeholders.
- c) The SDGs lay emphasis on the principle of justice, equity, participation and transparency in governance that is necessary for Sustainable Development connecting private, public and community resources to achieve the same.
- d) The role of businesses in India along with Government and civil society would be effective by way of contribution in eliminating/minimizing gaps particularly in the areas of poverty, unemployment, undernourishment, gender gap, lack of skills, lack of accessibility to water, electricity, improper waste management etc.

### 1.4.2 Role of business in achieving UN-SDGs

The SDG Agenda is transformative and calls for transforming our planning system towards sustainable development of communities, society and economies, which is in the interest of all including businesses. The SDG agenda sets out five key opportunities for development that is (i) inclusive, (ii) universal, (iii) integrated, (iv) locally focused and (v) technology driven (SDSN, 2015). SDGs cover a wide range of areas encompassing waste, water, energy, wildlife, biodiversity, climate change, health, education, poverty, gender equality, economic and social growth. It gives ample scope for all including corporate, to work in multiple sectors, involving diverse group of people and stakeholders. The role of business is basically related to contributing to the SDG implementation as a facilitator and catalyst and this needs to be understood from the development perspective. Companies can advance sustainable development through the business practices they adopt, the solutions they develop and the investments they make. Business sector has enough potential to quickly respond and implement solutions with localised innovations (SDG Compass, 2015; KPMG, 2017). IPCC AR 5

(Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC)) noted that India's high vulnerability and exposure to climate change will slow its economic growth, impact on human and environmental health and make poverty reduction more difficult. So, the role of business in reducing its carbon footprint is therefore apt in meeting the respective SDGs goal on climate change. With 2°C or less global temperature rise prediction by 2100, countries need to prepare National de-carbonization strategies from now until 2050, covering all sources for GHG emissions including energy, industries, agriculture, forest, transport, building and other sectors. In this context, businesses from all sectors can contribute towards strategy and policy formulation, technology development and effective execution of de-carbonization strategies.

#### Activity 4

Visit any CSR project in your vicinity. Write in brief about the project objective and identify the UNSDG that the project targets to achieve.

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## 1.5 SUPPORTING INSTITUTIONS FOR SDGS

With a range of diverse areas and interconnecting factors covered by all 17 goals, there can be no single model for SDGs implementation which fits for all; each sector, unit and business will have to determine their own set of institutional arrangements to maximize their contribution towards SDGs implementation. However, developing an institutional mechanism with the notion of inclusiveness, combining multi-stakeholder consultation and collaboration, cross sectoral co-operation, innovative planning and organizational structure to engage a broad range of stakeholders including civil society and local authorities in priority setting, implementation and review of SDGs, high-level political support with coordinated government approach, integrated policies and strategies, availability of quality information and data and suitable statistical institutions for monitoring and evaluation, adequate financial, manpower and technical support empowered with science and technology will be apt for SDGs implementation (SDSN, 2015; Desai et al., 2018). Guidelines on The Development Initiative of the International Organization (IDI) of Supreme Audit Institutions (SAIs), Principle Director of Audit's inclusion of SDG in the Audit Protocol, National Guidelines (NGs) on Social, Environmental and Economic Responsibilities of Business, UNGC citizen charters are few other means which can be served as supporting institutions for SDGs. Clause 135 and Schedule VII of Companies Act provide good opportunities for companies to deliver through Corporate Social Responsibility (CSR), which can be effectively used as a supportive tool towards successful SDG implementation.

## Check Your Progress - 4

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What is Niti Aayog's 3 years plan?

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2) What is the role of business in achieving UN SDGs?

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## 1.6 LET US SUM UP

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We started this unit with a brief overview of 17 goals with its 169 actionable targets and specific indicators, adopted by 193 countries on September 25, 2015 at the United Nations General Assembly as 2030 Agenda for Sustainable Development. The emphasis of SDGs is on Environment Sustainability and Equity in development, taking world's pressing economic, social and environmental challenges into account. The spotlight is on 5Ps – People, Planet, Prosperity, Peace and Partnerships.

The National Institution for Transforming India (NITI Aayog) is the nodal agency for transforming the SDGs into action in India. NITI has been assigned to prepare a 15year perspective plan in line with sustainable development goals, a seven-year strategy as part of the national development agenda and separately a three year 'Action Agenda' for the overall development of the country.

With a focus on wide range of areas encompassing waste, water, energy, wildlife, biodiversity, climate change, health, education, poverty, gender equality, economic and social growth, SDGs hold special significance and potential for businesses and provide ample scope and opportunities for Companies to work upon, to achieve the aim of sustainable development of communities, societies and economies.

Developing an institutional mechanism with the notion of inclusiveness encircling multi-stakeholder participation, integrated policy, strategy and technology advancement will be aptly support SDGs' implementation. Clause 135 and Schedule VII of the Companies Act provide good opportunities for companies to



deliver through corporate social responsibility (CSR), which can be effectively used as a supportive tool towards successful SDG implementation.

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## 1.7 KEYWORDS

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**National Poverty Line** - A measure of relative poverty. People living below a poverty line don't have enough access to meet their basic needs.

**Multidimensional Poverty Index** - The global Multidimensional Poverty Index (MPI) is an international measure of acute poverty. It complements traditional income-based poverty measures by capturing the severe deprivations that each person faces at the same time with respect to education, health and living standards.

**Indigenous People** - Original inhabitants of a given region.

**Total Fertility Rate** - Total fertility rate (TFR) refers to total number of children born or likely to be born to a woman in her life time.

**Maternal Mortality Rate** – The death rate of woman while pregnant or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, from any cause related to or aggravated by the pregnancy or its management but not from accidental or incidental causes.

**Neonatal Mortality Rate** - Probability of dying during the first 28 days of life, expressed per 1,000 live births.

**Early Child Development Index** - Early Child Development Index (ECDI) aims to measure the developmental status of children within four domains: literacy-numeracy, physical, and social-emotional development.

**GNI and GDP** - Gross national income (GNI) is a measure of a country's income. GDP only counts income received from domestic sources while GNI includes net income received from abroad.

**ILO Labour Standards** - The International Labour Organization (ILO) is a tripartite organization consisting of trade unions, governments and companies, and is part of the United Nations system who set minimum standards for every worker all over the world.

**Aerosol Optical Depth** - Aerosol optical depth (AOD) is a measure of the extinction of the solar beam by dust and haze. Particles in the atmosphere (dust, smoke, pollution) can block sunlight by absorbing or by scattering light. AOD tells us how much direct sunlight is prevented from reaching the ground by these aerosol particles.

**Red Data Book** - It is a public document which was created and maintained by IUCN with a record of endangered and rare species including plants, animals, fungi and few local subspecies present in a state or country.

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## 1.9 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress – 1

**Answer 1.** The first five SDGs are:

- 1) End Poverty
- 2) Zero Hunger
- 3) Good Health and Well Being
- 4) Quality Education
- 5) Gender Equality

**Answer 2.** Three targets of goal 2 are:

- 1) Proportion of population below minimum level of dietary energy consumption

- 2) Percentage of women of reproductive age (15-49) with anaemia
- 3) Prevalence of stunting and wasting in children under 5 years of age

### Check Your Progress – 2

**Answer 1.** The Sixth to Tenth SDGs are:

- 1) Clean Water and Sanitation
- 2) Affordable and Clean Energy
- 3) Decent Work and Economic Growth
- 4) Industry, Innovation and Infrastructure
- 5) Reduced Inequalities

**Answer 2.** Three targets of Goal 6 are:

- 1) Percentage of population using safely managed water services, by urban/rural
- 2) Percentage of population using safely managed sanitation services, by urban/rural
- 3) Percentage of wastewater flows treated to national standards (and reused)

### Check Your Progress – 3

**Answer 1.** The 11th to 17th SDGs are:

- 1) Sustainable Cities and Communities
- 2) Affordable and Clean Energy
- 3) Responsible Consumption and Production
- 3) Climate Action
- 4) Life below Water
- 5) Life on Land
- 6) Peace, Justice and Strong institutions
- 7) Partnerships for the Goals

**Answer 2.** Three targets of Goal 16 are:

- 8) Violent injuries and deaths per 1000,000 population
- 9) Number of refugees
- 10) Proportion of legal persons and arrangements for which beneficial ownership information is publicly available

### Check Your Progress – 4

**Answer 1.** The three year action agenda of the Niti Aayog is for the period 2017-18 to 2019-20. It can act as the first step towards attaining the envisioned SDG outcomes by 2031-32. The document is divided into 7 parts with 24 chapters, with a number of specific action points for each part to boost India's development.

**Answer 2.** The role of business is basically related to contributing to the SDG implementation as a facilitator and catalyst and this needs to be understood from the development perspective. Companies can advance sustainable development through the business practices they adopt, the solutions they develop and the investments they make.

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## UNIT 2 SELECTION OF GOALS AND INDICATORS

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### Structure

- 2.1 Introduction
- 2.2 Significance of Sustainability Risks and Challenges for Corporates
- 2.3 Corporate Selection of Individual Goals and Indicators
- 2.4 Alignment of Goals with Corporate Core Strategies
- 2.5 Let Us Sum Up
- 2.6 Keywords
- 2.7 Bibliography and Selected Readings
- 2.8 Check Your Progress – Possible Answers

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### 2.1 INTRODUCTION

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Companies are the engines of growth. These add to economic development, employment, entrepreneurship and the overall national development. All corporates and companies, big and small, have their growth models, which need to be a part of the overall national development agenda, as well to be inclusive. The premise is that the corporates and companies are part of the national wealth and welfare; it is therefore important that the roadmap must be inclusive in nature avoiding exclusions.

Business paradigm is changing and changing very fast. The new thinking about CSR moving to corporate social opportunity while creating socio-economic and environment benefits, is now gaining competitive edge. While conceptualizing a CSR project, it becomes inevitable to strategize it in a deliberate manner, after careful assessment of corporate risks and challenges and thereafter, aligning it with corporate core strengths in line with national and global priorities including SDGs.

After studying this unit, you should be able to:

- Recognize and explain the significance of sustainability risks and challenges for corporates
- Identify sustainability risks and challenges of various companies/business sectors
- Identify suitable goals, indicators and areas to work upon, based on SDG relevance and business priorities
- Effectively plan and design your activities/programmes/projects in line with company core strengths and taking sector-specific sustainability risks and challenges into consideration

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## **2.2 SIGNIFICANCE OF SUSTAINABILITY RISKS AND CHALLENGES FOR CORPORATES**

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### **2.2.1 Why Identify Sustainability Risks and Challenges for the Business Sector?**

Sustainability is a triple bottom line approach where economic sustainability, environmental sustainability and social sustainability are the important pillars. While there are multiple challenges to maintain economic sustainability, it is important to know what the corporate/company's specific risks and challenges in the environment sustainability and social sustainability areas are, and the ways and means to mitigate those risks and challenges. Sustainability risks resulting from both environmental and social issues have the potential to create significant financial and non-financial impacts. It is also with this objective that strategic CSR plays a vital role in the planning process and to develop course of action that are commensurate with CSR objectives, corporate strategic planning should be done scientifically and effectively. It would further help in strategizing CSR for sustainable development pursuits, keeping national and global priorities in focus.

### **2.2.2 Need of Mitigating Strategies for Sustainability Risks and Challenges**

After understanding the respective sustainability risks and challenges, the mitigation (reduction) of the risks and challenges through appropriate intervention would be necessary. The mitigation action needs to be consistent with the corporate/company's growth, sustenance and the well-being. Example: To combat the problems arising out of carbon and GHG emission, adaptation to climate change by enhancing investment in development programmes/sectors vulnerable to climate change, particularly related to agriculture, water resources, health and disaster management, Himalayan region, coastal region are important and could as well be aligned with the broad objective of SDGs.

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## **2.3 CORPORATE SELECTION OF INDIVIDUAL GOALS AND INDICATORS**

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### **2.3.1 Identifying Sustainability Risks and Challenges of the Company/Business**

The selection of individual goals and indicators should be based on scientific analysis, and it should not be a wish list. Sustainable Development Goals 1-6 basically cover social dimensions. Goals 7, 8 9, 12, 13, 14, 15 and 17 have vital roles for the private sector and are related to business, while Goals 16 and 17 are enablers of growth. The corporate/company's aim should be to move away from ad hoc philanthropy to strategic CSR and sustainability, thereby necessitating apt selection of the related sustainable development goals and indicators. Box 1 provides some important information related to indicators and localization of SDGs.

### Box 1: Indicators & Localization of SDGs

It is important to know what kind of indicators would be suitable to measure the outcome of CSR initiatives and also how the SDGs could be localized to achieve the overall aims and objectives. Related information in this regard is given below:

- Important to know that national indicators are the product of data.
- While there are specific indicators given under each of the goals (SDGs), yet there are national indicators available in many areas (Government of India- Ministry of Statistics and Programme Implementation, 2017).
- Draft national indicators are available which are helpful in setting the goals for companies. Ministry of Statistics and Plan Implementation (MOSPI) is responsible for monitoring the indicators.
- Localization of SDGs at the District and subdistrict levels is helpful. Likewise, the convergence of multiple CSR pursuits by companies which is helpful in achieving overall community development. SDGs recognize the critical role the business must play in achieving them.

Every company has its own unique setup. The risks and challenges faced by each sector are different. Accordingly, each company needs issue specific mitigation strategies. Based on the sustainability risks and challenges of each business sector, the strategic CSR for sustainable development initiatives/pursuits should be planned by linking the activities with relevant SDGs. It is in this context, the sector specific risks and challenges need to be identified as the first step.

Some of the sustainability risks and challenges for selected industry sectors are as under:

- a) Thermal Power Plant - Sector specific risks are GHG emissions, water usage, waste water generation, ash, solid wastes, community impacts, etc.
- b) Coal - Sector specific risks are environment pollution, health and safety, GHG emissions, water etc.
- c) Petroleum/Petrochemical Industry – Its essential processes involve burning and handling/transportation of crude/multiple oils. Some of the important sustainable risks associated with this industry are GHG emissions both from CO<sub>2</sub> and CH<sub>4</sub> (Methane), issues related to water, bio-diversity, health and safety, waste, etc. Therefore, it would be prudent for the industry to have strategic CSR in the areas which would help mitigate the negative effects.
- d) Mining- There are opencast and underground mines (coal, lignite, iron, metal ores, etc.). Some mining work has GHG emissions trapped in the coal seams. The overall mining production processes are hazardous. The sustainability risks are dust, waste, GHG emissions, biodiversity, health and safety, water, etc. Therefore, it is better for the industry to implement strategic CSR for the community/society in these areas.
- e) IT and related companies- Mobile networks, base transmission towers, satellites, data centres and other infrastructure consume considerable amount of electricity and fuel. Facebook and Google which are the backbone of

digital communication consume about 3 per cent of the world's electricity and are responsible for 2 per cent of the global greenhouse gas, or as much as the aviation industry. The study estimates that by 2019, just charging smart phones would account for greenhouse gas emissions equivalent to the annual emissions of 1.1 million cars, therefore, the present day internet seems to be inefficient from an environmental perspective. The ecological imprint of data centres is enormous enough for Apple to have moved to 100 per cent clean energy to power their operations (Deora, 2018). Therefore, the IT and related industries have a serious carbon footprint and their sustainability risk can be mitigated by adoption of clean renewable energies, enabling thereby Strategic CSR initiative in that direction.

- f) Manufacturing (Machinery/Equipment) - It involves lot of raw material usage, wastage and power-consumption (captive and grid power). The entire process is energy intensive and the raw material consumption/production adds to indirect emissions at the vendor premises, besides considerable consumption of water, health and safety related issues. Suitable selection of strategic CSR to mitigate the carbon footprint should be the focus area.
- g) Pharmaceuticals- It involves use of organic and inorganic compounds, some of which are non-biodegradable which can negatively affect ecosystems and biodiversity when they end up in surface and ground waters through end-of-life disposal. The significant environmental risks to these companies are waste, biodiversity, health and safety. Therefore, such industries can implement strategic CSR related to better health facilities with a focus on bio-medical waste management.
- h) Textiles, Tanneries, Paper and Pulp- These are water intensive industries and utilize various chemicals such as dyes, bleaching agents, organic solvents, heavy metals, etc. The sustainability risks posed by these industries are water, emissions and odour, raw material consumption, health and safety, etc. Therefore, such industries can implement strategic CSR related to community water purification and distribution programmes, watershed development programmes, etc.
- i) Sugar, Distilleries and Food Processing Industries- These agro-based industries use fermentation and other advanced technologies which result in direct and indirect emissions during transportation, handling as well as processing stages. Some of the sustainability risks associated with this industry include raw material consumption, dust & GHG emissions, water, health and safety, etc. Therefore, it would be prudent for the industry to have strategic CSR in areas which would help mitigate the negative effects.
- j) Automotive: The key sector specific risks are CO<sub>2</sub> emissions and climate change, environmental and safety standards in the supply chain, sustainability strategy, product safety, energy consumption etc.

Keeping in view the sustainability risks and challenges, it is important to identify how these risks are related to or may impede the progress and thereby selection of the related sustainable development goals.

### Activity 1

Meet two people doing business around your place of residence or work and ask them to explain the sustainability risks and challenges of the set up they are handling and note down their suggestions and make a list of sustainability risks and challenges.

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### 2.3.2 Defining priorities from individual business point of view and its relevance to specific SDG

Not all 17 goals will be equally relevant for every company. To benefit from the opportunities presented by the SDGs, defining where your company's priorities are will help to narrow down the focus and intensify company's efforts in right direction (UN and GRI report, 2015). The choice of CSR projects/activities should ideally be aligned with the business competencies and the sustainability challenges while serving the society and mitigating the risks as well. It is in this context; the corporate priority areas need to be identified with respect to and adequately address the following:

- a) How can CSR deliver powerful intervention for business and mitigating sustainability risks/challenges of the sector?
- b) What contribution can the CSR project make based on the core competency of the sector?
- c) What impact will CSR have on business, society and global issues?
- d) How to measure the CSR impact on the business?

In a nutshell, the strategic direction of the CSR project should primarily focus on respective sustainability risks and challenges, the selected areas of corporate/ company's core competence and how and what they can do for society and nation and its measurable impacts (Kompella, 2015). The selection of priority areas could be based on one or all of the key elements or can have a combination of key elements. Based on the outcomes, the strategic CSR for sustainable development initiatives/pursuits should be planned and its relevance to specific SDG can be explored.

A comprehensive list of key elements to be considered at the time of defining priorities and aligning them with core business is provided in Box 2.



### Box 2: Defining and aligning priorities with core business

The key elements for consideration would be as under:

- Addressing business sustainability risks and challenges
- Core strengths of the company
- Priority areas with emphasis on local context/challenges
- Priority areas with national and global importance
- Policy guided approach
- Scaling up and sustainability
- Ease of reporting (measurable, reportable and verifiable)

### Check Your Progress - 1

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) What are the sustainability risks and challenges for a thermal power plant?

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- 2) What are the key elements to be considered while defining and aligning priorities with core business?

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## 2.4 ALIGNMENT OF GOALS WITH CORPORATE CORE STRATEGIES

Quite similar to the previous step, the alignment of strategic CSR projects with corporate strategies could be as given below:

- a) Aligning with core strength
- b) Aligning with company's sustainability risks, mitigation and business impacts
- c) Aligning with government plans and programmes with national and global priorities including aspirational ones

- d) Aligning with future growth and development with special focus on local context/challenges.

**a) Aligning with core strength**

Selection of CSR initiative and its alignment with SDGs should be based on respective strength, expertise and core competencies of the company (Kompella, 2015; SDSN, 2015; UN and GRI report, 2015). Example: A food company's brand is related to its products' nutrition. Therefore, the logical extension of the company's CSR focus would be fighting malnutrition as it is one of the areas covered under SDGs.

**b) Aligning with company's sustainability risks, mitigation and business impacts**

Based on the diversity of set-up, each sector has a unique risk and opportunity component for businesses. It is important for businesses to comprehend these and develop adequate mitigation strategies. The selection of goals and the activities could be aligned to the corporate/company's top-business impacts as well. The alignment process should be suitably designed to minimize current and potential negative impacts while making positive contributions to SDGs. This should ensure the initiatives must cover company's operations across the entire value chain.

**c) Aligning with government plans and programmes with national and global priorities including aspirational ones**

To add more value and maximize the company's contribution towards sustainable development, all CSR initiatives should be aligned with national & global priorities and commitments. For example, in the COP 23, India has been declared as the sixth most vulnerable nation for climate risks (KPMG, 2017). India is set to rollout an integrated programme to cover greenhouse gases from agriculture. The goal of the proposed project in select Indian states is to sequester 49.9 million tonnes of greenhouse gases. Aligning with a programme like this should be one of the corporate core strategies. A detailed and comprehensive approach for aligning the national and global priorities with CSR pursuits will be discussed in next chapter – Unit3.

**d) Aligning with future growth and development with special focus on local context/challenges**

Each region has its own circumstances, so the issues and challenges faced by every region are quite different and context specific. Hence, alignment of initiative and goals must carefully identify the ones that are most relevant to address their local challenges and context (SDSN, 2015; United Nations, High Level Political Forum, 2017).

**Example: Stubble burning**— During the post monsoon season we see crop residue burning (stubble burning), though the practice is banned by the Indian Government. The smoke generated by burning crops is carried by the North Westerly winds during the post monsoon to other cities. It is one major source of pollution; the impact of stubble burning adds to the existing pollution level in local areas. Thus, burning of crop residue increases the pollution levels to a great extent. Instead, the crop residue can be effectively utilized to generate power locally through decentralized power generation. This could easily generate

employment of locals in the supply chain of stubble and also in the power generation process. This could be one potential area for strategic CSR initiative which can contribute immensely to an age old local issue, with a problem solving approach.

### 2.4.1 Plan, Design Your Activities/Programmes/Projects in Line with Identified Priorities

The aim of a strategic CSR project is to benefit society and promote social equity with priorities leading to:

- Poverty alleviation
- Better access to health, sanitation & environment
- Employment/livelihood generation
- Quality of life improvement
- Women's empowerment
- Self help groups promotion
- Education/skill development

While there are large number of CSR projects covering different areas, some of the projects (indicative) which can be attended, to mitigate sustainable risks and challenges besides the societal benefits and with respect to SDGs are summarized in box 3.

**Box 3: Potential Projects/Technologies/Activity areas for possible CSR and sustainability intervention**

BOX 3	
Broad Area	Potential Projects/Technologies/Activity Areas
Renewable energy application	Solar micro cold storage solutions Micro grid power generation and distribution Off grid hybrid (Wind/Solar) power generation Grid connected Solar power generation
Water	Potable drinking water Rain water harvesting Water conservation Water storage, water reservoirs Making check dams in Arid zones and hilly areas Watershed management programme Tank desiltation, storage and recharge Water runoff arresting and storage Irrigation practices including drip irrigation.

	Current water usage in agriculture is 80 per cent approx.
Waste Management	<p>Liquid and solid waste decentralised waste (resource) management</p> <p>Waste to energy plants in parks (tech used controlled pyrolysis)</p> <p>Organic waste to manure – Composting</p> <p>Bio gas plants (cow dung/excreta) and other organic wastes</p> <p>Fly Ash utilisation-cement making, reclamation of low lying areas, roads/embankments/mine filling, bricks/tiles, agriculture etc.</p> <p>Plastic waste recycling/reuse (polyester fibre, manufacture of denims, roads metalling), etc.</p> <p>Radiation technology for hygienisation of municipal dry sewage sludge (spin off tech from BARC)</p> <p>Usage of agriculture, water &amp; waste technologies from BARC</p>
Bio mass (wheat/rice straw, agriculture wastes/residues)	<p>Bio fuels etc. (ethanol production) and And Lignin (a polymer) extracted for power generation</p> <p>Bagasse – power generation</p> <p>Biogas generation</p>
<p>Bio-diversity</p> <p>Desertification</p>	<p>Biodiversity (plants, animals and eco-systems) conservation</p> <p>Biodiversity protection by limiting over exploitation, habitat destruction and introduction of invasive species</p> <p>Fight desertification (check and reclaim) – Reclaim deserts &amp; restore to fertile farmlands. Techniques include; agro-forestry and farm managed natural regeneration. Small community initiatives like closure of degraded land for grazing curtailing farming, growing fast growing plants, raising tall trees that serve as a barrier against winds and sandstorms</p>

#### 2.4.2 Set Goals for Each Strategic CSR Project/Activity

Each project is required to be undertaken in a project mode approach. While setting goal for each strategic project/activity, it is important to understand the interlinkages between the SDGs. The companies should set goals that cover all their defined priorities across the economic, social and environmental aspects of sustainable development (UN and GRI Report, 2015). The SDGs cannot be

implemented in isolation. Each goal has a connection with one or more goals. For example:

- Goal 2 which focuses on hunger and sustainable food production also aims to promote a resilient agricultural system to climate change (Goal 13)
- Goal 12 on sustainable production and consumption (SCP), requires sustainable management and efficient use of natural resources.
- SDG 6 calls for significantly increasing water use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity ~ that directly links to SDGs for health, resilient infrastructure, sustainable cities, sustainable consumption, sustainable oceans and sustainable ecosystems, inclusive societies and global partnerships.
- Industrialization (SDG-9) and economic growth (SDG-8) are critical for poverty alleviation (SDG-1) besides other SDGs.

Therefore, implementation needs to be based on a highly integrated approach.

Box 4 gives a better understanding on the link between each goal and the proposed activities therein, which can be referred and used suitably at the time of setting goal for CSR project/ activity:

#### **Box 4: Link between SDGs and Possible Activities**

##### **I) CLEAN WATER AND SANITATION:**

*Aim: "Ensure access to water and sanitation for all"*

*Activities:* Protecting and restoring water-related ecosystems such as forests, mountains, wetlands and rivers. Fostering international cooperation to encourage water efficiency and support treatment technologies in developing countries.

##### **II) AFFORDABLE AND CLEAN ENERGY:**

*Aim: "Ensure access to affordable, reliable, sustainable and modern energy for all"*

*Activities:* Investing in clean energy sources such as solar, wind and thermal and adopting cost-effective standards for a wider range of technologies. Expanding infrastructure and upgrading technology to provide clean energy sources in all developing countries.

##### **III) DECENT WORK AND ECONOMIC GROWTH:**

*Aim: "Promote inclusive and sustainable economic growth, employment and decent work for all"*

*Activities:* Achieving higher levels of productivity through technological innovation and promoting policies to encourage entrepreneurship and job creation. These measures are critical to eradicate challenges such as forced labour, slavery and human trafficking.

#### **IV) INDUSTRY, INNOVATION AND INFRASTRUCTURE:**

*Aim: “Build resilient infrastructure, promote sustainable industrialization and foster innovation”*

*Activities:* Bridging the digital divide to ensure equal access to information and knowledge, and as a consequence foster innovation and entrepreneurship.

#### **V) REDUCED INEQUALITIES:**

*Aim: “Reduce inequality within and among countries”*

*Activities:* Improving the regulation and monitoring of financial markets and institutions, encouraging development assistance and foreign direct investment to regions where the need is greatest. Facilitating the safe migration and mobility of people is also key to bridging the widening divide.

#### **VI) SUSTAINABLE CITIES AND COMMUNITIES:**

*Aim: “Make cities inclusive, safe, resilient and sustainable”*

*Activities:* Making cities safe and sustainable, ensuring access to safe and affordable housing, and upgrading slum settlements, investing in public transport, creating green public spaces and improving urban planning and management in a way that is both participatory and inclusive.

#### **VII) RESPONSIBLE CONSUMPTION AND PRODUCTION:**

*Aim: “Ensure sustainable consumption and production patterns”*

*Activities:* Halving per capital global food waste at the retailer and consumer levels, creating more efficient production and supply chains. This can help with food security and shift us towards a more resource efficient economy.

#### **VIII) CLIMATE ACTION:**

*Aim: “Take urgent action to combat climate change and its impacts”*

*Activities:* Strengthening the resilience and adaptive capacity of more vulnerable regions, such as land locked countries and island states; raising awareness and integrating measures into national policies and strategies.

#### **IX) LIFE BELOW WATER:**

*Aim: “Conserve and sustainably use the oceans, seas and marine resources”*

*Activities:* Managing and protecting marine and coastal ecosystems from land-based pollution, as well as addressing the impacts of ocean acidification. Enhancing conservation and the sustainable use of ocean-based resources through international law will also help mitigate some of the challenges facing our oceans.

#### **X) LIFE ON LAND:**

*Aim: “Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss”*

*Activities:* Conserving and restoring the use of terrestrial ecosystems such as forests, wetlands, dry lands and mountains by 2020. Promoting the sustainable management of forests and halting deforestation.

## XI) PEACE, JUSTICE AND STRONG INSTITUTIONS:

*Aim: "Promote just, peaceful and inclusive societies"*

*Activities:* Strengthening the rule of law and promoting human rights, reducing the flow of illicit arms and strengthening the participation of developing countries in the institutions of global governance.

## XII) PARTNERSHIPS FOR THE GOALS:

*Aim: "Revitalize the global partnership for sustainable development"*

*Activities:* Enhancing North-South and South-South cooperation by supporting national plans to achieve all the targets. Promoting international trade, helping developing countries increase their exports, achieving a universal rules-based and equitable trading system that is fair and open and benefits all.

**Source:** Accenture Strategy – Global Compact Network India (GCNI) report, 2016

### Activity 2

Arrange a meeting with the CSR Department of a company near you and discuss with them about the identified priority areas of their company. Ask them to select most relevant SDGs and indicators to align with their identified priorities? Note down their suggestions.

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### 2.4.3 Integration of the activities in core business strategies

Integrating planned activities into the core business strategies and embedding sustainable development targets across all functions within the company is key to achieving CSR goals. To be most effective, company's sustainability goals should be an integral part of core business strategies across the entire value chain covering financial, strategic, operational areas, product lifecycle and service offering, customer segments, supply chain management, transport and distribution networks. The sustainability ambitions should be reflected in the vision, mission and purpose statements of the company (UN and GRI report, 2015; World Bank 2017).

Hence, the core business strategies could be based on the following:

- To tackle the emerging risks and to capitalize on new opportunities arising thereof
- Long term sustainability of organization
- A holistic approach
- Good strategy would be to take into consideration not only the business risks, challenges and opportunities but also economic, environmental, social and cultural elements related to businesses.

To support sustainable decision making processes, stimulate organizational development, drive better performance, engage stakeholders and attract investment, build trust and improve reputation, it is important to report and communicate on company's progress against the SDGs as the final implementation step. To serve the purpose, companies should use internationally-recognized standards for sustainability reporting such as GRI or CDP, etc. (UN and GRI report, 2015; PwC 2015).

### Check Your Progress-2

**Note:** a) Write your answer in about 50 words

b) Check your answer with possible answers given at the end of the unit

- 1) What are the broad areas for possible CSR and sustainability intervention?

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- 2) What should be the basis of core business strategies?

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## 2.5 LET US SUM UP

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We started this unit with an aim to understand how the corporates should select suitable sustainable development goals and indicators and accordingly plan, prepare and align their strategic CSR roadmap with core business strategies, keeping in view the requirements under law, national and global imperatives and understanding the sustainability risks and challenges, leading to sustainable development.

Every company has its own unique setup, circumstances, sustainability risks and challenges, thus each company needs sector/issue specific mitigation strategies. So the corporate strategic planning should be done scientifically and effectively, all corporates/companies should aim to move away from ad-hoc philanthropy to strategic CSR and Sustainability pursuits, linking the activities with relevant SDGs, thereby addressing the need of apt selection of the related sustainable development goals and indicators. In this whole strategic development process, identification of sector specific risks and challenges is the first and foremost step.



Not all 17 SDGs will be equally relevant for every company/corporate. To streamline the focus and intensify company's efforts in right direction, defining each company's priorities is essentially important. The selection of priority areas should be based on respective sustainability risks and challenges, corporate/company's core competence, how and what they can do for society and nation and its measurable impacts. Based on the outcomes, the strategic CSR for sustainable development initiatives/pursuits should be planned and its relevance to specific SDG can be explored.

In the next step, all identified priorities should be aligned with the core strength of the company, its sustainability risks, business impacts and mitigation strategies and also with national and global priorities, commitments while keeping in view the local context/challenges.

In the final phase of implementation, it is important to report and communicate on company progress against the SDGs as per the internationally-recognized standards suggested by GRI or CDP, etc.

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## 2.6 KEYWORDS

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**Strategic** - It is an organization's way of defining its plans, actions, directions and process of making decisions on allocating its resources in a deliberate manner to pursue its desired targets.

**Mitigation** – It is the process or act of reduction of the frequency, magnitude, or severity of exposure to risks or minimization of the potential impact of a threat or warning.

**Technology Disruption** – A means to change the traditional way that an industry operates, especially in a wholly new and effective way.

**Triple Bottom Line Approach** – It is an approach which broadens an organization's focus on the financial line while giving due consideration to social and environmental aspects. Environmental sustainability, social sustainability and economic sustainability are three key areas of this concept. It is also referred to People-Planet-Profits.

**Convergence** - The act of merging and moving toward union or uniformity.

**Product Lifecycle** – It refers to the different stages that a product goes through from introduction to withdrawal.

**Value Chain** – A value chain is the whole set of activities that businesses go through to bring a product or service to their customers, including production, marketing and the after-sales service.

**Supply Chain Management** - Supply Chain Management involves a broad range of activities required to plan, control and execute a product's flow, from acquiring raw materials to production and distribution to the final customer, in the most streamlined manner.

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## 2.8 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

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### Check Your Progress - 1

**Answer 1.** The sustainability risks and challenges for a thermal power plant are: - GHG emissions, water usage, waste water generation, ash, solid wastes, community impacts, etc.

**Answer 2.** The key elements for consideration while defining and aligning priorities with core business would be as under:

- i) Addressing business sustainability risks and challenges
- ii) Core strengths of the company

- iii) Priority areas with emphasis on local context/challenges
- iv) Priority areas with national and global importance
- v) Policy guided approach
- vi) Scaling up and sustainability
- vii) Ease of reporting (measurable, reportable and verifiable)

### Check Your Progress - 2

**Answer 1.** The broad areas for possible CSR and sustainability intervention are

- 1) Renewable energy application
- 2) Water
- 3) Waste management
- 4) Bio mass (Wheat/Rice straw, etc.) and Agriculture wastes/residues
- 5) Biodiversity
- 6) Desertification

**Answer 2.** Hence, the core business strategies could be based on the following:

- To tackle the emerging risks and to capitalize on new opportunities arising thereof
- Long term sustainability of organization
- A holistic approach
- Good strategy would be to take into consideration not only the business risks, challenges and opportunities but also economic, environmental, social and cultural elements related to businesses.

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## UNIT 3 IMPLEMENTATION PLAN AND FOCUS AREA ALIGNMENT

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### Structure

- 3.1 Introduction
- 3.2 National Imperatives from Sustainable Development Point of View
- 3.3 Global Imperatives from Sustainable Development Point of View
- 3.4 Identifying Commonalities between CSR Focus Areas and Other National/Global Priorities
- 3.5 Alignment of Corporate Strategy with CSR-SDGS-SD Initiatives
- 3.6 Let Us Sum Up
- 3.7 Keywords
- 3.8 Bibliography and Selected Readings
- 3.9 Check Your Progress – Possible Answers

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### 3.1 INTRODUCTION

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In order to achieve the objective of sustainable development, it is important that the business sector, corporates and companies conceptualize and implement projects in a strategic manner so that their business strategies align with the national and global imperatives. To accomplish this, it is important to familiarize with the imperatives at national and global level since India is a signatory to these and corporates/companies to understand the responsibilities and opportunities they have as the business community. Understanding the imperatives, the synergies, convergence and interconnectedness that exist between different global and national initiatives would help in the development of a corporate/company's plan, a roadmap that could be aligned to the national development agenda and/or global commitments. Inter alia this would help develop strategic CSR for sustainable development pursuits of respective corporates/companies.

After studying this unit, you should be able to:

- Recognize and understand various national priorities and commitments from a sustainable development point of view
- Recognize and understand various international priorities and commitments from a sustainable development point of view
- Develop understanding on the potential of CSR thematic areas to achieve sustainable development
- Identify commonalities between CSR focus areas and other national/global sustainable development imperatives, including SDGs
- Analyse the opportunities that national and global priorities/initiatives offer for effective corporate planning

## 3.2 NATIONAL IMPERATIVES FROM SUSTAINABLE DEVELOPMENT POINT OF VIEW

National imperatives refer to the initiatives, plans, programmes and commitments made or have to be made based on the national priorities, in order to achieve sustainable development. These are the key strategic means of advancing national obligation towards global sustainable development commitments. Some of the top national priorities in today's time, as stated by the Indian Government include skill development, health, hygiene, clean and safe water, energy, waste, climate change, etc. (KPMG, 2017). To support the country's commitment towards international sustainable development agenda and accelerate the value creation process, all the CSR initiatives should be aligned with national priorities, which in turn will contribute to global priorities as well. In the following section, we will discuss about various national imperatives initiated by the Government to achieve the goals of sustainable development.

### 3.2.1 Schedule VII and Companies Act, Section 135

You have already read about the Companies Act in the first course in detail. For the first time in any region of the world, CSR for companies has been mandated through legislation in India in 2013-14, with the introduction of Section 135, the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII. The overall governance of CSR process was notified on 27<sup>th</sup> February, 2014 and came into force from 1<sup>st</sup> April, 2014 across India. Section 135 of the Companies Act contains CSR provisions of the Act, Schedule VII of the Act enumerates the activities that can be undertaken under CSR and Companies (Corporate Social Responsibility Policy) rules, 2014 and it prescribes the manner in which companies would comply with the CSR provision of the Act (Government of India - Ministry of Corporate Affairs, 2014). Thematic areas covered under Schedule VII include hunger, poverty, health, safety, education, sanitation, women empowerment, environmental sustainability, rural development among others. The planning, designing and implementation of CSR projects and activities would be on the lines of these statutory provisions that will assist the company/corporate not only to comply with the law while contributing significantly towards the marginalised sections of the society. It would also effectively contribute towards the SDGs and other commitments of national and global importance.

### 3.2.2 Nationally Determined Contributions (NDCs)

Nationally determined contributions (NDCs) are the outcome of historic Paris Agreement, signed by 195 countries of the United Nation's Framework Convention on Climate Change (UNFCCC) at COP 21 in Paris, on 12 December 2015. The Paris Agreement (Article 4, paragraph 2) requires each country to prepare, communicate and maintain successive nationally determined contributions (NDCs) that it intends to achieve and submit an updated climate plan every five years, thereby steadily increasing their ambition in the long-term (Hare et al., 2017; UNCCS, 2017). In other words, NDCs represent efforts by each country to reduce national emissions and mitigate negative impacts of climate change. They urge every country to adopt a climate friendly and cleaner path to combat climate change. It has three key targets to meet by 2030:

- 1) Reduce emissions intensity of country's GDP by 33-35% by 2030 from 2005 level
- 2) Achieve 40 per cent power generation from non-fossil fuels
- 3) Create additional carbon sink of 2.5 to 3 billion tons of CO<sub>2</sub> by adding to forest and tree cover

It encourages industries to better adapt to climate change by enhancing investments in programmes in sectors vulnerable to climate change development. Aligning your CSR activities with NDCs objectives will therefore help your organization to deliver effectively towards climate change issues, which is one of the serious concerns across the world and a prominent theme in all global commitments.

### **3.2.3 National Action Plan on Climate Change (NAPCC)**

National Action Plan on Climate Change (NAPCC) is a comprehensive action plan which outlines measures on climate change related adaptation and mitigation by India. These include: National Solar Mission, National Mission for Enhanced Energy Efficiency, National Mission on Sustainable Habitat, National Water Mission, National Mission for Sustaining the Himalayan Ecosystem, National Mission for a Green India, National Mission for Sustainable Agriculture, National Mission on Strategic Knowledge for Climate Change (Prime Minister's Council on Climate Change, Government of India). In order to make India more responsive to cover far-ranging effects of Climate Change, Central government is planning to add four new areas (The Hindu, 2017). So CSR new missions related to wind power, coastal zones, waste-to-energy and impacts of climate change on human health activities aligned with and contributing to these 12 missions under NAPCC will certainly add more value to any business sector.

### **3.2.4 National Mission on Himalayan Studies (NMHS)**

To launch and support innovative studies and related knowledge and technology interventions towards the sustenance and enhancement of the ecological, natural, cultural, and socio-economic capital assets and values of the Indian Himalayan Region, National Mission on Himalayan Studies (NMHS) was launched by Ministry of Environment, Forest and Climate Change (MoEF&CC). It is expected to address more than 25 indicative Thematic Areas of Work under broad themes such as Water Resource Management, Livelihood Options and Employment Generation, Biodiversity Conservation and Management, Skill Development and Capacity Building, Infrastructure Development, Physical Connectivity and Handling of Hazardous substances for the well-being of the Indian Himalayan Region and mountain communities in the region. The NMHS will also serve to complement and supplement the outcomes of National Mission on Sustaining Himalayan Ecosystem (NMSHE) anchored by the Department of Science and Technology (DST) under the National Action Plan on Climate Change (NAPCC) (Government of India – National Mission on Himalayan Studies, 2016). Therefore, any CSR initiatives in these areas on the suggested themes will highlight your company's efforts towards biodiversity conservation while maximizing their contribution towards NMSHE and SDGs as well.

### 3.2.5 National Guidelines on the Economic, Social and Environmental Responsibilities of Business

National Guidelines on the Economic, Social and Environmental Responsibilities of Business are the updated version of National Voluntary Guidelines (NVGs), rolled out by the Ministry of Corporate Affairs in July 2011. The NVGs comprised nine interrelated principles and their attendant core elements and represented a holistic approach to be adopted by companies as part of their business practices and responsibility. The updated National Guidelines also have nine principles, accompanied by a set of core elements with requirements and actions that are essential to the actualisation of the principles. Few key focus areas under the National Guidelines are on sustainable production and consumption, inclusive growth and equitable development, engagement by stakeholders, ethical behaviour in all its functions, proactive public disclosure by companies of their impact on society and the environment and providing value to consumers in a responsible manner (Draft National Guidelines, 2018). The Securities and Exchanges Board of India (SEBI) in 2012 on the basis of these guidelines mandated the top 500 companies to furnish Annual Business Responsibility Report (ABRR) providing an impetus to the uptake of NVGs by business. NVGs contain a structured business responsibility reporting format requiring certain specified disclosures, demonstrating the steps taken by companies to implement the said principles. Now this can be reported against revised National Guidelines. So, while designing a CSR and Sustainability project, it is always desirable to design it on the similar lines of National Guidance. It will guide the project to execute effectively to achieve targets set in SDGs and other sustainable development agenda while satisfying the compliance part and thereby adding more value to your business project.

### 3.2.6 SEBI-Business Responsible Reporting (SEBI-BRR)

Securities and Exchange Board of India (SEBI) on 13<sup>th</sup> August 2012, under Listing Obligations and Disclosure Requirements Regulations (“Listing Regulations”), 2015 mandated the inclusion of Business Responsibility Report (BRR) as a part of the Annual Report for top 500 listed companies. This report expects to describe the initiatives taken by the listed entity against the nine principles of the National Guidelines (earlier NVGs) from an environmental, social and governance perspective (SEBI, 2015).

Furthermore, to improve disclosure standards and help shareholders make informed decision, SEBI has advised these 500 entities to voluntarily adopt integrated reporting framework from the financial year 2017-18. The information related to integrated reporting should be provided in the annual report separately or by incorporating in ‘Management Discussion & Analysis’ or by preparing a separate report. As a green initiative, the companies may host the integrated report on their website and provide appropriate reference to the same in their annual report to highlight their sustainable business practices (The Times of India, 2017).

### 3.2.7 DPE CSR and Sustainability Guidelines

The Department of Public Enterprise’s (DPE), Government of India issued CSR guidelines for Central Public Sector Enterprises (CPSEs) in April, 2010 and

revised guidelines on CSR and Sustainability with effect from 1<sup>st</sup> April, 2013. The earlier guidelines focused mainly on how social causes and environmental concerns could be addressed through CSR projects, funded by an earmarked budget for this purpose and it mainly targeted external stakeholders. In the revised guidelines, CSR and sustainability agenda is perceived to be equally applicable to internal stakeholders (particularly, the employees of a company). Accordingly, the revised guidelines are expected to formulate the company policies with a balanced emphasis on all aspects of CSR and Sustainability with regard to their internal operations, activities and processes, as well as in their response to externalities (Department of Public Enterprises, 2014).

The thrust of CSR and sustainability guidelines is clearly on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and upliftment of the marginalized and underprivileged sections of the society. Taking up at least one major project in the defined areas in line with DPE guidelines has the potential of delivering significantly in the long run to socio-economic growth in all the backward regions of the country and thereby enhancing their contributions to diverse national and global priorities.

Apart from these initiatives, India has many developmental projects, ambitious plans and programmes in the areas of power, housing, renewable energy, agriculture, income generation, etc. Several innovative state-level sustainable development agendas and missions focusing on SDGs are also being launched by state governments of Assam, Andhra Pradesh, Sikkim, Haryana, Gujarat, Rajasthan, Maharashtra during past few years (Box 1), which provide enough scope and opportunities for businesses to act upon suitably in the areas of health, education, agriculture, environment, community development, capacity building, etc. Aligning with one or more such initiatives will extensively help the company to support National Development Agenda and will drive India towards sustainable development, which significantly adds value to the organization and reputation.

#### Box 1: State-Level Initiatives on SDGs

**Bihar** is in the process of finalizing the roadmap for SDG implementation. The state government is already focusing on a number of areas that are covered under the SDGs including road connectivity and drainage, toilets, clean drinking water, electricity, higher education, skill development and gender equality.

**Haryana** has prepared its Vision 2030 document following extensive consultations with a range of stakeholders. The strategies outlined in the document are based broadly on five principles - integrated planning and decentralized implementation, equitable development, building human capital, promoting citizen centric services and green growth.

**Maharashtra** is focused on balanced regional development and emphasizes sustainable livelihoods, taking initiative to improve management of water, land and forests, improve access to health and education, and developing skills for employment generation.

**Kerala** has set up elaborate indicators and standards for achieving the SDG 3 on health. The state has sector specific plans for 2030 with emphasis on



encouraging entrepreneurship in production sectors, developing the key bases of knowledge economy in the areas of education, Science and Technology etc., and ensuring environmental and social sustainability.

**Karnataka** focuses on technology in 12 sectors: education, medical science and health care, food and agriculture, water, energy, environment, habitat, transportation, infrastructure, manufacturing, materials and ICT.

**Tamil Nadu** focuses on infrastructure development in six major sectors: energy, transportation, industrial and commercial infrastructure, urban infrastructure and services, agriculture and human development.

**Punjab** has set up a SDGs Support Unit under the Planning and Development Department. The SDGs Support Unit serves as a conduit for technical support at the state level and acts as a nudge unit for providing evidence, analysis and perspectives to inform public policy in the context of SDGs.

**Madhya Pradesh** has also established an SDG cell. The Madhya Pradesh State Planning Commission has also established Planning and Policy Support Unit, Project Monitoring Unit, Knowledge Management Unit and International Division, in order to meet challenges of perspective planning and SDGs.

Source: Voluntary National Review Report, Niti Aayog, 2017

### Activity 1

Conduct a survey in all the departments of a company and explain briefly about various national priorities and commitments. Ask them to explain what they think, how their business can contribute towards one or more national commitments and plans? Note down their suggestions.

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### Check Your Progress-1

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) What are the different action plans under National Action Plan on Climate Change (NAPCC)?

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2) What are the state level initiatives for SDGs taken up by Punjab?

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### **3.3 GLOBAL IMPERATIVES FROM SUSTAINBLE DEVELOPMENT POINT OF VIEW**

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We have several imperatives at global level as well, aiming broadly towards sustainable development. But two major global commitments which hold special importance in current scenario are Sustainable Development Goals (SDGs) and Outcomes of Paris Climate Summit and COPs, to which India is signatory.

#### **3.3.1 Sustainable Development Goals (SDGs)**

The Sustainable Development Goals (SDGs) are undoubtedly the most important commitment in today's era and one of the significant imperatives made in last few decades, which define global sustainable development priorities. With a total of 17 goals aiming at 169 targets, SDGs are set to be achieved by 2030. It provides a clear road map to achieve optimum growth and holistic development of the society and planet, addressing a wide range of issues and interconnected factors. A comprehensive overview of all 17 goals with its specific targets is summarized in the Unit-1. Realizing the significance of SDGs, the Central Government has aligned national development agenda with SDGs and instructed sub-national governments, nodal ministries and respective state departments to map their programmes and initiatives with SDGs, defining specific, yet vital role for everyone to play. So, aligning business strategies with SDGs will not only provide scope for manifesting opportunities for local cohesive development, but also help companies/corporates to connect with global priorities and meet the country commitments on SDGs, which in turn will give your organization a competitive edge over others.

#### **3.3.2 Outcomes of Paris Climate Summit and Conference of Parties (COPs)**

Climate change is one of the biggest challenges facing the world today. It is responsible for increase in the extreme weather events and a series of environmental concerns. In 2015, some 195 Parties of UNFCCC met at COP 21, also known as the 21<sup>st</sup> Conference of the Parties to UNFCCC, under the Paris Agreement, to transform their developmental initiatives into a strategic course of action towards sustainable development. It was convened with an overall aim to limit global warming to 1.5-2 degrees Celsius above pre-industrial levels. Through the Paris Agreement, the Parties agreed to a long-term goal for adaptation – to increase the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions. Additionally, they agreed to work towards making finance flow consistent with a pathway towards low

greenhouse gas emissions and climate-resilient development. Subsequently, COP 22 was held in Bab Ighli, Marrakech, Morocco and COP 23 in Bonn, Germany. Each COP meeting allows member countries to take stock of the adequacy of current and projected actions as well as identify opportunities to enhance climate ambition and action. Outcomes of COP meeting each year generate a road map towards achieving the goals of the Agreement and combat global warming (Gray, 2016). As the agreement reaffirms the goal of keeping average warming below 2 degrees Celsius, if possible 1.5 degrees while urging the countries to pursue efforts to limit highly vulnerable climate impacts, any business activity (including CSR) aligning with this objective will therefore definitely add value to the efforts that India is putting up to achieve its Paris agreement goal.

### **3.3.3 Global Principles and Charters**

A comprehensive guidance for companies related to CSR and sustainability or business responsibility is also available in the form of many globally recognized guidelines, frameworks, principles and charters. These concepts are closely aligned globally with the notion of CSR (CII-PwC handbook, 2013). A few key global principles, guidelines and charters of universal importance are:

- ICC Business Charter for Sustainable Development
- Earth Charter
- United Nations Global Compact (UNGC)
- ILO's Tripartite Declaration of Principles on Multinational Enterprises and Social Policy
- OECD CSR policy tool
- AccountAbility's AA1000 series of standards
- Social Accountability International (SAI): SA 8000 Standard
- ISO 26000: Social responsibility

But the most important and noteworthy among these is UN Global Compact (UNGC).

### **3.3.4 UN Global Compact (UNGC)**

United Nations Global Compact (UNGC) is the world's largest corporate citizenship initiative. As the name suggests, it is a United Nations initiative and principle-based framework to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation. It asks companies to take business responsibly to solve societal challenges through business innovation and collaboration initiatives– which are important from both CSR and SDGs point of view. It has 10 principles covering four broad areas:

- Human rights (support and respect the protection of international human rights and ensure that business is not complicit with human rights abuses)
- Labour rights (uphold the freedom of association and effective recognition of the right to collective bargaining, elimination of all forms of forced and compulsory labour, effective abolition of child labour and elimination of description in respect of employment and occupation)

- Environment (support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage the development of environmentally friendly technology)
- Governance (work against corruption in all forms, including bribery and extortion)

UNGC catalyses actions in support of broader goals including SDGs. Adoption of UNGC and aligning it with business strategies will move the company closer towards overall sustainable development.

### **3.3.5 Sustainability Reporting**

Sustainability Reporting is the practice of measuring, disclosing organizational performance against specific environmental, social and governance goals and metrics that support sustainable development. It describes how sustainability is incorporated into the company's overall strategies and policies. Sustainability Reporting builds trust, improves reputation, stimulates organizational development, drives better performance, supports sustainable decision making and attracts more investment. The SDG target 12.6 (Part of Goal 12) requires governments everywhere to encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. It is important for the companies to use internationally recognized standards for sustainability reporting such as the comprehensive standards offered by GRI or reporting mechanisms like CDP, UNGP Reporting Framework and the CDSB Framework (GRI-UNGC report, 2015; KPMG, 2017). The SDG Compass website ([www.sdgcompass.org](http://www.sdgcompass.org)) gives a comprehensive overview about different standards and reporting frameworks.

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## **3.4 IDENTIFYING COMMONALITIES BETWEEN CSR FOCUS AREAS AND OTHER NATIONAL/GLOBAL PRIORITIES**

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It is quite evident that at the moment, we have a large number of global as well as national imperatives in the field of sustainable development. So while strategizing your CSR project when you have to choose the priorities for alignment of your CSR activities, you may be in a confused state of mind with so many obvious queries/questions such as –"what would be the right choice for your company? Which one would be the perfect choice or combination of national/global imperatives from your business point of view? What would be the most suitable one?" To get the proper answer, you have to closely observe each national and global priority and when you do so, you will find out that there are many commonalities that exist between various imperatives and the basic objectives of all these commitments are more or less similar.

### **3.4.1 What are the common focus areas under CSR and SDGs?**

Both SDGs and CSR have many things in common and they have tremendous potential to develop a cohesive sustainable growth model. The thematic areas of SDGS and CSR share a lot of overlap in terms of their broad focus, objectives,

targets, activities that are needed to achieve them. If you select one thematic area under Schedule VII for CSR, then it will automatically help you to achieve one or more objectives of SDGs. Example: When a company picks up rural development as a focus area (as listed under Schedule VII), depending on the nature of intervention, it can link it to multiple SDGs like ending poverty, building resilient infrastructure, promoting sustainable industrialization, sustainable use of ecosystems etc. Similarly, choosing a CSR activity under education helps the company to deliver towards the direct objective of Goal 4 of SDGs, which in turn will contribute towards advancement of goal 1 and 8 as well. Table 1 gives brief illustration of the connective link between SDGs and CSR Schedule VII activities of the Act.

**Table 1: Connection between SDGs and Schedule VII CSR activities**

S. NO.	SDGs	Activities as per Schedule VII
1)	1, 2, 3, 6	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
2)	4, 8, 5, 10, 11	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
3)	5, 10	Promoting gender equality, empowering women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
4)	7, 13, 14, 15	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water
5)	11, 4	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts
6)	5, 10, 16	Measures for the benefit of armed forces veterans, war widows and their dependents
7)	10	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports

8)	All SDGs addressed broadly	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women
9)	4, 9	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10)	1, 2, 3, 4, 5, 10, 15, 17	Rural Development Projects

In nutshell, if you want to maximize your company's contribution to sustainable development, SDGs give you that opportunity, including the targets and objectives to dwell upon with measurable outcomes while CSR will give you methodological approach, tool and strategic direction to achieve that desired goal. So, CSR can be used as a catalyst for achieving SDGs.

### Activity 2

Conduct a survey in all the departments of a company. Ask them to explain, how their business can align Schedule VII thematic areas with SDGs focus areas and plan their CSR activities? Write their suggestions.

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### 3.4.2 What are the common focus areas under SDGs and other sustainable development (SD) initiatives and what are the opportunities they offer for effective corporate planning?

Not only CSR-Schedule VII guidelines, several other policy and schemes of the central government, various government level interventions, state and national level plans and programmes also have many commonalities and a shared focus. The following box provides details about various schemes, plans, programmes; initiatives initiated at government level in line with SDGs and suggested broad action that corporates can take (Box 2).

<b>Box 2: Various government schemes aligned with SDGs and potential areas of interventions for private sector</b>		
<b>Goal</b>	<b>Government intervention and centrally sponsored scheme</b>	<b>Private sector intervention</b>
1. No Poverty	<ul style="list-style-type: none"> <li>National Urban livelihood Mission</li> <li>National Rural Employment Guarantee Scheme</li> <li>National Rural Livelihood Mission (NRLM)</li> <li>National Social Assistance Programme</li> <li>Digital India Land Records Modernization programme</li> <li>Pradhan Mantri Jan Dhan Yojana</li> <li>Pradhan Mantri Jeevan Jyoti Bima Yojana</li> </ul>	<ul style="list-style-type: none"> <li>Generate livelihood opportunities</li> <li>Equal pay and safe working conditions</li> <li>No slaver/bonded labour in the supply chain</li> </ul>
2. Zero Hunger	<ul style="list-style-type: none"> <li>National Food Security Mission</li> <li>Mission for Integrated Development of Horticulture</li> <li>National Mission for Sustainable Agriculture</li> <li>National Mission on Oilseeds and Oil Palm</li> <li>National Mission on Agriculture Extension and Technology</li> <li>Rashtriya Krishi Vikas Yojana</li> <li>National Livestock Mission</li> <li>Livestock Health and Disease Control</li> <li>National Programme for Bovine Breeding and Dairy Development</li> <li>Targeted Public Distribution System (TPDS)</li> <li>National Nutrition Mission (NNM)</li> <li>National Food Security Act (NFSA), 2013</li> <li>Mid-day Meal Scheme</li> </ul>	<ul style="list-style-type: none"> <li>Reduce food waste or food loss</li> <li>Awareness on sustainable food consumption</li> <li>Knowledge sharing and capacity building on sustainable agriculture, genetic diversity</li> </ul>
3. Good Health and Well Being	<ul style="list-style-type: none"> <li>National Health Mission including NRHM</li> <li>National Mission on Ayush including Mission on Medicinal Plants</li> <li>National AIDS &amp; STD Control Programme</li> </ul>	<ul style="list-style-type: none"> <li>Support effective and inclusive national health system</li> <li>Provide affordable and accessible healthcare options to communities</li> </ul>

	<ul style="list-style-type: none"> <li>• Integrated Child Development Service (ICDS)</li> <li>• Pradhan Mantri Swasthya Suraksha Yojana</li> </ul>	
4. Quality Education	<ul style="list-style-type: none"> <li>• Sarva Shiksha Abhiyan</li> <li>• National Programme on Nutritional Support to Primary Education</li> <li>• Support for Educational Development including Teachers Training &amp; Adult Education</li> <li>• Padhe Bharat Badhe Bharat</li> <li>• Scheme for Providing Education to Madrasas, Minorities and Disabled</li> <li>• Scheme for Infrastructure Development in Minority Institutes</li> <li>• Rashtriya Uchhtar Shiksha Abhiyan</li> <li>• Umbrella Scheme for Education of ST Students</li> </ul>	<ul style="list-style-type: none"> <li>• Vocational and Technical Training Programme</li> <li>• Support access to childcare for employees with children by providing on-site day-care including childcare and back up care spaces or services, financial assistance for childcare and flexible work options</li> </ul>
5. Gender Equality	<ul style="list-style-type: none"> <li>• National Mission for Empowerment of Women including Indira Gandhi Matritav Sahyog Yojana</li> <li>• Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA)</li> <li>• Beti Bachao Beti Padhao</li> <li>• Sukanya Samridhi Yojana</li> <li>• Support to Training and Employment Programme for Women (STEP) 2014</li> <li>• SWADHAR 2011 (A Scheme for women in difficult circumstances)</li> <li>• Kasturba Gandhi Balika Vidyalay (KGBV)</li> </ul>	<ul style="list-style-type: none"> <li>• Embed principles of gender equality in policies and processes</li> <li>• Promote local women entrepreneurs as preferred suppliers</li> </ul>
6. Clean Water and Sanitation	<ul style="list-style-type: none"> <li>• National Rural Drinking Water Programme</li> <li>• Nirmal Bharat Abhiyan</li> <li>• Pradhan Mantri Krishi Sinchayee Yojana</li> <li>• National River Conservation Programme (NRCP)</li> <li>• National Ganga- Integrated Ganga Conservation Mission</li> <li>• Inter-linking of rivers</li> </ul>	<ul style="list-style-type: none"> <li>• Develop innovative technology, new products for safe drinking water and sanitation</li> <li>• Understanding the impacts of water use in the clue chain and water mapping</li> <li>• Construction of water shed/ rain water harvesting units in communities</li> </ul>



		<ul style="list-style-type: none"> <li>• Leveraging the business position to ensure water access for workers in the workplace across supply chains</li> </ul>
7. Affordable and Clean Energy	<ul style="list-style-type: none"> <li>• Deen Dayal Upadhyaya Gram Jyoti Yojana</li> <li>• National Solar Mission – Providing continuous power supply to rural India</li> <li>• Power electrification of the remaining 20000 villages including off grid solar power by 2020</li> <li>• Five new ultra-mega power projects each of 4000 MW to be installed</li> <li>• National Policy on Bio-fuels</li> <li>• National Clean India Fund</li> <li>• National Clean Energy Fund</li> <li>• RE INVEST 2015</li> <li>• Soil Health Card Scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Investing in sustainable energy solutions</li> <li>• Working with suppliers to procure clean energy and to increase their share of renewable energy</li> <li>• Setting an internal price on carbon to redirect investments towards renewable energy sources and technologies</li> </ul>
8. Decent Work and Economic Growth	<ul style="list-style-type: none"> <li>• National Service Scheme (NSS)</li> <li>• Skill Development Mission</li> <li>• Social Security for Unorganized Workers including Rashtriya Swasthya Bima Yojana</li> <li>• Deendayal Upadhyaya Antyodaya Yojana</li> <li>• National Urban Development Mission</li> </ul>	<ul style="list-style-type: none"> <li>• Frame policies for fair selection of suppliers and improving economic inclusion throughout the supply chain</li> <li>• Building screening mechanisms and ensuring consistent practices in own supply chains</li> <li>• Making financial advice available to employees in the workplace or providing guidance on where to go for such services focussing on marginalised groups</li> </ul>
9. Industry Innovation and Infrastructure	<ul style="list-style-type: none"> <li>• Border Area Development Programme (BADP) (ACA)</li> <li>• National Handloom Development Programme</li> <li>• Catalytic Development Programme under Sericulture</li> <li>• Pradhan Mantri Gram Sadak Yojana</li> <li>• Pt. Deendayal Upadhyaya Shramev Jayate Karyakram</li> </ul>	<ul style="list-style-type: none"> <li>• Resource efficiency, sustainability and resilience throughout the supply chain and business model</li> <li>• Performing social, economic and environmental impact assessments across the whole lifecycle of own products and services</li> </ul>

	<ul style="list-style-type: none"> <li>• Minimum Government Maximum Governance</li> <li>• Make in India</li> <li>• Start Up India</li> <li>• Ease of doing business initiative</li> <li>FDI Policy</li> </ul>	
10. Reduced Inequalities	<ul style="list-style-type: none"> <li>• Multi Sectoral Development Programme for Minorities</li> <li>• Backward Regions Grant Fund (District Component) (ACA)</li> <li>• Scheme of Assistance to Scheduled Casts Development Corporations</li> <li>• Grants from central pool of resources for North Eastern Region and Sikkim</li> <li>• Udaan scheme for youth of Jammu &amp; Kashmir</li> <li>• PAHAL – Direct Benefits Transfer for LPF (DBTL) consumers scheme</li> <li>• Give it Up campaign</li> <li>• Mudra Yojana</li> </ul>	<ul style="list-style-type: none"> <li>• Framing a fair wage policy ensuring equal remuneration for men and women workers for work of equal value</li> <li>• Collaborating with MSMEs including those run by women, in their value chains to help them meet regulations stakeholder expectations, market requirements and business' internal sustainable goals</li> </ul>
11. Sustainable Cities and Communities	<ul style="list-style-type: none"> <li>• Rajiv Awas Yojana</li> <li>• Indira Awas Yojana</li> <li>• Pradhan Mantri Adarsh Gram Yojana (PMAGY)</li> <li>• National Programme for Persons with Disabilities</li> <li>• Jawaharlal Nehru National Urban Renewal Mission</li> <li>• Smart Cities Mission</li> <li>• Pradhan Mantri Awas Yojana</li> <li>• Atal Mission for Rejuvenation and Urban Transformation</li> <li>• Heritage City Development and Augmentation Yojana</li> </ul>	<ul style="list-style-type: none"> <li>• Developing a disaster risk management plan for business models and supply chains</li> <li>• Developing a safe and low carbon transportation policy for employees, supply chain operations and other services</li> </ul>
12. Responsible Consumption and Production	<ul style="list-style-type: none"> <li>• The National Policy on Biofuels</li> <li>• The National Clean Energy Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting awareness drives to promote consumer awareness and to engage the consumers in sustainable development</li> <li>• Developing circular models for products focussing on use of renewable energy</li> </ul>
13. Climate Action	<ul style="list-style-type: none"> <li>• National Action Plan on Climate Change</li> <li>• National Mission for a Green India</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosing GHG emission data and material climate risk information through</li> </ul>

	<ul style="list-style-type: none"> <li>• National Solar Mission</li> <li>• National Mission for Enhanced Energy Efficiency</li> <li>• National Mission for Sustainable Habitat</li> <li>• National Water Mission</li> <li>• National Mission for Sustaining the Himalayan Ecosystem</li> <li>• National Mission for Sustainable Agriculture</li> <li>• National Mission on Strategic Knowledge on Climate Change</li> </ul>	<p>adequate disclosure initiatives</p> <ul style="list-style-type: none"> <li>• Investing in early warning technologies and systems and building a response network of stakeholders and communities on climate and natural disaster related impact</li> </ul>
14. Life Below Water	<ul style="list-style-type: none"> <li>• Conservation of Natural Resources and Ecosystems</li> <li>• National Plan for Conservation of Aquatic Eco-System</li> <li>• Sagarmala Project</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding waste generated due to the use of products and services introducing practices focussing on including waste collection, reuse and recycling</li> <li>• Obtaining aquaculture certifications for marine animal health and welfare, food safety and environmental protection or ensuring that suppliers obtain such certifications</li> </ul>
15. Life on Land	<ul style="list-style-type: none"> <li>• National Afforestation Programme</li> <li>• Integrated Development of Wild Life Habitats</li> <li>• Project Tiger</li> <li>• Project Elephant</li> <li>• National Environmental Policy 2006</li> <li>• National Agroforestry Policy 2014</li> <li>• National Action Programme to Combat Desertification 2001</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain forest management certifications and certifications on forest products</li> <li>• Assessing soil and land degradation risk to prevent soil contamination from all sources</li> </ul>
16. Peace, Justice and Strong Institutions	<ul style="list-style-type: none"> <li>• Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA)</li> <li>• Development of infrastructure facilities for judiciary including Gram Nyayalayas</li> <li>• Integrated Child Protection Scheme</li> <li>• Digital India</li> <li>• Pragati Platform (Public grievance redressal system)</li> <li>• RTI (Right to Information Act)</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing due diligence tools including risk identification, impact assessments, management and mitigation measures, reporting, grievance mechanisms and other stakeholder engagement processes</li> </ul>

		<ul style="list-style-type: none"> <li>• Raise awareness of the relevant laws, codes and regulations among employees</li> </ul>
17. Partnership for the Goals	<ul style="list-style-type: none"> <li>• Support for statistical strengthening</li> <li>• South South Cooperation</li> <li>• India Africa Summit</li> <li>• SCO (Shanghai Cooperation Organisation) BRICS</li> <li>• NDB (New Development Bank – BRICS)</li> <li>• SAARC Satellite (South Asian Association for Regional Cooperation)</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrating a Zero tolerance approach to corruption and bribery at top management and leadership levels.</li> <li>• Helping local businesses and integrating them into global value chains</li> </ul>
<i>Source: KPMG report, 2017</i>		

### Activity 3

Conduct a survey in the CSR department of a complying company. Ask them to explain, which government plans and programmes would be suitable for alignment with SDGs for their company? Write down their suggestions and make a list of CSR activities from your business point of view, aligning SDGs and identified government plans and programmes.

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## 3.5 ALIGNMENT OF CORPORATE STRATEGY WITH CSR-SDGS-SD INITIATIVES

### 3.5.1 Common Focus Areas and Implementation Plan Development

Table 1 gives you details about the common focus areas between CSR and SDGs. Similarly, Box 2 gives you an idea about various government plans and programmes at the national/regional level and also a brief about the suggested activities on similar lines of these initiatives. Mapping of these two distinct areas explained in two boxes (common focus areas under CSR and SDGs and SDGs and other SD initiatives) and narrowing down to single focus and aligning it

further with corporate strategy, a broader and open outlook along with considered view is suggested to be adopted. Example: if you choose SDG 6 which focuses on clean water and sanitation and has a connection with Central Government schemes such as National Rural Drinking Water Programme, Nirmal Bharat Abhiyan, National River Conservation Programme, Namami Ganga Mission, etc, then you can select “Promotion of clean water and sanitation” as your CSR activity to align with your business strategies. In this way you can align your business focus with those of CSR-SDGs-SD initiatives all together, which will significantly add value to your company repute.

Implementation of this alignment process is not that easy and cannot be made possible with the help of a single actor or sector; it needs a high level collaboration between the government, private sector, civil society, research and academic institutions and should be strongly supported by apt policy regime, strategic interventions, supportive institutional mechanism, determined and skilled individuals, disaggregated databack up and reporting system. National and multinational companies and big corporates can contribute towards this by utilising not just their capital, but also their reach, resources, technology, research, expertise and creative innovation. Since businesses have the adaptability and agility to quickly respond and implement solutions with localised interventions, they can effectively play the role as a catalyst and also as a facilitator in this implementation process. They can bring a fresh perspective to the path set for SDGs by breaking down the long route of 2030 and may design a road map for several smaller achievable milestones (SDSN, 2015; KPMG, 2017). They should develop policies, practices and frameworks that can contribute efficiently to the sustainable development agenda, keeping all the interconnectedness in view.

## Check Your Progress-2

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What is Sustainability Reporting?

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2) Name some of the government schemes related to Goal 1 (No Poverty).

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## 3.6 LET US SUM UP

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We started this unit with an aim to understand various national and global priorities and commitments from sustainable development point of view and the commonalities that exist between them so that an effective implementation plan can be developed for business sector aligning their corporate strategies with CSR-SDGs-SD focus areas.

National imperatives refer to the initiatives, plans, programmes and commitments made or have to be made based on the national priorities, in order to achieve sustainable development. These are the key strategic means of advancing national obligation towards global sustainable development commitments. Some of the top national initiatives in today's time are - Schedule VII of Companies Act, Nationally Determined Contributions (NDCs), National Action Plan on Climate Change (NAPCC), National Mission on Himalayan Studies (NMHS), National Guidelines on the Economic, Social and Environmental Responsibilities of Business, SEBI-Business Responsible Reporting (SEBI-BRR) and DPE CSR and sustainability guidelines.

Two key global commitments which hold special importance in current scenario are Sustainable Development Goals (SDGs) and Outcomes of Paris climate summit and subsequent COPs, to which India is signatory.

Though there are a large number of global as well as national imperatives in the field of sustainable development, the basic objectives of all these commitments are more or less similar. All the national and global imperatives including CSR and SDGs, many things are in common and have a shared thematic focus. They hold tremendous potential to develop a cohesive sustainable growth model.

The implementation of the alignment process of corporate strategy with CSR-SDGs-SD focus areas is not that easy and needs a multistakeholder collaboration involving government, private sector, civil society, research and academic institutions. It should be strongly supported by apt policy regime, strategic interventions, supportive institutional mechanism, determined and skilled individuals, disaggregated data back up and reporting system.

With the apt adaptability and agility to quickly respond and implement solutions with localised interventions, business should play the role as a catalyst and also as a facilitator in the implementation process and suitably develop policies, practices and frameworks that can contribute efficiently to the sustainable development agenda.

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## 3.7 KEYWORDS

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**Imperatives:** Essentials or priority areas/factors

**Synergy:** *Synergy* is the concept that allows two or more organizations, substances, or themes to combine together.

**Convergence:** The act of merging and moving towards union or uniformity.

**Statutory Provisions:** It refers to the parts of the law; something which is in a statute - in a law, passed by a competent legislative body (state or federal legislature generally).

**Technology Intervention:** Technology-based strategies/modalities with digital interference.

**Inclusive Growth:** Inclusive growth means economic growth that provides access to essential services, equality of opportunity to all and empowers people through creation of basic amenities.

**Equitable Development:** This refers to the creation of opportunities for healthy vibrant communities so that the poor and local communities benefit from decisions, activities and systems that affect their neighbourhoods and surrounding factors.

**Adaptation:** A response/adjustment that societies or ecosystems make to reduce the vulnerability of something and taking appropriate action to prevent or minimise the damage it may cause in due course of time.

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### 3.9 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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#### Check Your Progress – 1

**Answer 1.** National Action Plan on Climate Change (NAPCC) is a comprehensive action plan which outlines measures on climate change related adaptation and mitigation by India. These include: National Solar Mission, National Mission for Enhanced Energy Efficiency, National Mission on Sustainable Habitat, National Water Mission, National Mission for Sustaining the Himalayan Ecosystem, National Mission for a Green India, National Mission for Sustainable Agriculture, National Mission on Strategic Knowledge for Climate Change

**Answer 2.** Punjab has set up a SDGs Support Unit under the Planning and Development Department. The SDGs Support Unit serves as a conduit for technical support at the state level and acts as a nudge unit for providing evidence, analysis and perspectives to inform public policy in the context of SDGs.

#### Check Your Progress – 2

**Answer 1.** Sustainability reporting is the practice of measuring, disclosing organizational performance against specific environmental, social and governance goals and metrics that support sustainable development. It describes how sustainability is incorporated into the company's overall strategies and policies. Sustainability reporting builds trust, improves



reputation, stimulates organizational development, drives better performance, supports sustainable decision making and attracts more investment.

**Answer 2.** Some of the government schemes related to Goal 1 (No Poverty) are:

- National Urban Livelihood Mission
- National Rural Employment Guarantee Scheme
- National Rural Livelihood Mission (NRLM)
- National Social Assistance Programme
- Digital India Land Records Modernization programme
- Pradhan Mantri Jan Dhan Yojana
- Pradhan Mantri Jeevan Jyoti Bima Yojana

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## UNIT 4 COLLECTIVE ACTION AND COLLABORATION

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### Structure

- 4.1 Introduction
- 4.2 Goal 17, Partnership and Collaboration
- 4.3 Co-operation and Collaboration Towards Implementation
- 4.4 Way Forward Action
- 4.5 Let Us Sum Up
- 4.6 Keywords
- 4.7 Bibliography and Selected Readings
- 4.8 Check Your Progress – Possible Answers

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### 4.1 INTRODUCTION

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Collective action and collaboration is necessary for unlocking the potential of cooperation of the collaborating institutions for achieving Sustainable Development Goals (SDGs). There are immense opportunities viz: technological, investment and financial cooperation. Identification of the priority areas would be the first step for the collaborating institutions to proceed with. The roles and responsibilities and the innovative means of funds utilization for speedy operationalization of projects would be the next step. Here mapping the areas of cooperation, modalities of collaboration, potential of establishing networks and outlines of institutional arrangements are equally important. It is necessary to understand that the successful achievement of SDGs wouldn't be limited only to the government but would require civil society, corporates, academic and research organizations to play an important role for the same. With the premise as above, the details in this unit would be covered broadly providing good understanding and way forward action in this direction.

After studying this unit, you should be able to:

- Explain collective action and collaboration
- Discuss the difference between partnership and collaboration
- Explain needs for academia-industry-specialized agencies cooperation and collaboration towards implementation
- Develop understanding on the roles of academia, industry and specialized agencies in the achievement of CSR and SDG pursuits
- Explain methods, procedures and modalities for cooperation and collaboration among academia-industry-specialized agencies

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### 4.2 GOAL 17, PARTERSHIP AND COLLABORATION

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Goal 17 focuses on enabling partnerships and collaboration for sustainable development. It calls for an understanding about the partnership and the collaboration, summarized as under.

### 4.2.1 What is Partnership?

The partnership brings together more than one group/individuals to address jointly a task or challenge, of mutual interest and address the situation positively as per respective strengths. Partnership could be between businesses, civil society organizations, scientists, academics, local communities, marginalized groups, multilateral institutions, etc. Partnership can happen between people or countries or between countries or between sets of people and the basic premise is to share the expertise, technologies and/or resources. Partnerships help take joint action in meeting the respective challenges and solving problems together. Partnership starts with a common shared vision to allow different solutions to different contexts, bringing in the respective specializations and to find solutions to common issues of mutual interest.

### 4.2.2 What is Collaboration?

Collaboration means a process of two or more people or organizations joining hands to address and accomplish a task and the goal. Collaboration could be between different working groups to have collective voice on number of issues based on its complexity. Collaboration is an enabling element and a potential catalyst to facilitate a system's change. This is to enhance cooperation in achieving the plans and targets.

As an example, one of the focus areas is the international trade and equitable trading system. Another form of collaboration is among the incubators with focus on social enterprise/social start-ups. An incubator typically mentors a start-up for six months to three years, providing resources such as dedicated office space, networking with investors and technical training, among other things. To tackle community problem through innovation, incubators join hands to achieve the larger mission of transforming rural India. Multiple social incubators have their individual strengths but the problem lies in their not joining hands, i.e., collaborative efforts to work on a specific or different issue. Collaboration is similar to cooperation.

### 4.2.3 What Does Goal 17 Say About Partnership and Collaboration?

The Goal 17 of SDGs emphasizes on the global partnership and collaboration to facilitate effective implementation of the SDGs. It seeks to strengthen partnerships to support and achieve the ambitious targets of the 2030 Agenda, bringing together national and international governments, community, civil society, private sector, business entities and other key actors and stakeholders (UN, 2018).

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## 4.3 CO-OPERATION AND COLLABORATION TOWARDS IMPLEMENTATION

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### 4.3.1 Needs for Academia-Industry-Specialized Agencies Cooperation and Collaboration Towards Implementation

SDGs are diverse as well as closely interconnected. Since the issues covered under SDGs are complex, there is need for collective action to meet the common objective. Therefore, developing relevant strategies and plans for SDGs

implementation should be a multi-stakeholder process. Effective multi-stakeholder engagement involving national and local government representatives, civil society, businesses and science and technology based institutions would be key to successful implementation of the 2030 agenda. Cooperation and collaboration, built on the expertise of individual actors and experience shared by stakeholders from different sectors will help to develop a collective problem solving approach and make it simple to carry out various exercises (e.g., planning, designing, monitoring and evaluation) related to the implementation of the SDG agenda (SDSN, 2015; United Nations – High Level Political Forum, 2017). Industries with their hands on experience, practical knowledge in thematic areas and localized intervention can play the roles of facilitators and catalysts for inclusive growth. Science and technology based academic institutions can provide necessary technical skill and inputs to accelerate this growth, through capacity building, skill development and knowledge and technology transfer. Special agencies across different sectors and from diverse fields have specific role to play, focusing on wide-range of themes addressed under SDGs. To make this collaboration function efficiently, roles and responsibilities of all the key actors and contributions that they can make to the SDG implementation process should be clearly explained. The increased participation of stakeholders not only generates practical ideas, but also increases enthusiasm for the programme itself and thereby contributing significantly towards the success of SDG based measures.

#### 4.3.2 Interface between academia-industry-specialized agencies

- i) **Academia and its role in collaboration:** Universities, institutions of higher education, technical institutions with science and technology base can play a major role in SDG planning and implementation process and therefore, their association in collaboration is crucial. An institute with a strong programme on sustainability science would contribute to sustainable development in many ways. Having an inherent competence with diverse talent and research support, academic institutions can expand the knowledge, skill and talent base, develop and incubate new technologies, bring out new innovations through action research, identify priorities, support strategic planning, design and guide suitable best practices, process and product development and help monitor the agenda through analysis and interpretation of SDG related data. Rather than merely handing over a technology for a specific purpose, academic participation should be more integral, contributing to the design-development-production chain of every company.

Academics are key hubs for capacity building, skill development, and knowledge enhancement. They can provide technical and management training needed for effective operation, management and execution of work plan and strategies and can create new generations of sustainable development leaders. They can play key role in public awareness and education. They can also provide valuable technical assistance to governments, various ministries and other specific agencies to design and support implementation of SDGs.

With the rich expertise and massive knowledge on wide range of themes, academia can provide support and guidance to many start-ups/incubators/industry based working groups to deliver on ambitious projects. The

academic institutions can further supplement their efforts on wide array of issues to enhance energy efficiency, water conservation, wildlife and biodiversity conservation, pollution prevention, waste management, ecosystem protection etc. India has over 100 incubators who are mostly housed in academia and are mainly funded by government agencies.

- ii) **Industry and its role in collaboration:** Industry is an enabling element and a potential catalyst to bring out a system's change, so its collaboration is vital - both to the specialized agencies such as civil society organizations and the academic institutions. Through their treasured acumen and massive experience on markets and their requirements, business sector has a strong role to play in SDG implementation. Companies/corporates can contribute towards these goals by utilizing not just their capital, but also their reach, resources, technology, research, knowledge and innovation. They can bring in practices, policies and solutions that are designed to contribute to the sustainable development agenda (KPMG, 2017). They can develop pragmatic approach in realizing the SDGs, instigate transformational change in localized economies and implement solutions which can have sustainability implications. Citing the Article 67 of 2030 agenda, Box 1 further explains the critical role of business sector in SDG implementation process (UN & GRI, 2015).

**Box 1: What does “Transforming our world: The 2030 agenda for sustainable development” say about the role of business in SDGs implementation?**

*Article 67 agreed to by all 193 UN Member States:*

‘Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro enterprises to cooperatives to multinationals. We call on all businesses to apply their creativity and innovation to solving sustainable development challenges. Within the Global Partnership for Sustainable Development framework, the business sector ranging from micro-enterprises to cooperatives to multinationals must contribute to changing unsustainable consumption and production patterns with investment, innovation, job creation, compliance with international labour rights, human rights, environmental and health standards.’

Example: Contribution to incubators for the projects aligned towards the mission of transforming rural India could be one major initiative to achieve SDG objectives. Successful companies need a healthy society. Any industry/business that pursues its larger objectives of sustainable development without taking into view the society in which it operates, would find its success to be temporary. It will therefore be advantageous to encourage communications between the industry/companies and technology business incubators along with the involvement of all concerned including state and local governments and society to achieve its desired targets, which in turn will contribute towards sustainable development agenda.

- (iii) **Specialized agencies and their roles in collaboration:** Specialized agencies particularly esteemed organizations in the area of science and technology; local authorities including civil society organizations, financial organizations,

development partners, business incubators also have specific roles in various stages of SDG implementation process and thus should play essential functions in collaboration. To cite an example, Villgro, a DST (Department of Science & Technology) business incubator with a focus on social enterprises, social issues, have contributed to solving problems associated with low paid working groups particularly women, through technology-based solutions to bring out a definite social change. Similarly, there are many other incubators who along with industry partners and the institutions, have developed solutions which are technology based in order to bring about social change in the identified groups/areas. There are multiple social incubators, contributing to many social changes positively. Each organization has its own unique strengths but the general problem is that they are not joining hands. Earnestly developing collaborative associations among these agencies would not only be advantageous but are also the need of the day.

Box 2 gives us idea about specific stakeholder groups that can play important roles in SDG implementation within urban and rural setups and thus, should be part of the collaborative effort towards SDGs implementation.

<b>Box 2: Stakeholder Groups</b>	
<b>Category</b>	<b>Examples</b>
National governments	Professional staff within ministries; representatives from governments and municipalities
Civil society organizations	Nongovernmental organizations, volunteer organizations, indigenous peoples' organizations, faith-based organizations, social movements, and community-based organizations
Businesses	Business leaders, chambers of commerce and industry, cooperatives and unions, economic development corporations, and manufacturers
Academic institutions	National SDSNs, universities, technical institutions, research centres, national academies, and schools of urban planning, social sciences, and public policy
Development partners	Bilateral and multilateral donors, UN agencies, regional development and central banks, and international institutions such as the World Bank and IMF
Sub-national governments	State/provincial governments or other forms of regional government are often responsible for urban and local development
Local authorities	Local councils and elected representatives, public utility and service providers, planning bodies

**Activity 1**

Visit a nearby community, conduct a survey. Try to identify who will be the key stakeholders in local context from SDGs implementation point of view. Make a list of key stakeholders in local community.

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### 4.3.3 Methods and Procedures for Academia-Industry-Specialized Agencies Co-operation and Collaboration

Sustainable development agenda has emerged as one good way to create value for the collaborating institutions and the society, simultaneously. The collaborating institutions generally focus on the key areas of impact for their respective institutions and the society. They also develop creative solutions that draw on the complimentary capabilities of both, to address major sustainability risks and the challenges that affect each other.

Three principles for moving ahead with collaboration could be:

#### A) Concentrate on your CSR Pursuits

As explained earlier, this would be more useful if it is linked to sustainability risks and challenges, the identified focus areas by the organization, specific need of the society in that particular geographic location and above all, the envisaged greater impact of the pursuits/ interventions including linking to SDGs.

There are specific areas/issues where implementation is a challenge and call for co-operation and collaboration. That there is a need for the collaboration between academic – Industry – specialized agencies for the projects and its implementation is well known, the following example of involvement and contribution to mitigate the sustainability risk on climate change perspective, will explain the extent:

#### a) Climate Change

India is a signatory to the International protocol and has voluntarily reduction commitment in the following 3 areas:

- i) To reduce emission intensity of the country's GDP by 30-35 per cent by 2030 from 2005 levels.
- ii) To achieve 40 per cent power generation from renewable sources of energy, for example solar, wind, biomass, hydro and nuclear.
- iii) To Create an additional carbon sink of 2.5 – 3.0 billion tonnes of CO<sub>2</sub> through afforestation and tree coverage.

India's climate plan for 2030, detailed as above, is for the planet's good, for people's health and living conditions, by using such interventions that are science and technology based. In addition to the above, adaptation to climate change by

enhancing investments in the sectors which are particularly vulnerable to the climate change such as agriculture, water resources, Himalayan regions, coastal regions, health and disaster management etc.

India, as a developing nation, an emerging economy, is trying to obtain and mobilize international funds from developed countries for the mitigation and adaptation actions, the role of national institutions to contribute to the actions are equally important to this end.

India needs to cut emissions gradually with suitable collaborations to achieve some benefits, for the projects/areas, some of them are as under.

#### **b) Agriculture and Water Crisis**

This subject will further clarify why multiple partnerships and collaborations are necessary in the area of agriculture particularly as water is a major input for all agricultural activities. India being water scarce, the water issues pose sustainability risks, to people, companies and corporate.

India is an agrarian society with over 70 per cent of the people dependent on agriculture as a major source of their livelihood. Agriculture also consumes over 80 per cent of India's freshwater resources. With mounting water scarcity, sustainable solution to water crisis is absolutely unavoidable.

Agriculture requires water, fertilizer, electricity, cropping pattern, need based subsidies and also incentives. There is national agenda of doubling farmer income by 2022. The situation at date is that there is production of water thirsty crops particularly sugarcane and paddy in the water scarce regions (including Maharashtra, UP, Punjab, and Haryana).

A report by the National Bank for Agriculture and Rural Development (NABARD) and the Indian Council for Research on International Economic Relations (ICRIER) on 'Water productivity matching of major crops'- holds important lessons. There is a serious mismatch between water reliant crops and water abundant areas. Regions with high irrigation availability and water productivity potential are better suited to water intensive crops, for example: Jharkhand and Chhattisgarh. But there is insufficient power supply in these areas and therefore cultivation of water intensive crops is nonremunerative. This calls for R&D, particularly the multiple resistant, water efficient and high yielding crops. The Indian Council of Agricultural Research (ICAR) has released a record 313 new crop varieties during 2016-17 with an emphasis on more farm production and minimizing use of inputs. More crops per drop is the mantra, i.e., readjusting cropping pattern and readjusting irrigation patterns is absolutely necessary. Water saving techniques like alternate wetting and drying method (AWD) is good and likewise the drip irrigation system which has been legally mandated by the Government of Maharashtra (Jayachandran, 2018).

Niti Aayog has already brought out a report in a composite Water Management Index which has clearly brought out the looming threat of India's water crisis. About two lakh people die every year due to inadequate access to water (Jayachandran, 2018). The situation is set to become far more serious and needs collaborative action for successful solutions.



**c) Waste Management**

Waste-to-energy conversion projects, investing in solid waste and waste water management, pollution prevention, installing the waste minimization measures, equipment and institutions – all these require participatory approach and collaborations among social, political and technical spheres. Industry, academia and specialized agencies like local rural/urban bodies, community based organizations, NGOs and local/regional/state governments and their allied departments have a vital role to play to bring out feasible and sustainable solutions in this area of grave concern.

**d) Low carbon economy through sustainable transportation**

Strengthening of the public transport system, e.g., MRTS, metro rail and dedicated transport system like freight corridors, inland water transport, etc., is the need of the hour and the government is already pushing through a number of schemes and programmes in the above areas. The participation of corporates/companies suitably to supplement government efforts would be a positive contribution in the development process.

**e) Afforestation**

The Companies Act, 2013 and CSR Schedule-VII have laid emphasis on environmental initiatives that include afforestation. Thus, it is one of the important focus areas where companies can contribute effectively and/or supplement the efforts. Academics specialized in forestry and agriculture science can contribute significantly towards the research, technology and strategy development in this area. Specialized departments like government forest department, environment ministry and associated divisions can play crucial roles in facilitating the dialogue between local communities and policy and decision-makers and in effectively implementing the local interventions.

**f) Circular Economy**

It is important that companies should start investing in ensuring the circulation of the products they produce either through repurposing the products at the end of product's life and/or up-scaling or ensuring the bio-degradation of the products. The companies must integrate their technological capabilities to see through the overall sustainability agenda supporting the circular economy. The proposed actions at the national level to meet India's voluntary reductions commitment could include some specific activities as under:

- i) Introduce newer technologies and cleaner processes to curb emissions, e.g., in thermal power generation
- ii) Waste management to curb the emissions there from
- iii) Cleaner and efficient transport with focus on future mobility – the emerging electric vehicles and use of bio fuels
- iv) Renewable energy as one of the main sources of power generation
- v) Emphasize energy efficiency in the industry as a whole, transportation, electrical compliances/gadgets
- vi) Afforestation, including Green India Mission
- vii) Development of cutting edge technologies and to boost R&D efforts.

The urgent steps that corporate India, along with its other associated partners, can supplement through multiple initiatives including CSR initiatives in specific areas, could be:

- a) Protection of bio diversity
- b) Conservation of Himalayan ecosystem
- c) Agriculture
- d) Waste management
- e) Coastal management and residual resources
- f) Disaster management
- g) Projects in the area of power generation using renewable resources like solar, wind, biomass, hydro energy, etc., which would supplement the efforts to cut carbon footprint.

Considering the above facts, the companies/corporate can join hands and collaborate in specific regions of the country to contribute effectively to the sustainable solutions. Collaboration and partnership in any form would go a long way not only as brand, reputation but a positive contribution to the SDGs.

#### Activity 4

Arrange a multi-stakeholder meeting in nearby community, gather all the concerned. Ask them what are the key areas/challenges in local context, which need collaborative action among industry-academia-specialized agencies? Write their suggestions.

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#### Check Your Progress-1

**Note:** a) Write your answer in about 50 words

b) Check your answer with possible answers given at the end of the unit

- 1) What does Goal 17 say about partnership and collaboration?

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- 2) How can collaboration between academia, industry and specialized agencies help in waste management?

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## **B) Good understanding of the benefits**

Selection of identified focus areas and choosing the projects for implementation besides finding the potential for value creation may not be simple. The key part is to find symmetry between the two sides (the focus area and value creation) and to understand issues from the organization's perspective and societal perspective. This would entail inter-alia respective sustainability risks, focus areas and the linkage to SDGs.

The assessment of benefits could be across following three broad dimensions:

### **i) Time Frame**

It is important to be clear on the short-term objectives and the long-term benefits. In collaborations, timeframe is important as the initiatives proposed and its implementation could be difficult since it takes considerable time to realize full potential. Timeframe helps in monitoring the overall implementation process.

### **ii) Nature of benefits**

Some benefits would be tangible and measurable in numbers while few could be intangible, which are to be assessed qualitatively. Therefore, it is advisable to take into view both tangible and intangible benefits.

### **iii) Benefits accruing to organizations**

It is necessary to be clear about the benefits that will accrue to the collaborating institutions (Keys, et al., 2009) and it should not include the philanthropy and public relations aspects to avoid real objective and the intent. It is important to note that the collaboration is primarily to benefit the society, to mitigate risks and the compliance of law.

## **C) To find the right collaboration**

Collaboration between two or more organization is difficult but when all collaborating institutions see the win-win potential, there is always motivation to realize substantial benefits (Keys, et al., 2009). Relationships, particularly the long term ones which are built on the true strengths of collaborating institutions will have the greater opportunity of being successful and sustainable. Applying the above principles for choosing the appropriate CSR projects and opportunities may have few more questions to be addressed. For example-

- i) What are the one/two critical areas (sustainable risks and challenges) in respective businesses which have an interface with each other and also which has impact on the society?
- ii) What are the significant opportunities available to the collaborating institutions after adjusting their relationships?
- iii) What are the long term needs of the society that can be addressed as a result of above?
- iv) What are the kinds of resources and/or capabilities required that can be mutually offered in realizing the opportunities?

The other challenges and the dimensions would be:

### **1) Suitable resources, measurement and the accountability standards**

Collaboration would certainly be challenging. It requires good planning and hard-work to assess potential benefits, establish trust, build and manage activities both internally and externally. It requires long term commitment, good mindset, commitment associated with measurable action. Further to ensure that the implementation is successful, it is necessary to have adequate resources, milestones, measurement and the accountability.

### **2) Innovation**

Innovation is the key to tackle community problems. While it can be a source of opportunity to the funding agencies, innovation provides a competitive advantage to the donor agencies as well. Accordingly, the company must integrate its social responsibility within the core functioning and this would call for suitable collaboration, as every organization of the company has limited wherewithal to undertake the same, in totality. As the society progresses, the social indicators change, people's aspiration go up. Thus, the company's impact on the society also changes along with change in environment. This would require change in strategy as time goes on.

### **3) Roles and Responsibility**

The collaborating institutions would have the clarity of rules and responsibility along with timelines and desired outcomes. The role and responsibility of all collaborating partners should cover both implicit and explicit aspects (Visser, 2007). This would ensure that the implementation of projects is successful and on schedule. This would help interface between business, society and environment fully.

### **4) Reporting Framework**

A simple but effective reporting mechanism is required to be put in place for effective participatory management (Visser, 2007). There are different types of reports that are generated based on main focus of CSR and sustainability. Some of the reports are Business Responsibility Report based on NVGs (now VG's), Sustainability Report based on Global Reporting Initiative guidelines, CSR report as per Company's Act and the Schedule VII of March, 2014. The financial report is generally the company's annual report reflecting predominantly the financial performance, while nonfinancial reports such as BRR, GRI, CSR report focuses predominantly on the economic, social and environment aspects. Preparation of

the reports, collection of related information and reporting framework is well-defined by the institutions, for example SEBI, MCA, GRI, etc. The collaborating institutions would jointly consider and develop the reports or cover the project areas suitably in the report/reported information.

### 5) Review Mechanism

A joint review mechanism which is mutually agreed to can be put in place. The review leader mutually (selected) would review and convey the findings to all the collaborating partners for timely corrective actions as required.

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## 4.4 WAY FORWARD ACTION

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Fostering partnership between key stakeholders is the key in achieving SDGs. It is time, when the government, industry, academia and relevant bodies in India associate together to strengthen various industry-academia-agencies partnership models in action. In order to create a productive and positive impact and accelerating India's vision to achieve the SDGs, Government should take appropriate action to introduce suitable policy regulation, incentives and institutional mechanisms to develop the collaboration among industries, academics, civil society along with other relevant agencies. In order to promote systematic and regular access to knowledge and expertise provided by different stakeholders, Niti Aayog is promoting a national network of resource institutions called 'Samavesh' (United Nations – High Level Political Forum, 2017). This is a welcome step and more such initiatives should be launched for enabling collaboration among different actors across the sectors.

The business should move beyond mitigation of risks and challenges, and create value by addressing strategic issues/challenges. This obviously calls for finding creative solutions to the critical social and businesses challenges. In the long run, the strategic challenges being faced by the companies would help in building creative collaboration that accrue significant benefits to both sides. Good collaboration provides a practical way forward for the management personnel to assess the true opportunity of CSR to achieve SDGs.

Basically, we need to come up with an arrangement in which the kind of system established within an educational institution not only generates human resources, but also creates industry-specific manpower, well equipped with sufficient understanding of the fundamental issues involved in the diverse spectrum of sustainability. It will help them appreciate their contributory value and make them aware about the respective relevance in any vulnerable situation. To achieve this goal, entrepreneurial science must integrate industrial sustainability and triple bottomline approaches into its academic function, alongside regular teaching and research. The thrust needs to be directed at facilitating industrial exploitation of infrastructure facilities and human resources by establishing effective linkages with universities, technical organizations, research institutes and national laboratories; designing curriculum matching up with industrial needs; facilitating sponsored or joint R&D projects/programmes by industry and academia; and organizing joint seminars, exhibitions, training and capacity building workshops, awareness programmes for academicians, industrial personnel and specific stakeholders from specialized agencies. An active and wider participation from key stakeholders across the sectors is the need of the hour for generating the necessary momentum for effective implementation of CSR, sustainability and sustainable development measures.

## Check Your Progress-2

**Note:** a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

- 1) What are the dimensions to be considered while understanding the benefits in collaboration?

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- 2) What should be the review mechanism in collaboration?

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## 4.5 LET US SUM UP

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We started this unit with an aim to understand the link between partnership, collaboration and the focus of Goal 17 of SDGs. The partnership brings together more than one group/individual to address jointly a task or challenge, of mutual interest, contributing to, and address the situation positively as per respective strengths. Partnership can happen between people or countries or between countries or between set of people and the basic premise is to share the expertise, technologies and/or resources.

Collaboration means a process of two or more people, organizations joining hands to address and accomplish a task and the goal. Collaboration could be between different working groups to have collective voice on number of issues based on its complexity.

The Goal 17 of SDGs emphasizes on the global partnership and collaboration, bringing together national and international governments, community, civil society, private sector, business entities and other key actors and stakeholders to facilitate effective implementation of the SDGs.

Developing relevant strategies and plans for SDGs implementation should be a multi-stakeholder process. Specialized agencies across different sectors and from diverse fields have specific role to play, focusing on wide-range of themes addressed under SDGs. To make this collaboration function efficiently, roles and responsibilities of all the key actors and contributions that they can make to the SDG implementation process should be clearly explained.

With diverse talent and research support, academic institutions can expand the knowledge, skill and talent base, develop and incubate new technologies, bring out new innovations through action research, identify priorities, support strategic planning, design and guide suitable best practices, process and product development and help to monitor the agenda through analysis and interpretation of SDG related data. Companies/corporates can contribute towards SDG goals by utilizing not just their capital, but also their reach, resources, technology, research, knowledge and innovation. Specialized agencies in the area of science and technology; local authorities, financial organizations, development partners, business incubators– all have specific roles in various stages of SDG implementation process. All these stakeholders can join hands and collaborate in specific regions of the country to contribute effectively to the sustainable solutions.

It is the need of the hour -government, industry, academia and relevant bodies in India should come up with an arrangement to create a productive and positive impact and accelerate India's vision to achieve the SDGs.

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## 4.6 KEYWORDS

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**Equitable** –This refers to treating everyone fairly, equally and in the same way.

**Multi-stakeholder Process**–The *process* that is used to ensure participation by taking into consideration, the views of the main actors concerned about a particular decision are heard and integrated at all stages through dialogue and consensus building.

**Interface** –A point where two systems, subjects, organizations meet, interact and have an influence on each other.

**Water Management Index**- In order to assess and improve performance for efficient management of water resources, Niti Aayog had launched Water management Index as a useful tool. It has ranked all the states against 9 parameters and 28 indicators.

**Up-scaling**-The concept of increasing the size, degree and/or magnitude of a process/product/system to a superior level.

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## 4.7 BIBLIOGRAPHY AND SELECTED READINGS

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## 4.8 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress – 1

**Answer 1.** Goal 17 of SDGs emphasizes the need for global partnership and collaboration to facilitate effective implementation of the SDGs. It seeks to strengthen partnerships to support and achieve the ambitious targets of the 2030 Agenda, bringing together national and international governments, community, civil society, private sector, business entities and other key actors and stakeholders.

**Answer 2.** Waste-to-energy conversion projects, investing in solid waste and waste water management, pollution prevention, installing the waste minimization measures, equipment and institutions – all this requires participatory approach and collaborations among social, political and technical spheres. Industry, academia and specialized agencies like local rural/urban bodies, community-based organizations, NGOs and local/regional/state governments and their allied departments have a vital role to play to bring out feasible and sustainable solutions in this area of grave concern.

### Check Your Progress – 2

**Answer 1.** The assessment of benefits could be across following three broad dimensions:

#### i) Time-Frame

In collaborations, timeframe is important as the initiatives proposed and its implementation could be difficult since it takes considerable time to realize full potential.



**ii) Nature of benefits**

Some benefits would be tangible and measurable in numbers while few could be intangible, which are to be assessed qualitatively.

**iii) Benefits accruing to organizations**

It is necessary to be clear about the benefits that will accrue to the collaborating institutions and it should not include the philanthropy and public relations aspects to avoid real objective and the intent.

**Answer 2.** A joint review mechanism which is mutually agreed to, can be put in place. The review leader mutually (selected) would review and convey the findings to all the collaborating partners for timely corrective actions as required.

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