

Tamil Nadu CSR Summit – Summary

Madras Management Association, Dhvani Foundation and Sattva Consulting jointly organised the Tamil Nadu CSR Summit on **Monday, 30th August, 2021.**

Context:

On 1 April, 2014, India became the first country to legally mandate Corporate Social Responsibility (CSR). Seven years after its inception, CSR spending across the nation has more than doubled, becoming a significant source of development funding in India.

How can the funders, implementers and the Government forge powerful partnerships to reach the areas that need it the most? The Summit will bring together grass-root level change makers, CSR leaders, high-impact philanthropists and the government officials on how we can collaborate and partner for furthering impact in the coming decade.

Sattva's experience over the years, showcases that data-backed insights provide an advantage for the decision-making process, specifically in socially responsible activities to implement more strategic CSR policies. The role of data is becoming increasingly critical in the social impact ecosystem to design and scale the most relevant and impactful initiatives.

The event began with Group Captain R Vijaykumar from Madras Management Association and Ms. Saloni Gupta from Sattva Consulting welcoming the gathering.

This was followed by a presentation from Vrunda Bansode, Head – India Data Insights at Sattva, to set the context for the event. The presentation began by stressing on the importance of data and how data can help in decision making. The slides that followed covered where Tamil Nadu stands in an all-India context – in land coverage and population, but more importantly in CSR spend and where the money goes.

Some insights from overall CSR spending in Tamil Nadu:

Similar to the national story, the corporate sector is emerging as an important player in the development of Tamil Nadu state. Over INR 4000 crores of CSR funds cumulatively have been invested for social development projects in Tamil Nadu in the last six years (FY15 to FY21).

39% of the funds have been spent towards education, 20% towards healthcare and 8% towards rural development. This is in line with the broader national trend of these three sectors being the top areas of investment by corporates, cumulatively accounting for 59% nationally, against 67% in Tamil Nadu.

Tamil Nadu has received over INR 800 crores of CSR funding in each of the last two financial years (FY19 and FY20), accounting for 42% of the total CSR funds received over the six years. The top four spending companies - Neyveli Lignite Corporation, BHEL, MRF and Sun TV Network - have contributed 16% of the total CSR spend that the state has received over the years. BFSI and Manufacturing are the highest contributing sectors, providing 16% and 12% funds respectively. Also, 72% of the CSR funds for Tamil Nadu are from companies which are also headquartered in the state.

While over one-third of the CSR expenditure by corporates are spent in Chennai and Coimbatore, only 1% of the CSR funds are going to the two aspirational districts. This is also aligned with the national observation of the aspirational districts receiving ~1.4% of total CSR spends, and some of the more industrialised districts and cities such as Pune, Mumbai, Hyderabad, Kolkata, and so on attracting most funds from corporates in their respective states.

This data served as a good picture for what areas social impact should focus on. How do CSRs choose areas to work in?

Panel Discussion 1 – The Evolution of CSR in Tamil Nadu:

Dr. Jairam Vardaraj, MD, ELGi Equipments

Ms. Rani Bansal, (Ex IAS 2015) Lend a Hand India

Mr. S L Narayanan, CFO, SUN Group

Moderator: Srikrishna Sridhar Murthy, Co-founder and CEO, Sattva Consulting

Social impact has changed greatly since India became the first country to mandate CSR spending in 2014. But how has CSR evolved, in organisations as well as at an ecosystem level.

We have seen it become more strategic. People are asking – not what projects am I funding, but what problems am I solving. The second change is that the focus has shifted to what impact am I making. And the third question is – how do I involve all my stakeholders. CSR is fast becoming a central player in the development of India. A macro player. In this session, we discussed our learnings from how CSR and social impact have evolved in India, as well as in Tamil Nadu over the years.

Some insights from the panelists:

- Initially, for a couple of years we were finding our feet, so we identified partners who have the passion and wherewithal to do things for greater common good. Then we started discovering many other causes where people were not investing, for example, restoring water bodies outside Chennai after the recent floods. As a result, houses in those areas have their groundwater completely replenished. The wells have water. So we are seeing multiplier effects.
- When we work with government and support government systems, it is possible to scale. This allows NGOs as well as government to have a long-term view, not just limited to funding, but also in areas of expertise like HR and skilling (from CSR companies).
- Corporates bring in expertise such as long-term thinking and systemic change. These levels of engagement are also an interesting evolution.
- India's challenges are large. Our ability to make a significant difference is an inch at a time. What we have chosen to do is to take an inch-wide impact, but to go a mile deep. We're taking a qualitative dimension in what we're doing. do you want to make a meaningful impact on something small, or a veneer of impact on something large. We have a tight focus. A time may come when we may expand another inch. The seduction of everything in a country in India is high, but we need to focus. How can we build our strategic competitiveness on the back of Indians being seen as 'not cheap', as being paid according to world standards. That for us is becoming a multi-national. All that we are building in our schools and programmes is to build those competencies. We want Indians to be world class.
- How do we derive strategic value from CSR – long term intangible CSR benefits and thinking about our ecosystem, rather than just a community.

- On building more strategic relationships with corporates – funders are interested in ‘annuity’, setting up systems and outcomes. This is useful for government partnerships too.
- On the district distributions and some districts getting the lion’s share - Just like we have taken 1 inch and gone deep. I am hoping that someone is looking at these areas as their 1 inch. You have to do it with your heart, and the wallet will follow. Perhaps there are several institutions about which we don’t even know. Once we have a few of these institutions, the money will follow.

Following this, Mr. V Shankar, Member, MMA Managing Committee, Founder CAMS & Director, ACSYS Investments Pvt. Ltd. welcomed the Chief Guest to the event.

Dr Palanivel Thiaga Rajan, Minister of Finance & Human Resources Management, Govt of Tamil Nadu, thanked Madras Management Association, Dhvani Foundation and Sattva for the kind and gracious invitation to the Tamil Nadu CSR Summit. He then launched the Sattva report: CSR in Tamil Nadu.

He began his address by saying he had read the report and by complimenting Sattva on the data in the report. Elaborating on the points that struck him, the Minister mentioned that the CSR funds outlined in the report is a huge amount of money, 38% of which has been tagged as going towards pan-India programmes. In his opinion, there are very few things that you can do pan-India. Even the government of India cannot administer pan-India initiatives successfully. So it is heartening to see the top three sectors of Education, Healthcare and Rural Development cumulatively accounting for 67% of the investments by corporates (as against 59% nationally).

He reiterated his government’s vision to not see any district left behind, as this being integral to the Chief Minister’s notion of social justice. So the data that the bulk of the CSR projects are focused on Chennai and Coimbatore – with little spent on Aspirational Districts - should be a wake-up call for corporates to be more thoughtful, granular and detailed in their CSR approach and activities.

He went on to say that sometimes the nature of the government structures are not conducive to the aspirations of our people. We need some profound reforms in the system. With

corporate partnerships, we have the opportunity to provide reform through documentation and processes. The real value that CSR can add to society is to apply systems and process - data driven, evaluation driven and so on – reach the last mile. The problem with governments is that big problems get recognised, but the smaller ones fall through the cracks. Here CSR can play a big role. There have been many times when CSR has been a leading example, such as in the water conservation efforts done by NGOs (supported by corporates). CSR can become a benchmark for the government to live up to these standards. Compared to 20 years ago – there is a crucial role to be played by corporate entities, and to also greatly benefit society.

He concluded by saying that many of the greatest democracies are the ones that hold governments accountable – the balance of power in a democracy requires institutions *and* civil society, supported by corporates *and* CSR.

Panel Discussion 2 – Enabling innovations and best practices in Social Impact:

Ms Deepthi Reddy, Samunnati

Ms. Rajashree Natarajan, CEO, Cognizant Foundation

Mr. Ranganath NK, Former MD, Grundfos Pumps India

Mr. Unnikrishnan AR, MD, Saint Gobain (Glass Business)

Moderator: Rathish Balakrishnan, Co-founder and Managing Partner, Sattva Consulting

The last 1.5 years have shown that we must re-imagine social impact across the country. In our work at Sattva, we have seen that one of the main things during the pandemic has been the disruption in the work. So ‘business as usual’ solutions may not work. There is more need for innovation now. What sort of innovation should CSR spur... how can companies make the most of it? This panel discusses what we can learn from the most innovative and effective examples of social impact projects pan-India with a focus on Tamil Nadu.

Some insights from the panelists:

- Contribute beyond funding
- Re-imagine what you can do online .

- If there is one silver lining of the pandemic, it is on the focus on the environment. There are no sceptics. St Gobain has been looking at – 1) How do you build buildings of the future? How do you get architects and engineers to build sustainable buildings? Unfortunately not in curriculum, so that is what we are working on. 2) wastage – to train and develop skills for people working at sites to consume less material. 3) to develop a circular economy ecosystem by investing in that now.
- the focus has been on quantity (ROI) rather than on quality. But that is changing.
- A suggestion - can organisations like Sattva document which organisation works for which SDG so that we can pool in resources and not duplicate efforts
- The focus on inclusion is often very low. Tech can solve a lot of problems, especially for visual and hearing impaired.
- What has taken a beating is the social and emotional skills of children and parents. The education sector is the most regulated sector. But change will happen when our backs are against the wall. We have been talking about digitisation for years... the pandemic hastened it
- The scale of the problems won't be addressed by one CSR/ one programme. Sammunati is putting the farmer at the centre, setting up best practices, collaborations, partners. So maybe the scale is a non-linear scale of innovation.

Panel Discussion 3 – Facilitating effective cross-sectoral and localised partnerships for scaled and sustainable impact:

Mr. Alok Prem Nagar, Joint Secretary, Ministry of Panchayati Raj, Government of India

Dr. A. Thillai Rajan, Professor, IITM and Co-Founder, YNOS Venture Engine

Ms. Rema Mohan, CEO, NSE Foundation

Dr. P. Vedhanayagi, Founder, Thendral Movement

Moderator: Aarti Mohan, Co-Founder and Partner, Sattva Consulting

Collaborations – to paraphrase Mahatma Gandhi, 'looks like a good idea' – so what do we mean by having local expertise and local partners plug in for effective impact? How do we move away from focusing on one particular theme, to look at a bigger picture and ways to partner?

Now that impact assessment is mandatory, it is pushing the entire ecosystem to think differently about their relevance and impact. In this session, we brainstorm on ways for Corporates, NGOs, Academia, and Government to work together to enact significant and sustained impact in Tamil Nadu.

Some insights from the panelists:

- Government is the largest CSR provider. No organisation can match the scale that the government covers. Collaboration starts from the thought process and the design of the programme. Is the community invested? Is the community involved? Issues such as education, healthcare and so on are convergent and collaborative, but we do need customisations at the local level. And we need co-owners (more than just ploughing in capital)
- We talk of SDGs but we need to localise. When you localise CSR, not just for the purpose for funds, but also for the purpose of knowledge and skills, this would be a good starting point for programmes.
- Suggestion – if we could build this into the course curriculum in academic institutions
- The role of start-ups in collaborating for social impact - instead of traditional funding, if you want to look at something innovative, using tech, this is where start ups can play a role. If we look at grassroots entrepreneurs, most of them get into it without any training. Is there a way we can give them a capsule on how to run a business successfully? To do that we need access to entrepreneurs. We need collaboration at multiple levels.
- There is a good opportunity for CSR organisations to collaborate with academic institutions to bring in innovation.
- CSR objectives should change. We need mentorship, and other kind of support (not just funds).

Closing remarks and vote of thanks:

Mr. KN Gopinath, Executive Director, Dhvani Foundation thanked the Chief Guest, the panelists and the organisers for the event. He observed that with data and people we can connect to see how we can create impact in TN. This is a beginning and we look forward to working together.

This concluded the event.

About Sattva

Sattva Consulting is a mission-driven organisation focused on scalable solutions for social impact. We partner with our clients – corporations, philanthropists, foundations and social organisations – achieve their social impact goals effectively and maximise the return on social investment. We offer end-to-end support covering research, strategy consulting, implementation, programme management, impact assessment, social audit, talent solutions and more. www.sattva.co.in

About Dhvani Foundation

Dhwani Foundation, is a Bangalore based non-profit backed by veterans in the IT space dedicated to help NGOs / Nonprofits improve their operational efficiency through the use of technology. They have been at the forefront of promoting more efficient, accountable and credible organisations in India's social sector. Their flagship programme, Niranthara, is a capacity building programme for NGOs, and is aimed at enabling NGOs to make long-lasting impact on the communities that they serve, through helping them set a clear roadmap for enhancing both service quality and reach. <https://www.dhwanifoundation.org/>