Environmental Sustainability witnesses dip in CSR funding; Do we need to relook at our national priorities?

By Sinam Guleria -



Environmental Sustainability (Representational image)

New Delhi, February 18, 2023: Environmental Sustainability is one of the most discussed topics across the world with almost all the nations agreeing to bring it into their top priorities. India also has its own set of targets. However, when it comes to the CSR spending in the area, the Ministry of Corporate Affairs (MCA) data shows that environmental sustainability is among the low spending areas for most of the corporates. Of all the development sectors, maximum funds go to Education and Health Care sectors. Ironically, while most of the development sectors including Livelihood Enhancement Projects, Rural Development Projects, Art and Culture, Poverty, Eradicating Hunger, Malnutrition, etc. witnessed increased funding from 2016-17 to 2020-21, Environmental Sustainability and Conservation of Natural Resources saw very little or negative growth in money spent in the areas.

Although the year 2017 saw a little positive addition of Rs 225+ crores in the CSR funds towards Environmental Sustainability as compared to 2016, the sector saw marginal positive funding in 2018 and 2019 as compared to the previous years.

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The CSR spending pattern suggests that Environmental Sustainability is one of the most ignored areas despite the fact we are dealing with existential crisis.

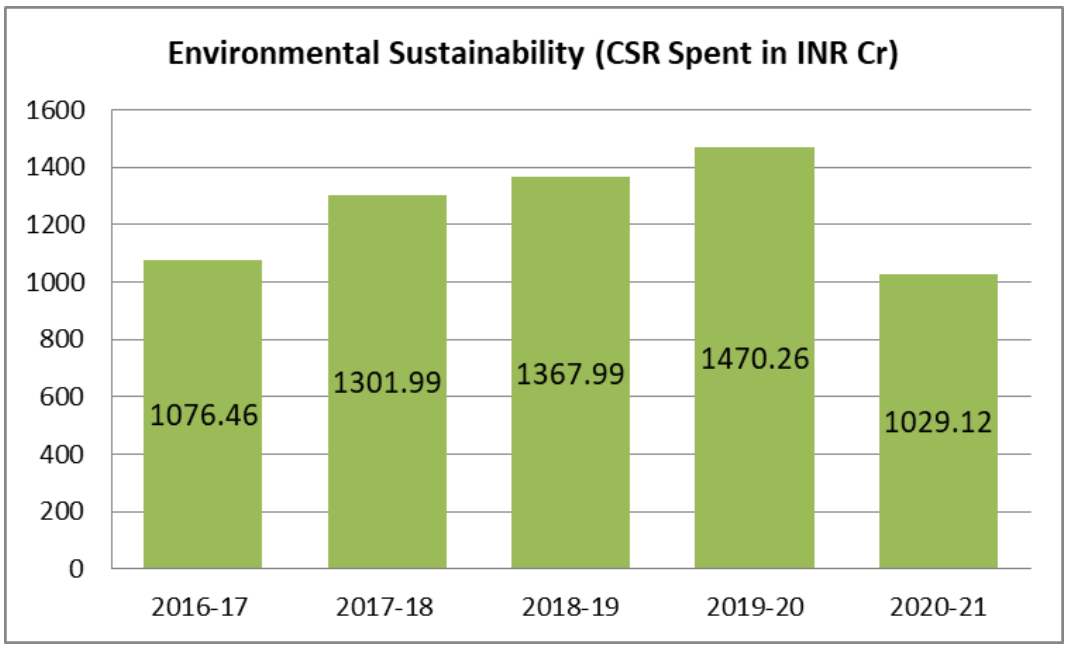
Vidya Bhojan, Founder, Right Dots says, "While the 2020–21 CSR spend in India is around Rs 25,000+ crores, only 4% of the money is invested into environmental sustainability and 25%+ is for education. There should be a fair share of investment on the environmental actions as it's about survival of the earth for all living beings and then comes education and infrastructure."

Education gets 5 times higher CSR funding than Environment

In the last 5 years, while the biggest sectors like Education and Health Care consumed CSR funding to the tune of Rs 30,168.03 and Rs 20,974.29 crores respectively, only Rs 6,245.82 crores poured in for Environmental Sustainability. Even Rural Development Projects have got more funds (Rs 9,865.77 Cr) than Environment in the last five years.

This means that the CSR funding in Education and Health Care are almost five and three times higher, respectively than what it is for Environment.

To add to the irony, the funding for Conservation of Natural Resources has reduced from 119.09 Cr in 2016-17 to 90.96 Cr in 2020-21.



Check the table below to know sector-wise CSR funding in last 5 years.

Sector-wise CSR Funds Spent in INR Cr (5 Years)

Development Sector	2016-17	2017-18	2018-19	2019-20	2020-21	Total CSR Funds (5 Yrs)
Education	4519.24	5763.08	6102.22	7175.85	6607.64	**30168.03**
Environmental Sustainability	1076.46	1301.99	1367.99	1470.26	1029.12	**6245.82**

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Livelihood Enhancement Projects	516.7	832.4	907.64	1077.59	821.16	**4155.49**
Rural Development Projects	1561.45	1724.1	2433.44	2299.63	1847.15	**9865.77**
Safe Drinking Water	156.32	220.87	228.23	253.18	202.32	**1060.92**
Conservation of Natural Resources	119.09	228.14	173.55	160.6	90.96	**772.34**
Art and Culture	305.57	395.22	225.94	933.47	484.68	**2344.88**
Health Care	2499.95	2776.95	3612.03	4902.69	7182.67	**20974.29**
Poverty, Eradicating Hunger, Malnutrition	606.55	811.2	1192.59	1159.01	1380.27	**5149.62**
Sanitation	423.74	460.68	506.66	521.72	335.45	**2248.25**
Total	**11785.07**	**14514.63**	**16750.29**	**19954**	**19981.42**	

Furthermore, while the Environment sector kept on having some additional funding for four consecutive years from 2016 to 2019, the year 2020 saw a big dip with total spent in the areas coming down to even lesser than the year 2016. In 2016-17, the total spent on the thematic area of Environmental Sustainability was Rs 1,076.46 crore, while in 2020-21, it witnessed only only Rs 1,029.12 crore pouring in. This is Rs 47 crore lesser than what was spent in 2016-17. While we are dealing with frequent natural calamities, draughts, floods, etc., isn't a shift in CSR funds needed wherein the environment and the mother earth (where all beings live and exist) sustain well?

Apoorv Chaturvedi, Founder Eco Green Recycling Pvt. Ltd concurs. "CSR funds should also be utilized towards environment sustainability. These funds should be allocated towards social welfare, increasing employment, and protecting the environment. One such way of using these funds could be by way of installing plastic bottle shredders at railway stations/metro stations where the commuters can turn used plastic bottlers into raw material and get incentives in return," he said.

Do we need to relook our national priorities?

Aren't we living in a very crucial period where extreme heat-waves, droughts and devastating flooding are a common scenario that affect millions and cost billions? Global warming is making things worst, seasons are shifting and we are observing warmer winters. Failure in control measures of greenhouse gas emissions, extreme flooding in Pakistan, drought in Africa, glaciers melting all are indicators that we mitigate the damage we have done to the environment immediately without delaying it more.

Amrit Om Nayak, Co-founder & CEO, Indra Water opines, "Environmental sustainability is critical to long term stability of social and economic structures. Run-away pollution and GHG emissions are posing serious health risks. Entire ecosystem is collapsing, leading to extinction of species, loss of livelihoods and a

massive cost of rebuilding due to natural calamities. It is critical for people and businesses to optimize resource utilization, mitigate pollution and adopt sustainable lifestyles and practices. Government policies would go a long way in promoting and accelerating these changes."

Be it the outcome after Paris Agreement or the debates in COP 27 held in 2022, the result shows that we haven't done anything remarkable yet to save the mother earth and the environment.

Experts suggest it will be too late if actions are not taken now. The world is at a juncture where nations need to revisit their national priorities. Further, for more concentrated efforts towards environmental sustainability, a higher budgetary allocation is also required.

"In my view, the first and foremost need is to ensure that the main group of stakeholders, government, corporates, NGOs and international organizations set national working groups. Together they should define the priorities of a given country and cooperate to ensure that everyone plays a part, let it be funds, expertise, technical aid, etc. It is slightly utopist but not impossible", says Ilaria Gualtieri, a global CSR and Sustainability professional.

It's not that other sectors like Education and Health Care are not important, however, the national priorities should be as per the need of the hour. While CSR funds continue to pour into all development sectors, environment sustainability should take precedence as it's about survival of all forms of life first and then all other affairs. It's time corporates and other social sector stakeholders rethink their spending on environment sustainability for more and better action.

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