

## PS 2 FINANCE:

### Seizing and Scaling Corporate Social Responsibility for Improving Public Extension Services

**WHAT:** Public extension services are often stymied due to lack of (operational) funding and associated problems. In April 2014, the Indian Ministry of Corporate Affairs revised the Companies Act 2013, incorporating provisions pertaining to Corporate Social Responsibility (CSR) policies. This Act makes it mandatory for a certain class of enterprises in India to spend at least 2% of their profit on social development activities. Over the past four years, Indian companies spent US\$51.6 million on CSR. Tapping into CSR funds to implement extension activities including farmer trainings could provide a means to strengthen public extension services through collaboration and establishing public-private partnerships. Already, some Indian companies are engaged in enhancing the capacities of farmers under their CSR initiatives and looking forward to forge partnership with public institutions to join them with technical expertise and logistics for extension activities. For instance, ICAR (Indian Veterinary Research Institute) organized Farmers' Awareness cum Animal Health camps with the financial support from Tata Chemicals and also with Reliance Foundation. Also, this institute organized trainings for farmers on improved animal husbandry in collaboration with BAIF Institute for Sustainable Livelihoods and Development with the sponsorship of Dalmia Bharat Foundation<sup>1</sup> under CSR. The Farmer training and extension wing of our institute also successfully collaborated with Mrida Renergy and Development Pvt. Ltd. for empowerment of rural youth, farm women and practicing farmers<sup>2</sup>. These companies approached us to help them with technical expertise and training infrastructure available at the institute, which we accepted it being mutually beneficial and considering the common goal of farmers' development.

**SO WHAT:** CSR is mutually beneficial since it benefits corporate organizations too, through improving their image and reputation, enhancing livelihood of communities by incorporating them into the supply chains relevant to the company, building trust among their target communities, etc. Using CSR funds for strengthening agricultural extension services can somewhat mitigate funding shortfalls. Extension and advisory (EAS) services should actively forge partnerships with private sector companies to channel funds into targeted programmes. EAS and private sector can complement each other, where one has staff and organizational infrastructure but too little funding, while companies have funds but no staff, infrastructure nor technical expertise for extension work. We can do better together-clubbing private funds with expertise and infrastructure of public extension services towards achieving sustainable development goals which many public and private agencies are striving or claiming to achieve. The Indian government has recently constituted a committee to review the existing framework and to formulate the roadmap for a coherent policy on CSR (<http://pib.nic.in/newsite/PrintRelease.aspx?relid=183792> ).

**NOW WHAT:** Public EAS has to be able to make a good case for why companies should invest CSR funds with them and not on education, health, nature conservation, wildlife protection etc, on which they are mostly spending currently. Can we formulate evidence based policy or draw a roadmap which motivates companies to support and collaborate with public extension services for implementing the extension programmes.

As extensionists, we have to meet the value proposition that the companies have for the use of their CSR funds, so they are keen to invest in this domain (rather than non-ag entrepreneurship, education, health, nature conservation, etc.). We have to work out the modalities, and develop implementable framework to make the best possible use of CSR funds.

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<sup>1</sup> Many companies are setting up their own foundations to channel CSR funds.

<sup>2</sup> <http://ivri.nic.in/services/kvk/Download/SuccessStory3.pdf>