“Business has a responsibility to give back to community”
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1. Why CSR in Sanitation

India has a massive problem of open defecation. The World Health Organization (WHO) and United Nations Children’s Fund (UNICEF) estimate that there are more than 620 million people practicing open defecation in the country, or nearly half the population of India. Open defecation is prevalent among all socio-economic groups in rural India though the bottom two wealth quintiles bear the heaviest burden. Children—already vulnerable and marginalized—pay the highest price in respect of their survival and development. This well-established traditional behaviour is deeply ingrained through a practice which is transferred from parents to children. Other reasons cited for its persistence in India include poverty (the inability to afford toilets), landlessness and tenants in housing without toilets, and deep-rooted cultural and social norms that have established open defecation as an acceptable habit.

Poor sanitary measures set India back by Crores of rupees every year due to illnesses, and its cost, to rural families and to the economy, as a whole, in terms of productivity losses, and expenditure on medicines and public health care are enormous. As per World Bank statistics, India’s GDP stands at 1.3 Trillion dollars and we are currently ranked 11th in the world on the basis of nominal GDP. If we could cut down expenses incurred due to illnesses and lack of productivity due to illnesses, our economy would get further impetus.

The Ministry of Drinking Water and Sanitation administers the Nirmal Bharat Abhiyan (NBA) in the rural areas of the country. The objective of NBA is to accelerate the sanitation coverage in the rural areas so as to comprehensively cover the rural community through renewed strategies and saturation approach. Nirmal Bharat Abhiyan (NBA) envisages covering the entire community for saturated outcomes with a view to create Nirmal Gram Panchayats. As per the Census 2011, the rural coverage of access to toilet facilities has reached 32.70%. The Ministry is committed to having India Open Defecation Free (ODF) by 2022, but to achieve this, requires combined fresh action and efforts/initiative from all quarters whether from Government, Corporate or from Non Government organizations.

In a country like India, where more than 26% rural people live below the poverty line, assuring basic hygiene for one and all is a major task. Poor sanitation affects the health of the people of the country, also the development of the nation. Women are the most affected by lack of proper sanitation. For instance in India a large number of girls drop out of school because of lack of separate toilets in the school for girls. Only 22% of them manage to complete class 10.

Coming to waste management in India especially in rural areas, waste is a severe threat to public health. Though, solid waste generated in rural areas is predominantly organic and biodegradable, yet it is becoming a major problem as the solid waste generated (organic and recyclable alone) is of the order of 0.3 to 0.4 million metric tons per day. It is further estimated that rural India is also generating liquid waste (greywater) of the order of 15,000 to 18,000 million liters per day. As a result, in the absence of proper disposal of solid waste and disposed of greywater/ waste water from hand pumps etc, it is leading to vector born diseases such as diarrhoea, Malaria, Polio, Dengue, Cholera, Typhoid, and
infections like schistosomiasis. Close to 88% of the total disease load in rural areas is due to lack of clean water and sanitation and due to improper solid and liquid waste management: Even with large advancements in supply of clean water to rural areas, the major problems still remaining to be solved are in sanitation and in liquid and solid waste management. Some of the latest available statistics in this regard are as under:-

- 5 of the 10 top killer diseases of children aged 1-14 in rural areas are related to water and sanitation.
- Almost 1500 children die every day from diarrheal diseases.
- Results in high rate of infant and children under-5 mortality. The rural IMR is 62 as compared to urban which is just 42 (NFHS-3)
- The water and sanitation related disease not only affects the nutritional status of the children but also impacts their attendance in the school. Close to 50% of school going children in rural areas do not reach class V.

Government of India is targeting the sanitation aspects through Nirmal Bharat Abhiyan for decades and still the problem persists, which clearly indicate that Government incentives alone are not enough and are required to be supplemented by private industry and by the CPSEs through CSR.

2. Guideline on Corporate Social Responsibility and Sustainability

Under the Guideline on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises, all CPSEs are supposed to be spending a certain earmarked fund each year in creating and sustaining socially beneficial projects. Para 1.4.9 of the said guidelines, provides freedom to the CPSEs to select their CSR and Sustainability projects from a vast range of available options including activities relating to water sector and restoration to environmental sustainability.

As per the guidelines on CSR, all profit making Central Public Sector Enterprises (CPSEs), including Maharatna CPSEs are required to select CSR activities and to undertake them in a project mode, and are required to allocate a budget mandatorily through a Board Resolution as a percentage of previous year’s net profit in the following manner (Para 1.5.1 of Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises, 1st April 2013):

<table>
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<th>PAT of CPSE in the previous year</th>
<th>Range of Budgetary allocation CSR and Sustainability activities (as % of PAT in previous year)</th>
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<td>Less than Rs. 100 Crore</td>
<td>3% - 5%</td>
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<tr>
<td>Rs. 100 Crore to Rs. 500 Crore</td>
<td>2% - 3%</td>
</tr>
<tr>
<td>Rs. 500 Crore and above</td>
<td>1% - 2%</td>
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Loss making CPSEs are not required to earmark specific funding for CSR activities.

As per CSR guidelines, the CSR policy of the business entity should provide for an implementation strategy and include identification of projects/activities, setting measurable physical targets and timeframe, organizational mechanism and
As per Section 135 of Company Bill passed by Lok Sabha on 18th December 2012 (Bill No. 121-C of 2011) and Gazette of India 30th August 2013 (but yet to be notified), every company having net worth of rupees five hundred Crore or more, or turnover of rupees one thousand Crore or more or a net profit of rupees five Crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The Board of every company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

3. Objective with regard to Sanitation

The main objective of the CSR Guideline with regard to Sanitation would be as under:

- To promote better human health and improve quality of life among people living in rural areas through improved sanitation measures, including adoption and creation of Adarsh Gram (model village) for all types of Water and Sanitation activities which may include individual and community toilets and decentralized Solid and Liquid Waste Management projects, Menstrual Hygiene projects, Environmental Sustainability projects, rain water harvesting, water recycling and any other related activities.
- Move towards Nirmal Bharat by 2022 with Gram Panchayats attaining Nirmal status.

4. Methodology

- CPSEs and Corporate Houses may partner with Ministry of Drinking Water and Sanitation, local authorities and leading National level NGOs having sufficiently long experience in constructing and maintaining of Public toilets, constructing individual toilets and/or Solid and Liquid Waste Management projects etc in the relevant field, depending upon what projects are being offered under CSR.

5. Type of Activities

- Construction of Community Toilets- Community toilet with water connection and disposal pits (leach pits tanks, septic tanks etc.), and with toilets seats for men and women, bathing spaces, ramp for physically challenged, toilet for physically challenged, child friendly toilets, nappie changing room, creche, space for washing clothes etc. (the design can be varied as per local demand) could be implemented independent to Adarsh Gram.
- Adarsh Gram in terms of Water and Sanitation-All habitations, schools and Aganwaris within the jurisdiction of the Gram Panchayat to have individual and/or Community toilet facilities and access to water for drinking and sanitation. CSR activity may include providing all left out items (without duplication with Government ongoing/completed projects which should be certified) in sanitation, and water connection to toilets. Prefab plastic toilets with prefab super structure
could also be considered, if that helps achieve ODF status quickly or is more durable.

- **Solid and Liquid Waste Management** - Effective management of solid and liquid waste such that the village environment is kept clean at all times.
- **Menstrual Hygiene** - Good menstrual hygiene is crucial for the health, education, and dignity of girls and women. CSR activity could cover production of sanitary pads and/or their safe disposal through incinerator etc.
- **IEC and awareness and advocacy including training to householders, masons, plumbers at ground level in design and construction of toilets etc. including manufacture of local input materials.**

6. Identification of Gram Panchayat for implementation of Sanitation projects

The CPSEs/Private Corporate houses may suggest the name of the Gram Panchayat(s) where they wish to implement the CSR or else the Ministry of Drinking Water and Sanitation may obtain from the States/UTs and provide to the CPSEs/Private Corporate houses such names of Gram Panchayat where CSR projects can be implemented by them as well as may initiate identifying portions of Government/Panchayat/State land etc. for the said purpose, which the state government/district administration would be expected to offer without cost to the CSR project. Ministry of Drinking Water and Sanitation will play a facilitating role between CPSEs/Private Corporate houses and the state/District administration/ Gram Panchayat where ever required.

The identification of required Sanitation projects may be carried out by CPSEs/Corporate houses or a suggestive list of projects may be provided by the Ministry of Drinking water and Sanitation State/District administration may also take initiate in this regard.

7. Role of Ministry of Drinking Water and Sanitation

The Ministry of Drinking Water and Sanitation, Government of India will provide support to CPSEs/Corporate houses and play a facilitating role. State Governments will be requested by Ministry of Drinking Water and Sanitation to provide support to the CPSEs/Corporate houses for identification of projects and providing land without cost for construction of community toilets and for other CSR projects as indentified above. It would be convenient to maintain a list of (a) CPSEs/Private Corporate House willing to promote CSR activities; (b) a list of NGOs/Trusts/Sec. 25 Companies/Others having the experience and knowledge to take up the CSR project in identified fields and (c) a list of villagers/gram Panchayats where CSR works can be undertaken. State Government may provide Gram Sabha/ other lands / Wastelands, Common Lands, spare land under public utilities, Government Lands, community lands or other lands for setting up CSR water and sanitation activities.
8. **Design & Construction of Community Toilet**

A model design for a community toilet is enclosed at Annexure -A. for reference. However the design may be expanded or reduced looking at target population or as per the demand of Gram Panchayat.

9. **Monitoring mechanism**

Project monitoring and reporting are essential components of project management. A Central Monitoring and Coordination Committee (CMCC) would be formed at the Central level and a nominee from the state where the CSR projects is being implemented may also be invited. The CMCC would also play a facilitator role for the CPSEs/Private Corporate House as far as water or sanitation is concerned. Monitoring may be carried out through regular meetings or through written reports. Regular monitoring would enable the CMCC to identify actual or potential problems as early as possible and solve them in order to facilitate timely project implementation.

10. **Tri-partite agreement (TPA)**

A Tri-partite agreement may be made between State Government, CPSEs/Corporate house and Gram Panchayat/Village Water and Sanitation Committee for possession of land for the project. The purpose of the agreement will be to create an understanding among the parties.

11. **Operation and Maintenance**

The CPSEs/Corporate Houses should enter into a separate agreement with the implementing NGO/Social organization (which is to construct the sanitation/ water project) for operation and maintenance of the community toilet or Solid Liquid Waste Management System or other project (preferably for ten years). O&M costs during this period would be part of project costs to be supported by the CPSE/ Private Corporate House. After this the project may be handed over by the implementing NGO/Social organization with the approval of CPSE/Private Corporate House to the Gram Panchayat for maintenance or to any other agency decided by the State Government/ Gram Panchayat who are capable to operate, or else maintenance by the CPSEs /Corporate House through the NGO/Social organization may be continued for further time. For purpose of funding O&M for the first 10 years, the CPSE/Private Corporate House may make assessment and create an amortization fund in a bank or otherwise, with regular releases every month/6 months to the O&M agency.

12. **Conclusion**

These guidelines are only illustrative and suggestive but not all inclusive. They attempt to provide an enabling framework for implementing CSR in Sanitation/Water, especially sanitation, which still requires a tremendous support in order to have a cleaner India. CPSEs and state/local authorities are free to innovate wherever felt necessary in order to achieve a higher objective.

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Annexure – A- Layout of Community Toilet