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Government of India
Ministry of Environment & Forests

Indira ParyavaranBhawan,
JorBagh Road, Ali Ganj,
New Delhi-11003

Dated the 11th August, 2014

OFFICE MEMORANDUM

Subject: Environment sustainability and CSR related issues-guidelines

The Environment Impact Assessment (EIA) Notification 2006, issued under the Environment (Protection) Act 1986, as amended from time to time, prescribes the process for granting prior environment clearance (EC) in respect of certain development projects / activities listed out in the Schedule to the notification.

2. Sustainable development has three components, viz., social, economic and environmental. All the three components are closely inter-related and mutually re-enforcing. Considering this, the general structure of EIA document, under Appendix-III to the notification, prescribes inter-alia public consultation, social impact assessment and R&R action plan besides environment management plan (EMP).

3. It is noticed that while there is clarity on the guidelines on EMP, as regards sustainability related issues, different formulations have been prescribed in the conditions in EC letters for the projects under different sectors listed out in Schedule to the EIA Notification, 2006. Thus, there is a need to issue guidelines on the subject.

4. Section 135 of the Companies Act, 2013 deals with corporate social responsibility and Schedule-VII of the Act lists out the activities which may be included by companies in their CSR Policies. The activities relating to "ensuring environmental sustainability", are listed in this schedule. Further, Ministry of Corporate Affairs has also notified the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. The concept of CSR as provided for in the Companies Act, 2013 and covered under the Companies (Corporate Social Responsibility Policy) Rules, 2014 comes into effect only in case of companies having operating projects and making net profit as also subject to other stipulations contained in the aforesaid Act and Rules. The environment clearance given to a project may involve a situation where the concerned company is yet to make any net profit and / or is not covered under the purview of the aforesaid Act and Rules. Obviously, in such cases, the provisions of aforesaid Act and Rules will not apply.

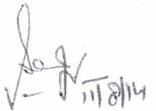
6. The matter has been further examined in the Ministry of Environment, Forests & Climate Change (MoEF&CC). It has been decided that in respect of valid concerns expressed during the public consultations, mitigation issues emerging from social impact assessment and R&R Plan, the project proponents, in EIA / EMP report will clearly state the activity-wise costs involved (both capital as well as recurring costs), the phasing of these activities along with costs and also as to how such expenditure would be met. The costs and the timelines for various activities as prepared by the project proponent may be looked into by the concerned Expert Appraisal Committee (EAC) for their reasonableness and appropriate recommendations in the matter reflected in the minutes of EAC meeting. In case these activities (or some of these activities) are proposed to be covered by the project proponent under CSR activities, the project proponent should commit providing for the same. In either case, the position regarding the agreed activities, their funding mechanism and the phasing should be clearly reflected in the EC letter.

7. The obligation on part of the project proponents, as mentioned in para5 above, should be stated at the TOR stage itself as one of the TORs for the project.

8. All Sectoral EACs will follow the aforesaid procedure on environment sustainability and CSR related issues while appraising the projects and do away with the existing practices being followed on the subject, if any.

9. These guidelines will apply mutatis mutandis to SEACs/SEIAAs.

10. This issues with the approval of the Component Authority.


(Dr. Satish C.Garkoti)
Scientist 'F'

To

1. All the Officers of IA Division
2. Chairpersons / Member Secretaries of all the SEIAAs / SEACs
3. Chairman, CPCB
4. Chairpersons / Member Secretaries of all SPCBs / UTPCCs

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