

CANARA BANK: DEVELOPMENT BANKING

• Background

Vision of our founder Sri Ammembal Subba Rao Pai that a good Bank is not only the financial heart of the community, but has also an obligation of helping in every manner to improve the economic conditions of the common people has been the guiding principles of the Bank's CSR activities from the beginning. Bank has been taking up various activities in helping people and has earned a distinction of social heart of the community in which it operates. Major initiatives of the Bank under CSR have been setting up of Trusts and

Institutions which have created an impact in serving the people and society.

- Canara Centenary Rural Development Trust
- Canara Financial Advisory Trust

Bank continues to actively fund and also involve in the activities of these Trusts under its CSR. In addition Bank has facilitated setting up of below mentioned Trusts as their founder member.

- Canara Golden Jubilee Education Fund
- Canara Relief & Welfare Society

Bank has also been partnering with like minded organizations for CSR activities in the area of livelihood creation, education, health and environment and participated in meaningful activities. The contribution of the Bank has received wide recognition and the Bank has been bestowed with various awards and accolades for its efforts under CSR arena. Bank documented its CSR policy in the year 2011-12. This policy was reviewed and updated basing on the Department of Public Enterprises (DPE) guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector enterprises as Sustainable Development and Corporate Social Responsibility (SD&CSR) Policy of Canara Bank 2013-14

The new Companies Act 2013 (enacted on 29.08.2013) brought in important provisions giving a direction to the CSR activities in the country, which has necessitated the bank to review and update the policy in line with the expectations of the new Companies Act. Hence, this policy for the year 2014 -15. Bank intends to review and update the CSR policy on an annual basis basing on the inputs received from implementation of the policy and guidelines received from time to time.

• Location, Date

Pan India Scheme, 1956

• Areas

Rural areas Pan India Tamil Nadu, Gujarat, Jaipur, Bangalore, New Delhi

• Stage/Scale

The vision of its founder has guided the Bank to innovate and implement multifarious socio-economic programmes for the welfare of Society in general and Rural population in particular. Canara Bank originated from a humble beginning and rooted in rural India. The

Bank has a strong conviction for community development through promotion of Education & Health care, Skill Development & Entrepreneurship for livelihood and Environment protection. Finance is considered as a catalyst for development. The innovations for inclusive Growth, followed by sustainable programmes prompted the Bank to provide Institutional Framework and Organizational Structures to its impact creating programme

• Objective of the assignment

- Bank has adopted its own comprehensive Policy for Sustainable development & Corporate Social Responsibility, which meets the extant guidelines and also fine tuned its services. The essence of the policy has been to ensure end utilization, inclusive Growth, positive impact and sustainable development. Key elements of human requirement, which are vast and huge, have found its homogenous grouping under key social sectors having economic bearing.
- The key features of Sustainability & CSR Policy of the Bank are:
 - Clearly defined Vision, Mission & Objective
 - Focus & Target group - Excluded, vulnerable, under privileged & underserved marginalized groups.
 - Eligibility criteria for partnering organizations.
 - CSR Projects to be with specific objectives having quantifiable, achievable and measurable outcome.
 - Projects to have scientific planning including financial planning and to be implemented in a specific time frame.

• What was done

Companies Act provides that the company should give preference to local area and area around it where it operates. Ours being a Bank with a PAN INDIA presence, CSR activities are taken up anywhere in the country, Service Area/command area of our branches, economically backward Districts (identified by the Planning Commission for Backward Regions Grant Fund), Districts with concentration of minorities, Scheduled Castes and Tribes and other vulnerable sectors.

Bank has set up for implementation of CSR through the following methods:

- Directly on its own
- Through its own non profit Trust or Foundation set up for CSR initiatives
- Through Companies/organizations having a satisfactory track record of not less than 3 years
- Collaborating or pooling resources with other companies.



• Impact

The commitment of the Bank towards social service has made the Bank to actively involve in community development, long before the social accounting became popular.

- **EDUCATION:** Canara High School, Mangalore, started by the founder, support to the institution for infrastructure development. Canara Bank Jubilee Education Fund started way back in 1956 is assisting students by providing scholarships, Library books, sponsoring study tours, etc., with the objective of promotion of higher education and encouragement to technical and scientific education. Bank has assisted 40-50 educational institutions across the country for promoting education by giving required support for infrastructure, computers, E-classes, etc.
- **HEALTH CARE**
 - Canara Bank Relief & Welfare Society - Sevashetra Hospital
 - Financial assistance to Vittala International Institute of Ophthalmology, Bangalore, for refurbishment of mobile eye care unit.
 - Construction of toilets in 130 schools in 26 districts across the country where Bank has Lead Bank responsibility
- **POVERTY AND NUTRITION:** Financial assistance to Sai Spiritual Centre, Bangalore, for procuring a Delivery van with aluminium container for feeding school children; Provided furniture and solar lighting system to Sisters of Charity of St Anne, Bangalore.
- **RURAL DEVELOPEMNT:** Bank has embarked on holistic development of villages that encompassed all spheres of socio economic parameters. The Village Adoption experiments of the early 70s, Project "Can Bank Village", Can GramaShikshan Kendras are some of the earliest initiatives of the Bank along with the Lead Bank Concept introduced by Reserve Bank of India.
- **ENVIRONMENT PROTECTION:** installation of solar energy equipment & rain water harvesting at educational institutions, health centers, Bank sponsored Training Centers and other infrastructure projects assisted by the Bank. Solar lanterns are distributed to more than 4000 households in remote villages. The Bank is consciously promoting organic farming to reduce the use of fertilizers and maintain the fertility of soil.



• Challenges and Issues

- Working with marginalized sections in India have various challenges:
- Language and literacy variances,

- Information asymmetry,
- Infrastructure constraints and
- Geographical challenges

• Innovation

CANARA BANK has been a pioneer in initiating and implementing multifaceted and innovative programmes aimed at development of people from the lower strata of the society. The Bank has been playing a pivotal role and trying to bring about a socio-economic transformation in the society, particularly in rural areas. It has undertaken different holistic activities:

- RURAL CLINIC SERVICE (RCS)
- JALAYOGA SCHEME
- MOBILE SALES VAN: Nammura Santhe
- Canara Bank is the first to: Start “Summer placement” scheme to students.
- Introduce “Earn while you learn” scheme
- Launch RAM (Rupee A Month) Campaign of pooling voluntary contributions by staff for public welfare
- Rural Housing, improved irrigation, Transport Communication, power supply, Rural Education and Rural Health besides host of consistent awareness campaigns and orientation programmes.
- Bank has encouraged its staff, who had sense of volunteerism to serve the community by deputing them as full time Rural Service Volunteers to work as change Agents.

• Lessons learnt

- Bank is a social unit and its CSR activities also reflect its roots as in the current case. For rural development, not only one aspect is important but a holistic and inclusive plan is required.
- The bank is carrying paving the way for a developing society with its various schemes and programmes.

• Financials

Self-financed

• Economic sustainability/Revenue Model

All the programmes are launched for development purposes only.

• Implementer Contact Persons

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• Sources and References

- <http://www.canarabank.com/english/other-services/corporate-social-responsibilities-initiatives/rural-development-schemes/>
- <http://www.canarabank.com/english/other-services/corporate-social-responsibilities-initiatives/sustainable-development-corporate-social-responsibility-committees/sustainable-development-corporate-social-responsibility/csr-policies-14-15.pdf>