

**REPORT ON
FIRST SOCIALLY RESPONSIBLE
BUSINESS DEVELOPMENT
NETWORK**

October 18, 2004

Socially Responsible Business Development Network
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1. ACKNOWLEDGEMENT

We would like to thank all the participants who attended the first forum on Socially Responsible Business Development Network, who took time to participate, discuss and shared their views, ideas and made this program a success.

2. EXECUTIVE SUMMARY

The first networking meeting of Socially Responsible Business Development Network (SRBDN) was launched on October 18, 2004 at Hotel Summit, Kupondole. The program was launched with the joint effort of ActionAid Nepal and Lotus Opportunities.

The Chief guest Dr. Hemant Dabadi, Executive Director of South Asian Alliance For Responsible Business (SARB) / FNCCI officially started the forum. With the presentation on “A new beginning of CSR promotion in South Asia”, SouthAsia Alliance for Responsible Business he described the status of CSR in Nepal.

The platform was given to Mr. Rajiv Pradhan, Executive Director of Lotus Opportunities Pvt. Ltd. to present his perspective on “What could the CSR Forum achieve”. He explained the need of forum saying that it will take root in businesses if it is promoted, with the local initiative that supports the regional SARB in its activities, and the periodic forum will help each other to share the experience in depth.

Ms. Shizu Upadhya, Theme Leader of ActionAid Nepal presented a perspective on “Corporate Social Responsibility an NGO Perspective” She also added that there are issues to explore the CSR like what counts as CSR and how much to expect from CSR should be defined.

Mr. Binod Shrestha was requested to moderate the last session to identify the issues for the upcoming forum. All the present members agreed on the need of the SRBDN forum. Different issues were discussed on how to go forward with the forum.

Towards the end, Ms. Reema Shrestha proposed December 17, 2004 for the next meeting, which was agreed by all the participants.

The first forum was a great success and all the participants agreed that such a forum is needed to discuss on the issues of responsible business.

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6. ACRONYMS

AAN	ActionAid Nepal
ANSAB	Asia Network for Sustainable Agri Bio-resources
CII	Confederation of Indian Industry
CSIDB	Cottage and Small Industry Development Board
CSR	Corporate Social Responsibility
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FNCSI	Federation of Nepal Cottage and Small Industries
FTG	Fair Trade Group
KUSOM	Kathmandu University School of Management
LO	Lotus Opportunities
NGO	Non Government Organization
PiC	Partners in Change
RBI	Responsible Business Initiatives
SAP	South Asian Partnership
SARB	SouthAsian Alliance for Responsible Business
SMEDP	Small Medium Enterprise Development Project
SNV / N	Netherlands Development Organization
SRBDN	Socially Responsible Business Development Network

7. RATIONALE BEHIND THE MEETING

Corporate Social Responsibility (CSR) is part of an international drive towards transparency and accountability of business activities and a way of monitoring how business perform against environmental, ethical and social. A platform to share information, knowledge and experience on CSR was felt. The rationale behind the meeting was to have a well functioning knowledge and information-sharing network on CSR.

8. PROCEEDINGS OF THE PROGRAM

The program was started with the welcome speech by the Coordinator, Ms. Shrestha. She welcomed the guests in the first forum of SRBDN and delivered the overview of the programme. She addressed the chief guest Dr. Hemant Dabadi, Executive Director of South Asian Alliance For Responsible Business (SARB) / FNCCI for the inauguration of the forum and also requested Mr. Hem Raj Bhandari to wrap up the programme at the end.

Dr. Dabadi has been involved in CSR activities since 2001 and in 2003 a secretariat of South Asia Alliance for Responsible Business was launched to promote the CSR regionally. With the presentation on “A new beginning of CSR promotion in South Asia”, South Asia Alliance for Responsible Business he described the status of CSR in Nepal. SARB is established to maximize the utilization of national networks and create awareness of CSR in corporate/business sector. The core group of SARB comprising of AAN Bangladesh, CII, PiC, FNCCI, AAN Nepal, Lotus Holdings, RBI and SAP SRI. The objectives of SARB were described and mentioned that it is a regional platform to share knowledge on CSR.

About the SRBDN forum, he said the forum is a must for all to share the knowledge and experience and will also help SARB to work in regional level. He also clarified that being social responsible is not just for corporate businesses houses but also applies in small businesses. In the context of Nepal expanding entrepreneurs are most and SARB is initiating its step in this regards.

All the members in the forum introduce themselves to know each other.

The platform was given to Mr. Rajiv Pradhan, Executive Director of Lotus Opportunities Pvt. Ltd. to present his perspective on “What could the CSR Forum achieve”. He expressed his gratitude of initiating the CSR forum. To take the CSR in to entrepreneur Lotus Opportunities has been working with ActionAid Nepal and the forum is a part of that. He said that the CSR has not been understood in depth, though it exists since long in Nepal. The difference between philanthropy and CSR was also highlighted as “CSR is not just applied after profit but it is acted before profit”. CSR is formally launched in Nepal in September 2001 and since then, a publication on the status of CSR in Nepal was launched, SARB is established and commenced the write-ups in magazines and business schools are taking it as their course.

He explained the need of forum saying that it will take root in businesses if it is promoted, with the local initiative that supports the regional SARB in its activities, and the periodic forum will help each other to share the experience in depth. The way forward of the forum is to discuss, dissemination of information, which will be made possible by the secretariat of the forum. At the end, the envisaged achievement is to have regular discussion, advocacy of CSR in business, case studies as models for replication and support to SARB activities at local level.

Ms. Shizu Upadhya, Theme Leader of ActionAid Nepal presented a perspective on “Corporate Social Responsibility an NGO Perspective” and introduced ActionAid Nepal. Since 2001 AAN is working with private sector in regards to CSR. After the meeting in Delhi in 2001, it was felt the need of CSR commencement in Nepal. ActionAid International was founded in 1972 as a

charity organisation and its focus is to fight for poverty reduction. ActionAid Nepal was established in 1982 with three regional offices and working in 22 most remote districts of Nepal. It is working with annual budget NRs. 300 million. AAN is taking together the private sector to fight for poverty elevation. The definition of CSR was given as “integration of the interests of the stakeholders, all those affected by a company’s conduct, into the company’s business policies and actions, with a focus on the social, environmental and financial success of a company”. CSR can be applied within and outside of the company or it could be provided either directly or indirectly to the employee. She mentioned that CSR should be volunteered, it should not be mandatory. She also added that there are issues to explore the CSR like what counts as CSR and how much to expect from CSR should be defined.

The objectives of SRBDN forum was said as to share regular information, building trust and consensus, building of expertise, take work out of Kathmandu and involve NGOs and people’s groups.

8.1 Question and Answer Session

Mr. Ram P. from ANSAB asked to clarify on the use of budget of ActionAid Nepal. he asked the limitation of terms used in CSR, and how much people are dependent on philanthropy work? Success story should be clearly replicated.

Ms. Upadhyia replied that the budget of NRs. 300 million is used in support & programme cost. From 15% to 30 % is set for support cost and remaining is used for programme cost. The CSR is seen it in long term and it affects in social, environmental and economical aspects. Replication is using the learnings from old success story.

The participants commented that in the Set standard business, CSR does not applicable.

Ms. Jamuna Ulak, SNV/N asked what are the expected outcome of the forum as sharing is just not enough and suggested to focus on certain issues to move ahead. The limitation of the forum was also asked.

It was replied that the work “Sharing” should be not underestimated, it is not just information but is useful if gone deeply on sharing.

8.2 Sharing

Explore Nepal – Mr. Basnet said that the forum is necessary for all of us. If we feel the need of CSR it will be reflected in our work. We should be responsible and wherever is possible should be used. We should practice the lesson of CSR that we have being learning since long.

Mr. Shiddha R. Pant – he said that the responsibilities of corporate sector is not just making profit, it should also be socially responsible towards its employees. Maoist closed down about 50 industries and the reason behind was employees issues.

8.3 Comment

Mr. Dhirendra suggested to get involved government agencies in the forum as they should also be aware the status of CSR.

Mr. Divyeshwar, Nebico – he said the CSR is based on good business practices, whether it is human resource, or finance an optimum use should be done.

A participant also commented that tripartic approach (government, private and public organisation) is effective in regards to CSR- it will bring good result. If government sector is involved, their commitment will also be fulfilled. The forum should be continued and feedback should also be taken from the participants. It is a good opportunity for corporate houses to be socially responsible. *The voluntary agreement between NGOs and corporate sectors could bring a win win situation for them.*

Dr. Laxman Pun, CECI – CSR is there in informal sector but lacking in NPC or concern ministries and the forum should link it in formal sector too.

A participant also suggested to define the indicators of CSR by the forum and could take the responsibility of finding it.

8.4 Issues

Mr. Binod Shrestha was requested to moderate the last session to identify the issues for the upcoming forum. All the present members agreed on the need of the SRBDN forum. To define CSR many discussions were held during the programme and the achievement of the forum turns out the issues for the next forum. The issues are as follow:

Issues:

1. Code of Conduct
2. Define CSR
3. Sharing CSR Practice
4. Dissemination of Interest
5. Identify Priority Area
6. Good Documentation Practice
7. Lobby
8. Sensitization

Ms. Shizu Upadhya commented that CSR can happen with or with out government. However the participants strongly asked to involve government as they also know about the status of CSR in Nepal, as government should be empowered on CSR so that they will also start initiating some activities and the recognition of what we are doing should be there.

These issues listed above were identified as sharing issues for the next forum and the next forum was scheduled on December 17, 2004. Mr. Hem Raj Bhandari wrapped up the session. In short, the forum discussed on what is CSR, how to go ahead, government, private and NGOs were identified to involve together in sensitization of the CSR in Nepal.

9. ANALYSIS

9.1 Evaluation of the feedback of the participants

What do you expect from this forum?

- Develop awareness about CSR in the society as a whole
- Disseminate CSR amongst SMEs across the nation
- Networking and Systematic knowledge sharing and management
- Networking building & Experience sharing
- Fulfillment of its objectives
- Info on CSR and Continuity of the Forum with effectiveness of the forum & vibrant discussion on CSR
- Strong network among the corporate, NGOs, government and social organization to promote CSR
- Good Governance, Where to link, to promote CSR and Policy making in Good level
- Interaction
- A forum to discuss and to talk of issue primarily in member organization
- Sharing, learning something about CSR.
- Expectation that this forum will create awareness amongst corporate about social responsibilities, make an assessment of my organization in this field.
- Do not expect another series of decisions with no result. A small genuine core group leading & working as a role model and achieving objectives as mentioned by Mr. Pradhan
- Forum should be a key forum to advocate CSR in Nepal with policy advocacy & standard of social development works at grassroots level to address nation's issues/priority.

Are there any particular issues within the area of CSR that particularly interest you?

- Corrupt practices versus responsible business & good governance
- How does CSR contribute to government poverty fighting programmes?
- Entrepreneurship development
- Agriculture, Health, Social problems
- Taking the issue of linkage between corporate sector & SMEs - micro & small
- How to promote ethical business is the most crucial factor
- To find out issues sharing ideas & information's, awareness about CSR
- Would like to be involve in promoting responsible buying practices for the natural product based enterprises.
- Because I feel my organization is already conducting such activities, all the areas of CSR are of interest to me.
- Awareness & specifically acting role model of CSR by the core group
- Avenues for private sector to participate in public issues
- Social & Environmental sustainability as a CSR of corporate strategy and Mainstreaming CSR component as one of the core strategy

Is your organization involved in any kind of CSR Activities? If yes please mention.

- SMEDP - Sensitization about the philosophy to SMEs
- Soaltee Group - Yes. Best corporate practices in Nepal
- CECI - Since I am working in a not-for-profit organization there is no CSR
- FNCSI is involved basically in tracing sector regarding social responsibilities awareness
- Developmentnepal.com - Not directly, but covers development related activities
- SNV - Just thinking at the moment but good issue to link with micro & small
- CSIDB is generating entrepreneurs by giving demanded trainings to local people
- KUSOM - Yes through a course
- ANSAB is working on forest certification and enterprise development that is based on responsible buying practices.
- FTG - Yes
- Dairy Development Corporation - Yes, distributing milk & milk products occasionally in schools.
- Explore Nepal - Working as an Eco-tourism operator, making minimum affect on environment and culture
- Surya Nepal - Yes, in social development activities such as health, education & rural development in rural community. Health awareness, school construction, agriculture road construction, Health infrastructure and facility, cultural preservation etc.

Other than this forum, can you suggest any other CSR related activities that would be useful to initiate from now on?

- Update on the regular basis and follow up on the CSR related activities within private sector of Nepal.
- Define the level (minimum) so as to recognize it. If possible, this should be supported and backed under govt. policy/local govt.
- Linking CSR to governmental poverty programs
- Please do the awareness campaign on CSR among corporate houses first with strong focus on linkage with micro enterprise/small enterprises
- I have no idea how to incorporate informal sector Initiate to make transparent the activities of business houses
- Taking an account of who is doing what (CSR). Take volunteer information from interested organizations.
- I will put on the forum when it comes up.
- Regularize the forum activities with as many stakeholders as we could.

9.2 Feedback analysis ratings from the participants

a) Would you like to be on the yahoo group of SRBDN (srbdnepal@yahoogroups.com) ?

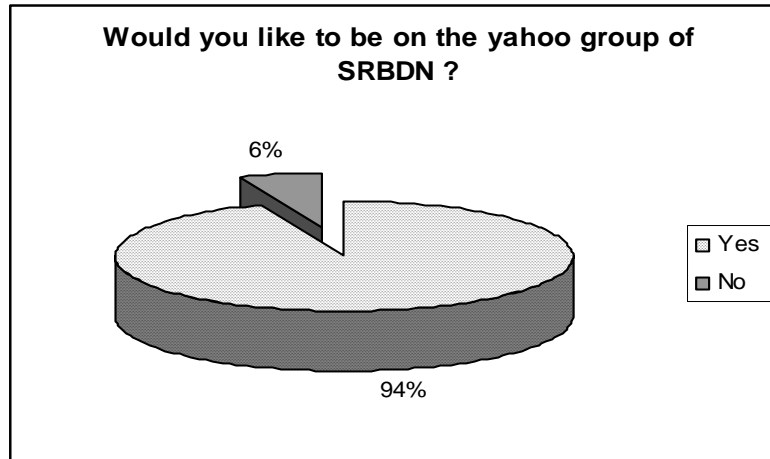


Figure 1

The above figure indicates that 94% of participants would like to be on the yahoo group of the forum SRBDN and 6% doesn't want to be on the list.

b) Are you interested in the following? (tick as many as you like)

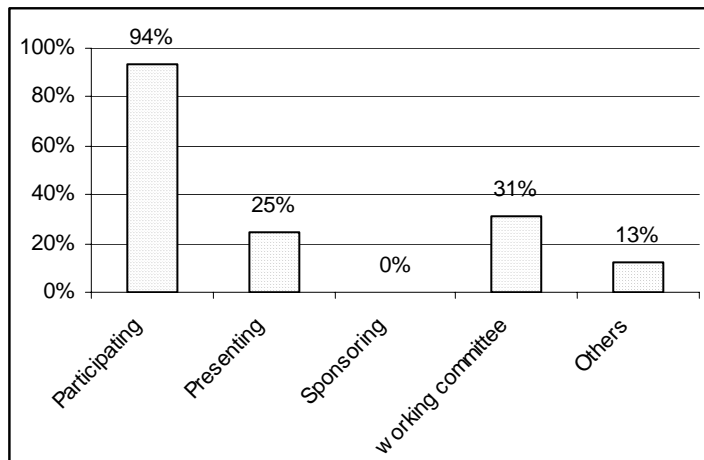


Figure 2

Of the total participants 94% wanted to participate on the next forum. 25% of the participants wanted to present in any one forum and 31% wanted to join a working committee to organize the forum. Of all the participants none of them wanted to sponsor any of the forums. The others were like contributing ideas and other resources when required.

c) Would you like to receive information on the followings? (tick as many as you like).

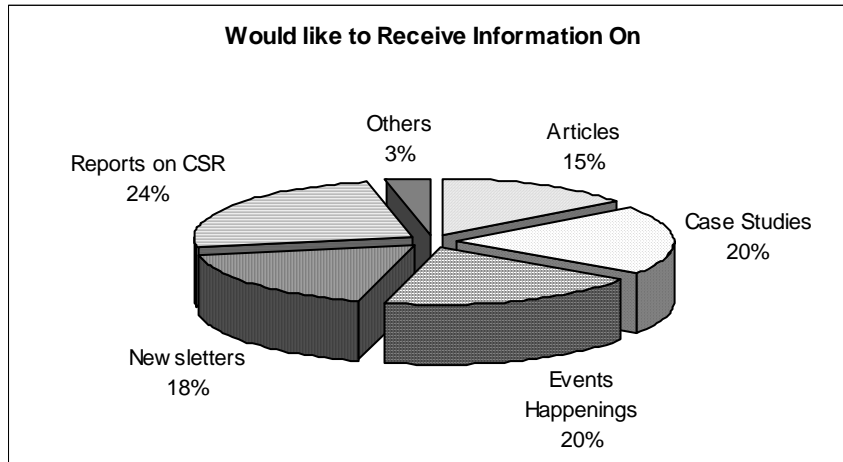


Figure 3

The above figure indicates that 24% of participant wants to receive information on Reports on CSR, 20% of participant wanted to receive information on case studies and events happening, 18% of participant wanted to receive newsletter and 15% wanted to receive articles on CSR.

10. ANNEXURE

10.1 Program Schedule

Date: 18th October, 2004
Venue: Hotel Summit, Kupondole Height

Table 1

Time	Program
2:30-3:00	Registration and Tea-Coffee
3:00-3:05	Welcome Address by SRBDN Coordinator
3:05-3:15	Inauguration by Mr. Hemant Dabadi, Director, SARB
3:15-3:25	Self introduction of the invitees
3:25-3:45	What could the CSR Forum achieve Perspective by Mr. Rajiv Pradhan, Executive Director, Lotus Opportunities
3:45-4:05	Introduction of ActionAid Nepal and CSR from a development Perspective by Ms. Shizu Upadhya, Theme Leader, ActionAid Nepal
4:05-4:25	Question and Answer round
4:25-4:55	General Discussion on the way forward for the forum
4:55-5:00	Wrap up
5:00 pm onwards	Networking

10.2 List of Participants

Table 2

1	Mr. Rajeswor P	Pant	CSIDB (Cottage and Small Industry Development Board)
2	Mr. Subarna	Shrestha	FNCSI
3	Dr. Hemant	Dabadi	FNCCI
4	Ms. Preeti	Joshi	FNCCI
5	Mr. Bhisma	Subedi	ANSAB
6	Mr. Lakshman	Pun	CECI/UTTHAN
7	Ms. Sabina	Singh	Fair Trade Group Nepal
8	Mr. Rahish	Shrestha	GTZ PSPP
9	Mr. Dharendra	Lamsal	ICRI (International Child Resource Institute)
10	Mr. Govinda Dev	Panday	SMEDP
11	Ms. Jamuna	Ulak	SNV
12	Ms. Chhaya	Sharma	Wean
13	Mr. Gaurav	Agrawal	Nepal Young Entrepreneurs Forum
14	Mr. Bharat	Basnet	Explore Nepal
15	Mr. Binod	Shrestha	KUSOM
16	Mr. Dibeshwor	Pradhan	Nebico Pvt. Ltd.
17	Mr. Ashish Om	Sitoula	Real Solutions
18	Mr. Siddha Raj	Pant	Soaltee Group - PPP
19	Mr. Madan Mohan	Das	Dairy Development Corporation
20	Mr. Govinda	Neupane	Surya Nepal Pvt. Ltd.
21	Mr. Tank	Bajal	TU
22	Mr. Hemraj	Bhandari	TriChandra College
23	Ms. Katrin		Boss Magazine
24	Mr. Prithviman	Shrestha	Business Age-Repsona Publications Pvt. Ltd.
25	Reporter		The Himalayan Times
26	Reporter		The Kathmandu Post
27	Reporter		Channel Nepal