

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

**“ROLE OF PRIVATE SECTOR IN COMMUNITY**  
**DEVELOPMENT”**

**August 11, 2006**

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**Socially Responsible Business Development Network (SRBDN)**

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## **ACKNOWLEDGEMENT**

On behalf of Socially Responsible Business Development Network (SRBDN) we would like to thank the presenter Mr. Siddha Raj Pant, Deputy Team Leader, Tara Management Pvt. Ltd. for sharing the concept as well as his experience on the role of private sector in community development and Public Private Partnership. We would also like to express our sincere gratitude to Mr. Deepak Dhoj Khadka, Deputy Team Leader, BDS MaPS for moderating the forum.

Our thanks goes to all the participants who attended the seventh forum on Socially Responsible Business Development Network, who took time to participate, discuss and share their views, ideas and made this program a success.

## EXECUTIVE SUMMARY

The Tenth SRBDN forum took place at Yala Maya Kendra on August 11, 2006. The theme of tenth forum was **“Role of Private Sector in Community Development”**.

Mr. Siddha Raj Pant, Deputy Team Leader, Tara Management Pvt. Ltd. presented his perspective on role of private sector in community development. He informed that in the CSR ecosystem, every stakeholder has something to do with the other. In absence of anyone, the other cannot sustain. Community development is all about providing the needs of others to fulfill own needs and desires. Alike CSR, community development is also a business strategy where expansion is necessary and going to community development expands linkage. Private sector is capable of developing human and social capital, and linking communities with other businesses.

The major challenge when a private company works with communities is the issue of Trust. It is difficult to approach as well as build trust with community. While developing a partnership between private and community a win win situation has to be there or the partnership will not sustain. Private sector can help transforming skill to the communities as communities do not have ideas on how to plan or identify their needs and priorities. Therefore private sector can have a major role on this.

**TABLE OF CONTENTS**

**ACKNOWLEDGEMENT .....1**

**EXECUTIVE SUMMARY .....2**

**TABLE OF CONTENTS .....3**

**ACRONYMS.....4**

**1. RATIONALE BEHIND THE MEETING .....5**

**2. OBJECTIVE OF THE TENTH FORUM .....5**

**3. PROCEEDINGS OF THE PROGRAM.....6**

    3.1 PROGRAMME OVERVIEW .....6

    3.2. "ROLE OF PRIVATE SECTOR IN COMMUNITY DEVELOPMENT" .....6

**4. WRAP UP.....9**

**5. ANNEXURE .....10**

    5.1 PROGRAM SCHEDULE .....10

    5.2 LIST OF PARTICIPANTS.....11

**ACRONYMS**

AAN	ActionAid Nepal
CSR	Corporate Social Responsibility
PPP	Public Private Partnership
GRI	Global Reporting Initiative
INGO	International Non Government Organization
LO	Lotus Opportunities
NGO	Non Government Organization
SME	Small and Medium Enterprise
SRBDN	Socially Responsible Business Development Network

## **1. 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 environment, ethics and society. SRBDN is a platform to share information, knowledge and experience on CSR. The rationale behind the meeting was to have a well functioning knowledge and information-sharing network on CSR.

### **Objective of SRBDN**

- Facilitate sharing information, experiences and ideas on Corporate Social Responsibility in Nepal.
- Facilitate identification of common interests and development of joint efforts and create synergy among facilitators, providers and donors.
- Awareness raising
- Cooperation between large organization and SME.
- Integrating CSR in education

## **2. OBJECTIVE OF THE TENTH FORUM**

The objective of the tenth forum on SRBDN was as follows:

- To know the role of private sector in community development.
- To learn the concept of Public Private Partnership and CSR
- To discuss issues on private sector involvement in community development and its challenges and benefits.

### **3. PROCEEDINGS OF THE PROGRAM**

#### **3.1 Programme Overview**

The Tenth Socially Responsible Business Development Network initiated by Lotus Opportunities and ActionAid Nepal took place at Yala Maya Kendra, Patan Dhoka on August 11, 2006. The topic of the forum was **“Role of Private Sector in Community Development”**. Mr. Deepak Khadka, Deputy Team Leader of BDS MaPS, moderated the forum.

Mr. Khadka started the forum with the self introduction round of all the participants. He stated that the concept of SRBDN was developed by Lotus Opportunities about 2 years ago. The main objective of the forum is to raise awareness on responsible business to different sectors as well as the stakeholders of a business. He mentioned that this forum is a platform to learn, share experiences and best practice and to replicate the good deeds while doing their own business. He further added that people working in any sector cannot work in isolation therefore the link between one sectors to another gives an idea of PPP (Public Private Partnership) which leads to community development, a tri-sector partnership.

#### **3.2. “Role of Private Sector in Community Development”**

**- Mr. Siddha Raj Pant, Deputy Team Leader of PPP Program in Tara Management Private Limited**

Mr. Siddha Raj Pant started with a brief introduction about Tara Management an investment management corporate company. He mentioned that in the CSR ecosystem, every stakeholder has something to do with the other. In absence of anyone, the other cannot sustain. As for any private company, environment is equally important as employees, whereas, government and community also play equally important role as shareholders and clients but the responsibility is not always same for all the companies. It is different in the case of software developing company as that of mines company. Software developing company is not directly involve with the community as any mines. Community development is all about providing the needs of others to fulfill own needs and desires. CSR on the other hand is only a business strategy. CSR is all about

adding values to our business, for example hiring best talents, providing essential facilities to the employees etc.

According to Mr. Pant, community development is important when businesses need strong brand positioning or communities are business partners (such as supplier, producer) or businesses share resources with communities. For example, ITC launched a platform called E-chaupal for farmers where they were able to get market information and also sell their product easily in fair price. Also, in case of Shakti ama, it empowered the local rural women to sell Hindustan Lever products from door to door and earn money. This practice helped the women to learn marketing skills.

Alike CSR, community development is also a business strategy. During intervention in any business, there is a push and pull factor. In the competitive business world, expansion is necessary and going to community development expands linkage. There is more financial growth by community development.

The identification of needs and priorities of any community has always been an issue of community development. The community people are unaware about resources available around them. They hesitate to stand for their right. They lack management skill to do business. In all these issues, private sector plays a vital role. Private sector always has an impression of better management skill than other two sectors. Private sector is capable of developing human and social capital, and linking communities with other businesses. Private sector can create awareness among the community people and encourage them for skill trainings. For community development, PPP is a very important tool. Private Public Partnership helps aligning the community interest and helps them create values for the country. The service delivery, poverty alleviation and infrastructure development are under the sectoral applications of PPP.

**Issues:**

The following issues / questions were raised in the tenth forum on role of private sector in community development

- What are the challenges faced by private sector while working with the communities.

- The Lesson learned by a private company esp. Surya Nepal while working with the communities
- Benefit to private sector as well as benefit to communities when working together
- Is there any role for development sector in PPP
- What is the process of monitoring of partnership between private and community
- How is the skill transferred to the community by private sector
- Is CSR just a marketing gimmick

CSR is a business strategy where there is a thin line between PPP and CSR. While doing CSR corporate should have a business interest in the community while doing any development activities else it will be a philanthropic act. The major challenge when a private company works with communities is the issue of Trust. It is difficult to approach as well as build trust with community. Surya Nepal case on community development have been providing tobacco seeds, fertilizers and agro products to some 2000 farmers and also gives buy back guarantee to them. The benefit Surya Nepal is gaining is a regular supply of tobacco and if they do not support the local farmers / community the supply is decreased or delayed which will eventually lead to low production. The benefit farmers get through this project is irrigation facility to farmers, agro products and skill development.

Development sectors can have a role in PPP. As private company may not have all the resources or skill for PPP. There could be gaps so for the implementation of PPP development sectors are well positioned to provide the gapped resources and can facilitate it. Mr. Pant further added that even NGOs or INGOs have a social responsibility and if social responsibility pays then it will stay or it will not.

The partnership between private and community can be monitor by having right people at the right place and right mechanism at right place. When talking about skill transformation to the community by private, as communities do not have developed plan or are not aware of their needs and priorities therefore private can help them on this by developing guidelines on how proposals for grant seeking are made.

#### **4. WRAP UP**

The moderator of the Forum, Mr. Khadka wrapped the session. He informed that organizations in Nepal have been taking CSR as a marketing gimmick but CSR is going mere from compliance to profit maximization to value creation. CSR is a corporate strategy and if it is not made as a strategy it will not sustain.

## 5. ANNEXURE

### 5.1 Program Schedule

#### **Tenth SRBDN Forum Tentative Program Schedule**

**Date:** 11<sup>th</sup> August, 2006

**Venue:** Yala Maya Kendra (Baggikhana Hall), Patan Dhoka (near post office), Lalitpur  
Phone No: 5553767

**Theme:** “Role of Private Sector in Community Development”

2:45 - 3:00	Registration
3:00 - 3:10	Welcome by Ms. Reema Shrestha, SRBDN Coordinator
3:10 - 3:15	Self introduction round (Moderator Mr. Deepak Khadka, Deputy Team Leader, BDSMaPS)
3:15 – 3:45	Role of Private Sector in Community Development By Mr. Siddha Raj Pant, Deputy Team Leader, Tara Management <b>30 minutes</b>
3:45 - 4:20	Discussion Round <b>35 minutes</b>
4:20 - 4:30	Moderators wrap up
4:30 pm onwards	Networking / Tea Coffee

## 5.2 List of Participants

I.	F. Name	L. Name	Designation	Organization
Mr.	Deepak	Khadka	DTL	BDS MaPS
Mr.	Suhrid P.	Chapagain	Manager - Services	BDS MaPS
Mr.	Subash	Kunwar	Assistant Manager	BDS MaPS
Mr.	Om Charan	Amatya	Director	Bluebell Herbal Products
Ms.	Geeta	Shrestha	Proprietor	Empower Intl Export Group
Mr.	Lucky K.	Chhetri	Program Director	Empowering the Women of Nepal
Mr.	Rabin	Bastola	Coordinator	Friends of Bagmati
Ms.	Geeta	Shrestha	Executive Director	Hoste Hainse
Mr.	Surendra	Chaudhary	Marketing Specialist	IDE Nepal
Ms.	Malina	Shrestha	Sr. BPO	IEDI
Ms.	Vibha	Amatya		Jyoti Group
Ms.	Shobha	Pokharel	Student	Kathmandu School of Law
Mr.	Binod	Joshi	Legal Officer	Lotus Bizport
Mr.	Bhusan Das	Shrestha	Enterprise Development Expert	Lotus Opportunities
Mr.	Bachchu N.	Shrestha	Executive Director	NBI
Mr.	Anup	Shrestha		Nepal Chamber Of Commerce and Industries
Ms.	Anjan	Shakya	Executive Member	Nepal Chamber Of Commerce and Industries
Mr.	Madhusudan	Gautam	Teacher	Paragon Public School
Mr.	Krishna Pd.	Khanal		Premier Insurance co Nepal ltd
Mr.	Paul	Stevens	Advisor - Sustainable Tourism Development	SNV/N
Ms.	Jamuna	Ulak	Advisor SNV	SNV/N
Mr.	Arjun	Kandel	Social Development Officer	Surya Nepal
Mr.	Siddha Raj	Pant	Deputy Team Leader	Tara Management
Mr.	T.	Bhutia		The Mountain Institute

Mr.	Netra	Sapkota	AID - DPA	USAID
Ms.	Ishwori	Shah	President	Women Environment Group
Ms.	Sabina	Shah	Member	Women Environment Group