

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

December 17th, 2004

Socially Responsible Business Development Network
PO Box 3459, Kathmandu, Nepal
Tel: +977-1-5530313, Fax: +977-1-5532013
srbdnepal@yahoogroups.com

1. ACKNOWLEDGEMENT

We would like to thank all the participants who attended the second 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 Second SRBDN forum took place at FNCCI building, Teku on December 17, 2004. The second forum focused on sharing the experience of EU conference on CSR, Triple Bottom Line Investing Conference 2004 and experience of Explore Nepal on Social Responsible Business.

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4. ACRONYMS

AAN	ActionAid Nepal
ANSAB	Asia Network for Sustainable Agri Bio-resources
CSR	Corporate Social Responsibility
EU	European Union
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FNCSI	Federation of Nepal Cottage and Small Industries
ICRI	International Child Resource Institute
LO	Lotus Opportunities
NGO	Non Government Organization
SARB	SouthAsian Alliance for Responsible Business
SME	Small Medium Enterprise
SRBDN	Socially Responsible Business Development Network
TC	TriChandra College
TBLI	Triple Bottom Line Conference
UNV	United Nations Volunteer

5. 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.

6. PROCEEDINGS OF THE PROGRAM

The Second SRBDN forum took place at FNCCI building, Teku on December 17, 2004. The second forum focused on sharing the experience of EU conference on CSR, Triple Bottom Line Investing Conference 2004 and experience of Explore Nepal on Social Responsible Business. The Coordinator, Ms. Reema Shrestha, started the forum with the welcome speech. She welcomed the guests in the second forum of SRBDN and delivered the quick recap and review of first SRBDN forum held on October 18, 2004.

Dr. Hemant Dabadi, Executive Director of South Asian Alliance For Responsible Business (SARB) / FNCCI shared his experience on participating the conference on 'CSR World Wide Week Amsterdam Maastricht' held in November 3 to 9, 2004 at Netherlands. The CSR Worldwide week was supported by Dutch NGOs and Government. It was found that European economy has complied with social aspects than Americans; the European conference aimed an effort to bring the southern voice to the conference. It was a platform for dialogue with Dutch business as an introduction to the EU CSR conference. Issues raised were, does CSR in developing countries means same thing as in Europe and what to do with multinationals lobbying for reduction of social and environmental standards in the host countries. Regular issues like poverty and continuing the dialogue was also raised. The theme of the conference was competing for sustainable future. According to Dr. Dabadi the drawback of the conference was multiple parallel sessions held at one time and lack of enough documents provided. Some interesting views were shared in the conference like: 'Capitalism is doomed to fail if businesses do not become socially responsible (IFC Vice President), IUCN Director emphasizing the CSR aspect in business. Family owned businesses are more socially responsible as the owners do belong to the same community they work'. The conclusion of the seminar was to apply CSR in conflict zones and weak governance, specific sector having specific initiatives and regional networks foster innovative approaches which needs to be promoted. Dr. Dabadi shared some lessons learnt from the seminar and they were: CSR will acquire even greater significance in future. Till now it is just voluntary work but it should be exhibited seriousness in maintaining the voluntary codes otherwise compulsory standards will come. In near future CSR is going to be important even for very small business and corruption is going to be big issue even in CSR. The network and alliance indicate the future and we need to work in alliance and exhibit results. The scope for generating resources for the CSR promotion activities will be there.

Mr. Rajiv Pradhan, Executive Director of Lotus Opportunities shared his experience of Triple Bottom Line Conference (TBLI) attended as a speaker in Netherlands, which was held in November 2004. Mr. Pradhan introduced a book published by Ashoka Foundation Nepal, which was just launched in December 2004. The book entitled How to Change the world consists of many cases about CSR and he asked all the participants to read it. After his short information he shared the presentation, which was more focused on South Asian Business Alliance. He asked to visit the web side of TBLI, www.tbli.org which has all the information about the conference held in November 11-12, 2004. It has news related to CSR, which will be very useful for the participants. The TBLI conference was the Sixth Conference attended by 200 people and it takes place every year. According to the conference socially responsible investment is the first step to CSR, people are interested to invest in socially responsible business in Europe. They are not interested in Nepal as it is full of conflict. However, one organisation entitled SEAF showed

interest to invest in small enterprises in Nepal. The major learnings from the conference was, the time has come to do investment in socially responsible SMEs in Nepal, we could start a small socially responsible investment fund, venture fund can be created so that we can go in to rural area with the fund. We could then attract global socially responsible funds and this would also help in the awareness on CSR to our companies.

Discussion session:

1. The participants commented to get involve and participate government bodies in the SRBDN forum as the role of government is important in creating awareness of CSR in the nation. In this regard the forum coordinator has informed that the government sector will be participated in the forum soon as the forum has been trying to involve them.
2. CSR has broader scope and it has to be customized in local level. The key factor is provision has to be made mandatory, just having a NGO with pressure group is not enough, chambers like FNCCI should make them mandatory. CSR has to be taken voluntary and recognition to CSR activities should be given. Mr. Rajiv Pradhan commented that unless business houses take CSR in core of their business strategies, it will not be promoted.
3. There are funds available in all over the world, provided, it is abided by CSR, who will be doing the financing mechanism? Mr. Pradhan replied that in outside, funds come from different sources and they use it in social responsible projects. Dr. Dabadi added that the pressure are there in fund management even in country like China and it is also seen in Nepal. For e.g. in carpet business, people are aware to buy child labor free carpets. So, the pressure to investors (Fund Mangers) are coming in this way in Nepal.

Experience of Explore Nepal on Socially Responsible Business

Mr. Bharat Basnet, Managing Director of The Explore Nepal shared the experience of Explore Nepal on Socially Responsible Business. He said that, now the time has come to think seriously on the sustainability of future generation. The debate on voluntary work of CSR is clear, it is the work of individual responsibility. Sustainable business is a responsibility of individual person and he emphasized on the ISR (Individual Social Responsibility) rather than CSR. The Explore Nepal has been representing as sustainable tourism development since 1993 and was awarded for its commitment and hard work towards environmental conservation and ecotourism. Some of the awards include the prestigious PATA Environmental and gold Award, the WWF Abraham Conservation Award and others. His documentary was focused on the how to protect the pollution of the Kathmandu valley and the activities of The Explore Nepal in this regards.

In the documentary it was showed the destruction of the environment, which has affected the tourism of Nepal and role of the Explore Nepal in protecting the heritage of Nepal through conducting various campaigns. Koshi Tappu Wildlife reserve is a conservation role model, which was established in 1978. Having realizing the importance of education, it has contributed in establishing schools for children in that area and periodically conducted training programs to

support the primary education system of the area and hope to introduce the sense of conservation, biodiversity and preservation of culture and heritage imparted through education. It had few campaigns to protect from plastic use in the Kathmandu valley and Koshi Tappu is the first plastic free village. It has taken another positive initiative to prevent the demolition of one of the oldest houses inside the valley, which is now known as 'Bhojan Griha'. It is an exclusive Nepali Restaurant, which serves ethnic cuisine with the folk dances and music. Kantipur Temple House was another example of conserving culture and environment. It was built in a typical Newari Temple and has adopted the code of ethics for houseguests and the hotel itself. The use of plastic has been carefully avoided, proper use of electricity and water etc.

It has undertaken environmental activities like banning of the infamous Vikram Tempos, which were highly polluted vehicles in the city. The staff of The Explore Nepal clean the city in every Sunday like cleaning up Swayambhunath area. Mr. Basnet said he started losing business due to increasing pollution of the city and due to this reason he has initiated all the anti-pollution activities. According to him to promote Nepal, we need to promote tourism and agriculture businesses. That's why we should think of individual social responsibility rather than CSR. Government cannot do every thing for us but they will follow if we started.

Discussion:

1. It was asked how the investment has given return in his business? Mr. Basnet replied that he needs to decrease price of the products in the initial stage, but now there are responsible consumer and people are affording the price of the services and products and he is benefited with many other majors too rather than just earning profit.

2. How ISR is possible, do you have any strategy for that? He replied, individual interest is important, if we are aware of using socially responsible business, we should not have any question on individual social responsibility.

3. It was commented that working in alliance is better than working individual. Mr. Basnet replied, individual meant a group of alliance and the single person from the group is socially responsible.

General Discussion:

Ms. Shizu Upadhya, Theme Leader of ActionAid Nepal moderated the last session and opened the forum for the general discussion issues. She raised the issue for future plan of SRBDN. The forum should run such kind of program that can be adopted by all, for e.g. child labor should be avoided in work place.

Mr. Rajiv Pradhan proposed Ashoka Foundation Nepal to take the charge of next forum on any issues mentioned. Ms. Sadhana Shrestha accepted the proposal but asked to facilitate with the venue from some other organisation.

Wrap up the forum:

Mr. Anil Chitrakar from Ashoka Foundation wrapped up the programme. He said the work responsible has been repeated many times and it was seen that there are three levels of responsible areas and they are, industrial, business and investment and government should enable it. The key words used in the forum were, code of conduct, define CSR, sharing CSR practice, dissemination of interest, identify priority areas, good documentation practice, lobby and sensitization, which came from last forum. In the presentation of Dr. Dabadi, it was talked about CSR in European business, CSR can be set standard, can it be voluntary or be mandatory, can CSR be competitive, where to create space in terms of funding. In the presentation of Mr. Pradhan he shared on Socially Responsible Investment /business, TBLI and its website. He also highlighted fact like, auditing triple P (Profit, Planet and People) and measuring social return on business. Mr. Basnet emphasized to do ISR rather than CSR and share his noble activities to protect heritage, culture, biodiversity and environment of Nepal. His presentation was focused to stress on individual level social responsibility.

7. ANNEXURE

7.1 Program Schedule

Date: 17th December 2004

Venue: FNCCI

2:30 - 3:00	Registration
3:00 - 3:05	Welcome by Ms. Reema Shrestha
3:05 - 3:15	Objectives and Recap of the last Forum by Ms. Reema Shrestha
3:15 - 3:30	Sharing on EU Conference on CSR By Dr. Hemant Dabadi, Executive Director, FNCCI
3:30 - 3:45	Sharing on Triple Bottom Line Investing Conference 2004 By Mr. Rajiv Pradhan, Executive Director, Lotus Opportunities
3:45 - 4:00	Question and Answer round
4:00 - 4:20	Experience of Explore Nepal on Socially Responsible Business Presented by Mr. Bharat Basnet, Managing Director The Explore Nepal P. Ltd.
4:20 - 4:35	Questions and Answer round
4:35 - 4:55	General Discussion
4:55 - 5:00	Wrap up and Closure
5:00 pm onwards	Networking / Tea Coffee

7.2 List of Participants

1	Mr. Navin	Subedi	BDSO	ANSAB
2	Mr. Abin B.	Pradhan	Project Coordinator	Corporate & Financial Governance Project
3	Ms. Anajana	Tamrakar	Treasurer	FNCSI
4	Mr. Anil	Chitrakar	Fellow	Ashoka Foundation
5	Mr. Babu Raja	Shrestha	President	Central For Renewal Energy
6	Ms. Barsha	Shrestha		Nabil Bank
7	Mr. Bharat	Basnet	Managing Director	Explore Nepal
8	Mr. Bidur	Dahal	Reporter	Boss Magazine
9	Dr. Hemant	Dabadi	Executive Director	FNCCI / SARB
10	Mr. Hemraj	Bhandari	Student	TC
11	Ms. Marlene	Perkins	Program Associate	UNV
12	Ms. Monica	Mathema	Head of HR & OD	Laxmi Bank Limited
13	Ms. Muna	Shrestha		Enterprise Development Network
14	Mr. Murahari	Parajuli	Reporter	Kantipur Publication
15	Ms. Nina	Shahi	Program Coordinator	Fair Trade Group Nepal
16	Mr. Niranjana	Adhikari	Student	Kathmandu School Of Law
17	Ms. Preeti	Joshi	Asst. Director - HRD	FNCCI
18	Mr. Prithvi	Shrestha	Sub-Editor	The Rising Nepal
19	Mr. Raghav	Bhattaraya	DGM	Dairy Development Corporation
20	Mr. Rajiv	Pradhan	Executive Director	Lotus Opportunities
21	Mr. Reshma	Shrestha	Programme Director	Hoste Hainse
22	Mr. Rishi	Shah	Director	Lotus Holdings
23	Ms. Sadhana	Shrestha	Country Representative	Ashoka - Innovators for the Public
24	Mr. Santosh	Pokhrel	Reporter	The Kathmandu Post
25	Mr. Sashi	Bajracharya	Manager	Lotus Bizport
26	Mr. Shashi	Dhungel	Reporter	The Himalayan Times
27	Ms. Shizu	Upadhya	Theme Leader	ActionAid Nepal
28	Mr. Siddha Raj	Pant	Deputy Team Leader	Soaltee Group - PPP
29	Mr. Subas	Risal	Consultant	ICRI (International Child Resource Institute)
30	Ms. Swokriti	Sigdel		Lotus Bizport
31	Ms. Tamanna	Hamal	General Manager	Wean Cooperative