

PPD in Developing the National CSR Guideline for Bangladesh

by

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1- Background and Context

Over the last decade the CSR agenda or what is known as “Corporate Social Responsibility “ has gained momentum in not only Northern nations but in those countries in Asia and the Pacific Region where States cannot address challenges caused by both natural and manmade disasters on its own and where the opportunities of public – private dialogue and intervention is critical to further the Sustainable Development Goals (SDGs) of any nation.

Specifically in the developing nations as in Bangladesh there is a need to promote the private sector led growth through a strategic CSR approach which can augment and enhance the development efforts of the State as well as those of the development partners.

Although in Bangladesh, the dialogues and discussions of developing a national guideline on CSR started from the year 2012 and onward. CSR practice in Bangladesh is still on ad-hoc basis and not strategic. The idea of CSR is not new but the whole notion of corporate social responsibility and putting it in to a framework of CSR is still new. In Bangladesh, like as in other developing nations it is being linked to philanthropy and charity, which it is clearly not. The real concept of CSR actually means that it should be aligned with the core business strategy, that it should be a part of the business. A strategic CSR direction can not only benefit private sector development but also supplement and compliment the national development agenda of the country.

A series of multi-stakeholder round-table discussions were conducted by the CSR Centre with different stakeholders on whether there was a need to develop a National CSR Framework in Bangladesh. The CSR Centre started a multi-stakeholder consultative process from 2013-2014 and initiated on one to one meetings with 14 Ministries, CSOs, development partners, private sector and different business associations. It was revealed that CSR was not always strategic in Bangladesh. Companies either engaged in ad-hoc CSR or were branding philanthropy or charity funding as CSR. A guideline was definitely the need of the day.

It was also realized from the consultations that there needs to be a common framework for responsible business action for all types of businesses in Bangladesh and endorsed by the government of Bangladesh. The consultations also pointed out that the National Board of Revenue of Bangladesh had selected priority growth sectors which provided tax exemption for

investments made by the companies in such designated sectors. Yet as this drive did not necessarily engage with the interests' of businesses the stimulus was effective.

Such reforms require PPD to engage and develop ownership of all concerned parties.

It requires national acknowledgement and to create a “win-win situation” for all those involved. The intervention strategy through CSR can enhance business standards and market access globally. Although there is a number of internationally recognized standards and even when strong national laws are present it is difficult to implement if there is no multi-stakeholder engagement. There needs to be a comprehensive approach to PPD.

A national level CSR agenda can be effective through a systematic PPD process. As CSR can eventually create an enabling environment for responsible and ethical business operations which will benefit the national export oriented industries to maintain accredited global standards.

Companies need to come forward to create a positive branding of Bangladesh through “good CSR practices” and support the government’s initiatives in achieving the post MDG agenda for sustainable growth of all sectors and stimulating businesses to engage in strategic CSR.

In 2007 the private sector of Bangladesh realized the need for developing a single entity which would look towards raising awareness and implementing strategic CSR in Bangladesh. This led to the establishment of the CSR Centre. The role of the Centre was strengthened through its positioning within the private sector of Bangladesh and its policy advocacy role towards creating an enabling environment for economic and environmental growth through engaging in CSR which would lead to a multi-stakeholder forum. This led to a private – public collaboration on addressing issues such as child rights and human rights, environmental impacts and sectoral interventions and initiatives.

As the Centre works globally as the UN Global Compact Focal Point and founder member of SANSAR – a South Asian Regional Network for CSR the Centre through its CSR platforms had realized that both neighboring nations such as India and Pakistan has developed a guideline for responsible business strategies through these networks. In 2012 through advocacy the need for developing a National CSR Guideline for Bangladesh became imperative.

2- Partnership, Structure and Processes

In the end of year 2013 after a series of consultation with multi-stakeholders inclusive of State actors and the private sector it was agreed that a “ National CSR Guideline “ was the need of the times and a proposal was submitted to the Danish Embassy in Bangladesh which was accepted. This gave a much needed entry into public – private partnership and dialogue for both the Government of Bangladesh and the private sector in order to cooperate to draft a national CSR framework for Bangladesh.

A number of consultations were conducted with Ministries and business chambers to understand the local and national priorities and linkages with CSR and how both stakeholders can benefit in engaging in a national process leading to Bangladesh's economic, social and environmental growth.

It was proposed that the Ministry of Planning would be the main authority to steer the process which will support the vision 2021 of Bangladesh and implement the post Millennium Development Goals leading towards the SDGs of the Nation. Through a year long lobbying with relevant stakeholders and over a dozen meetings over that period with development partners, civil society, business associations and the government it was decided that this process needed to be steered by a focal Ministry of the Government which was the Planning Ministry.

The initial inter-ministerial meeting chaired by the Minister endorsed the process of developing the "National CSR Guideline for Bangladesh". Representation from different CSOs, Ministries, economists, academia, business association and private sector participated.

It was proposed that this process would be led through an Advisory Committee and a Guideline Development Committee comprised of representation from various sectors of the country and that CSR Centre will act as the Secretariat to the committees. Yet there were certain challenges to the proposed process which revealed the keen interest of the State to administer the process at a national level as well as the importance of engaging in this dialogue for "developing a National CSR Guideline for Bangladesh". The Minister himself would actually approve and endorse the Guidelines.

It was suggested that a draft of the CSR National Guideline be initiated with relevant private sector representation and other relevant stakeholders inclusive of civil society organizations and academia. The full support of the State was ensured by the Ministry.

It was required that a Guideline Drafting Committee be selected through certain criteria setting in order to brainstorm and develop the framework and contents of the draft.

A list of names suggested earlier and through an individual stakeholder consultation process, the members for the committee were identified, approached for consent and selected for the Guideline Development Committee. The major focus was the engagement of the private sector of Bangladesh which included sector specific national companies, national business chambers, women's business associations and others who could identify, share and disseminate the understanding of country specific priorities into the CSR context and how these would be nurture value addition to the economic growth of the nation.

It was decided that the guideline should reflect the National Development Plan of Bangladesh and should create synergies with the State's development plan by offering relevant incentives for companies practicing "good CSR". Through the public – private dialogue it was felt that the National Board of Revenue (NBR) in Bangladesh could be part of this process.

NBR could offer tax rebate to the private sector specifically in the selected future growth sectors of the nation. The PPD process delivered a commitment to work in partnership with relevant Ministries and business chambers in order to deliver a National CSR Guideline. A final directive from the Planning Ministry was given to submit the final draft of the National CSR Guideline by November 2015 for endorsement by the State.

3- Results so far

The Governance Structure for the Development Process of the National CSR Guideline for Bangladesh had to be revised and reviewed in reference to the needs of the Ministry as well as to the priorities of the private sector.

In December 2014 after several lobbying meetings with different stakeholders, CSR Centre formed a Guideline Development Committee of 12 members who are those influential business leaders of the community so as to give their support and time in the development process of this “critical need of the times” national agenda.

Initially it was a proposed list of 12 – 13 member Guideline Development Committee but through PPD it was decided that all relevant Ministries must be engaged. The Ministry of Planning had shown keen interest to have more State representatives on the Committee so the focal Ministry advised other Ministries to nominate representatives to be active members in the Guideline Drafting Committee. The 12-14 representatives from different Ministries will be members of the Committee.

The 12 members in the “National CSR Guideline Development Committee’ representing various private sectors, chambers, think-tanks, CSOs, economists would be supplemented with another 12 -14 representatives from relevant Ministries and government bodies in order to have a multi-stakeholder representation with sound knowledge on CSR issues at a national level.

The process of course faced a major time management challenge as the political climate of the country was hampering the planned activities to some extent but Committee members who were from private sector and the focal Ministry were resilient that such a process even through such constraints must move ahead with the scheduled planning but at the same time leave some scope for flexibility.

It was proposed that this new Committee will meet at regular intervals during the formulation process with in a period of one year to discuss and develop a comprehensive “National CSR Guideline” that will support and complement the national development agenda for Bangladesh. The CSR Centre will serve as the Secretariat to the National CSR Guideline Development Committee and give the necessary support in the formulation of the National CSR Guideline.

4- Expected Results

The development of a National CSR Guideline –

- Will help to formulate a private sector led *National CSR Guideline (NCG) for Bangladesh* as well as to support prioritization of CSR reform in the context of the overall development strategy and plans.
- In consultation with public and industrial stakeholders develop appropriate CSR positions that will encompass human rights, labor standards, anti-corruption and environment including climate change aspects.
- Assist in prioritizing industries for enhancing CSR led growth.
- Create scope for shared knowledge on CSR best practices.
- Enhance collaboration and dialogue within public and private entities.

5- Private Sector Growth Component

The development of a National CSR Guideline which will focus on encouraging & promoting a *CSR culture* and help Private Sector to identify key aspects of establishing CSR in sectors and emphasize on how CSR can be integrated into business practices with support from State actors. It will provide a top-down approach for practicing CSR which will focus on commitment of top management to include CSR into strategic business practices. It is aimed to stimulate responsible business and support Government's National Development Plan and encourage responsible and sustainable investments in Bangladesh.

Biographies of Authors:

Ms. Shahamin S. Zaman is an economist with over 20 years of development sector experience in international organizations inclusive of Harvard Institute for International Development (HIID), Ashoka Foundation, CIDA, Actionaid, UNDP, DFID, etc across a wide range of sectors including private sector development, agriculture, gender, health & population and education. She led teams on fundraising, partnership development, international communications, resource mobilization, child sponsorship and research monitoring and evaluation. In her professional capacity she is a leader in management systems and organizational development with expertise on Corporate Social Responsibility (CSR) and private sector engagement and multi-stakeholder dialogue. Her experience ranges in facilitating dialogues with development partners and the private sector and Government.

She is an advocate for CSR at the national, regional and international levels in order to promote responsible business practices with links to the global agenda for sustainable development. As the focal point for UNGC in Bangladesh she has initiated multi-stakeholder discussions on the UNGC Principles including the UN Guiding Principles on Business and Human Rights, Food and Agriculture Business Principles, etc. She is a founder member of SANSAR (South Asia Network for Sustainability and Responsibility) and associated with a number of national entities. As the CEO of the CSR Centre in Bangladesh she has been successfully advocating for companies to engage in CSR. Her work involves public – private dialogue and engagement towards sustainable development objectives. She is on the board of the UN Working Committee on Business & Human Rights as well as of UCEP a well known national NGO working on education for underprivileged children and youth.