

1. Introduction

1.1 The Centre for Responsible Business (CRB) has been implementing a project entitled, **Indo-Dutch CSR & Sustainability Forum (INDUS-Forum)** since May 2016, with support from the Dutch Embassy in India. The overall vision of INDUS-Forum is 'make all trade and investments between India and Netherlands sustainable'. Pursuing this, the Forum aims to *Inspire, Inform, Advise and Connect* businesses and key stakeholders from India and the Netherlands to solve complex sustainability challenges and turn them into opportunities.

1.2 On 22nd March 2017, the **INDUS-Forum Network** was formally launched at the third consultative meeting held in **New Delhi**. This is a brief report of this consultative meeting, which drew nearly 70 participants from across the various relevant stakeholders. This report highlights some of the suggestions made and the actions to be taken both **broadly** and in **three key sectors** to make trade and investments between India and the Netherlands more sustainable.

2. High-Level Inaugural Session

2.1 Welcoming all delegates **Arun Asthana, Executive Director of CRB** highlighted key features of the promising trade partnership between India and Netherlands, which provides a fitting background to the INDUS-Forum project. He highlighted the vision of the INDUS-Forum and emphasised that the Forum is expected to bridge the gap on sustainable business between Dutch and Indian practitioners. He stressed that sustainable business practices is not only good for the environment and society/community but also beneficial for the businesses itself.

2.2 **H.E. Ambassador of Netherlands, Alphonsus Stoelinga** highlighted the dominant character of global value chain in international trade in the current era of globalisation. While the world today has achieved unprecedented degrees of interconnectedness, we are confronted today with ever so complex global supply/value chains – this underlines the importance of supply chain sustainability. Businesses between India and The Netherlands need to be practices on a strong foundation of sustainability – the INDUS-Forum is expected to enable this process, he observed. The Forum would help stakeholders forge smart connections and partnerships, to set clear and achievable sustainability targets through a consultative, two-way process.

3. Brief Update & Way Forward for INDUS-Forum

- **Chair:** Marjan Schippers, Deputy Director, Ministry of Foreign Affairs, The Netherlands
- **Panelists**
 - Arindom Datta, RaboBank India
 - Amit Ganguly, GENPACT
 - Aditi Halder, Global Reporting Initiative (GRI)
 - Michiel Bierkens, Embassy of The Netherlands in India

3.1 Charing the session, **Marjan Schippers, Deputy Director, Ministry of Foreign Affairs (MoFA)**, Government of The Netherlands expressed her delight for being part of this event during her second visit to India. She indicated the interest of MoFA in the INDUS-Forum, especially given the Forum's aim of finding sustainable solutions to further improve trade and economic relations between India and The Netherlands. She highlighted that both the Governments have had a keen mutual interest in promoting CSR/Sustainability – which had culminated in a MoU. The INDUS-Forum would complement this by bringing together businesses, civil society organisations, and government

together. She highlighted how such a multi-stakeholder approach is a key component for realising the sustainable developing goals (SDGs). She welcomed the panel members (also the members of the Steering Committee of INDUS-Forum) and requested them to provide their inputs on how they see the INDUS-Forum evolving and contributing towards making all trade and investment between India and The Netherlands sustainable.

3.2 The **panelists** underscored the following **key issues** in their contributions, which would be taken forward in the next phase of the project:

- One of the main challenges of practicing sustainable business in India is that often such practices are perceived not to be a priority in the context of a market-driven economy
- **Strengthening confidence among partners** by knowing and doing things together would be critical to set a strong foundation for INDUS-Forum
- Communicating the **meaning of sustainable business** to multiple stakeholders, thereby plugging this ‘knowledge gap’
- Development of institutional setting and operations for transforming into a sustainable business is often a long and arduous process (with lessons for everyone), and requires serious commitment and lot of hard work
- Need for a **database of sustainability professionals, practitioners, institutions in various areas of specialisation** for attaching them with INDUS-Forum (with proper due diligence)
- Change is required not only within the leadership of companies but also among investors – to ensure movement towards better business
- INDUS-Forum should **facilitate ‘smart listening’** among its members – that is to promote listening and respect for all views
- A well-crafted and robust **system of stakeholder engagement** is crucial
- There are various opportunities for linking sustainable business practices with some of the priority programmes of the national government. Businesses need to realize these opportunities. Developing ‘Public-Private-Partnership’ models for achieving sustainability targets should be promoted
- In addition to promoting ‘smart connections’, INDUS-Forum should also create **‘strategic relations/synergies’ with other programmes** with aligned objectives

3.3 **Rijit Sengupta, CRB** highlighted the achievement and activities of the Forum till dat. He observed that the number of stakeholders engaging with the INDUS-Forum has kept increasing, indicating a positive interest among stakeholders to forge smart connections for achieving sustainable trade and investment. He reiterated that the INDUS-Forum provides a platform for engaging with stakeholders and identifying common solutions through collaborative methods. He shared that CRB, the Embassy and all interested organisations and businesses have **an extremely challenging yet exciting agenda** in hand (*making all trade and investment between the two countries sustainable*), and would need to contribute proactively to help INDUS-Forum achieve this.

4. Towards Sustainable Trade & Investment in key sectors - finding sustainability solutions together

4.1 Focused, interactive discussions took place on **three specific sectors** of mutual interest to The Netherlands and India, viz: **(i) agriculture and agri-business; (ii) apparel and textiles; and (iii) IT/IT enabled services**. Based on their experience and interest, participants were divided into these three groups (ensuring each group comprised a mix of businesses, NGOs and experts) to explore sustainability solutions in each of these sectors (broadly), based on cooperation and partnerships. The discussion in each group was moderated by a sector expert.

4.2 Here below is a **summary** of the discussions from each of the three sectoral groups, with specific **action points** for INDUS-Forum to consider.

Agriculture and Agri-business Sector

- Both the countries stakeholders need to come together and **co-create initiatives to address the challenging issues of water, credit/finance, market linkages, productivity, income of farmers, waste management, etc.** in this sector. This can be facilitated by the INDUS-Forum.
- In the Indian context, farm workers obtain lesser wage than that stipulated by the government, which is one of the biggest challenges in the agriculture sector. Need to be noted here that the present government (and several states) have resolved to double farmer's income by the year 2022.
- Technological immaturity in the Indian agriculture sector is a common phenomenon. **Low-cost technology driven solutions** can help retain the rural youth in agriculture in Indian villages. Several Dutch companies are active in this area and can cooperate with Indian counterparts to develop partnerships that help better manage inputs (soil and water conservation), improve linkages with the market, reduce food waste, etc.
- INDUS-Forum should carefully plot the **'critical needs' of Indian farming community** (broad, issue-based) that can be addressed by experiences/solutions available with providers based in the Netherlands, and create a database. Indian organisations and experts working with these farmers/farming communities can then use such a database to obtain/access some of these solutions.
- The Indian agriculture extension department has a huge role to play in order to ensure productivity increase, and thereby increase income of farmers. However, this government department has not performed well at all due to lack of R&D and various operational challenges on the ground.
- One of the possible ways to start initiating these collaborations would be to **organise regional workshops involving Indian and Dutch organisations** on some of these **key issues like soil and water conservation, market linkages, food waste reduction, etc.**

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Apparel & Textiles Sector

- The Apparel and Textiles (A&T) industry is complex with multiple stages and stakeholders. Therefore, the INDUS-Forum should **carefully identify some of the 'niche areas'** (related to sustainability) to attack and resolve, especially based on opportunities that the Netherlands offer.
- In the A&T Industry, it was observed that environmental pollution is prevalent because on many occasions the processes and systems are outdated and workers lack modern skills and techniques. Therefore, an element which would be useful for the domestic (Indian) A&T industry would be to **improve access to low-cost technology and skills** that will improve the productivity of these units and reduce negative environmental impacts.
- In the Netherlands a broad coalition of industry organisations, trade unions, civil-society organisations and the Dutch government agreed on a **covenant** concerning international responsible business conduct in the garment and textile sector. The parties combine forces in an effort to achieve practical improvements in and ensure the sustainability of the international garment and textile supply chain. For example, they want to address problems such as hazardous working conditions and environmental pollution.
- This 'covenant' (see: <https://www.ser.nl/~media/files/internet/talen/engels/2016/agreement-sustainable-garment-textile.ashx>) is a public document but is not yet known in India. INDUS-Forum should facilitate greater **public awareness about this 'covenant'** in India among key stakeholders (Indian suppliers/manufacturers, government entities, civil society organisations, experts, etc.). Workshops could be organised to develop a common understanding of the 'business case' for sustainability in the A&T sector, through partnership between Indian suppliers, Dutch brands/buyers and key actors in the sector.
- While the 'covenant' is a good start but this is still relying on the 'audit-the-supplier-practice'. Therefore, a multi-stakeholder process should be initiated to ensure that the principles of the 'covenants' are used to develop a **balanced commitment** whereby there is **agreement between both the buyers and the suppliers**. It needs to be borne in mind that apparel and textile sector employs a large number of people in the country and also contributes significantly to India's GDP.
- The INDUS-Forum **promotes two-way conversation between Dutch and Indian stakeholders on sustainability**, so that all the elements of sustainability are given equal importance on both sides. Such co-creation and collaboration will bring about better synergy between the needs of suppliers and buyers and help achieve better alignment with government policy and actors (e.g., involve Apparel Export Promotion Council and other organs of the Ministry of Textiles).
- INDUS-Forum should **facilitate meetings/discussion in different geographical areas within India**, enable smart connections between actors at various levels, develop database to enable smart connections.

IT & ITeS Industries Sector

- One key opportunity for IT & IT enabled Services (ITeS) to make an impact on topics of Sustainable business in India is in **waste management across a variety of industries**. Some of 'key needs' or 'challenges' in the sector comprise:
 - (i) *Knowledge Circulation*: data is not reaching appropriate audiences
 - (ii) *Best Practices Application*: should be customized based on specific market needs
 - (iii) *Data Simplification and Availability*: current systems are archaic and quality of information is not the same across geographies
 - (iv) *Culture Shift*: need to shift mindsets of institutions and companies to integrate sustainability as a business practice
 - (v) *Connectivity*: need action-oriented roles within companies to bring data to life via solutions that encourage the use of IT in a problem-solving way

- Given the above, some of the means for **creating industry support** are as follows:
 - (i) *Shared Economy/Knowledge*: big picture and ecosystem-driven solutions
 - (ii) *Community of Practice*: facilitate dialogue between companies to discuss use of solutions
 - (iii) *Standards and Platforms*: standardize way of using and sharing data
 - (iv) *Data Empowerment*: enable government and other sources of data to organize, understand, and empower through data sharing.

Annexure1: Programme Agenda

0900 - 0930hrs: Registration & Tea

0930 - 1000hrs: High-level Inaugural

- Welcome by Arun Asthana, Executive Director, CRB
- Inaugural Speech by Shri Rajiv Pratap Rudy, Hon'ble Minister of Skill Development and Entrepreneurship, Government of India (tbc)
- Keynote Address by H.E. Alphonsus Stoelinga, Ambassador of The Netherlands to India

1000 - 1100hrs:

Brief Update & Way Forward for INDUS-Forum Network

Chair: Marjan Schippers, Deputy Director, Ministry of Foreign Affairs, The Netherlands

- Rijit Sengupta, CRB

- Inputs received from businesses and stakeholders on INDUS-Forum
- Planned Operationalisation of INDUS-Forum Network:
 - Vision, objectives, governance and membership
 - Roles of and Benefits for actors and members
 - Activities on sustainable business for Indian and Dutch businesses and stakeholders (Knowledge Exchange, Annual Projects, Strategic Communication & Meetings)

Sustainability inspiration from Indus Steering Committee

- Arindom Datta, RaboBank India
- Amit Ganguly, GENPACT
- Aditi Halder, Global Reporting Initiative (GRI)
- Michiel Bierkens, Embassy of The Netherlands in India

Floor Discussions

1100 - 1230hrs:

GROUP WORK: Towards Sustainable Trade & Investment in Key sectors – findings sustainability solutions together:

Sectors	Moderators
Agriculture & Agro-business	Prashant Pastore, SOLIDARIDAD
Apparel & Textiles	Anup Gulati, T&A Expert
IT & ITeS Industries	Wijnand Broer, CREM

1230 - 1315hrs:

Group Presentations & Discussions

1315 – 1330hrs:

Closing Remarks

- Leonie van der Stijl, Embassy of The Netherlands in India
- Aline van Veen, Ministry of Foreign Affairs, The Netherlands
- Representative of CRB

1330hrs onwards:

Lunch

Annexure2: Gallery

