



## ENHANCING THE CAPACITY OF INTERMEDIARY BUSINESS ORGANIZATIONS IN NEPAL (ECIBON)



**Project: Funded by the European Union  
Implemented by European Economic Chamber (EEC) – Nepal**

**Meeting of Nepalese IBOs to establish an IBO-Network**

**16 & 17 January 2008**

**Venue**  
Banquet Club  
Uttar Dhoka Sadak, Lainchour, Kathmandu

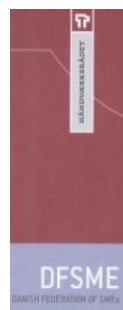
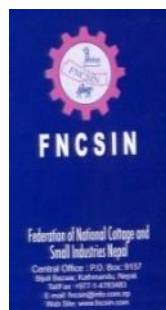
**Proceedings report of the two day meeting organized by ECIBON Project**

### **Partnership Composition**

European Economic Chamber of Trade, Commerce and Industry (EEC)-Nepal  
Federation of National Cottage and Small Industries Nepal (FNCSIN), Nepal  
Chamber of Commerce and Industry of Southern Sweden (CCISS), Sweden  
London Chamber of Commerce and Industry (LCCI), Great Britain  
The Danish Federation of Small and Medium-Sized Enterprises (DFSME), Denmark



Chamber of Commerce and Industry  
of Southern Sweden



**Program proceedings for first two activities 3.1.1 and 3.1.2  
Scheduled for 16 & 17 January 2008 (Magh 2 & 3 2064)**

**3.1.1) Organise a meeting for Nepalese IBOs**

- to establish an IBO- network.
- to determine an Advisory Committee for the project:
- to determine a schedule for meetings of the Advisory Committee once every 4 months:
- to determine the way of cooperation within the Nepalese intermediary network:
- to make a further detailed inventory among the Nepalese intermediary network of expectations / requirements

**3.1. 2) Sign cooperation agreements within the Nepalese intermediary network**

Based on the inventory of expectations / requirements collected from the benefiting IBOs of the IBO-network at the IBO-meeting, EEC-Nepal and FNCSIN will prepare the different cooperation agreements of each IBO and send them for their comments. When benefiting IBOs give their agreement the cooperation agreement will be finalized and signed by EEC-Nepal and the specific IBO for both administrations.

**Official Launching of the Project**

| <b>Day One (16 January 2008), Wednesday</b> |  |  |
|---|--|--|
| <b>Time</b>                                 | <b>Activity description</b>  | <b>Remarks</b>   |
| 10.00-10.30                                 | Introduction session ( 30 participants from 15 beneficiary, 2 from EEC Nepal, 2 from FNCSIN) in total 34 participants + 1 Moderator + 1 rapporteur   | 1 Moderator<br>1 Rapporteur<br>will also attend the function |
| 10.30-11.00                                 | Activity briefing in detail  |  |
| 11.00-11.30                                 | Distribute compiled information on 15 beneficiary, EEC-Nepal and FNCSIN (Contact person, Telephone, Fax, Email, Internet, Website and other information to each participants to established IBO network among beneficiary, EEC-Nepal and FNCSIN  |  |
| 11.30-12.30                                 | Discuss and define the procedure of forming Advisory Committee for the project   |  |
| 12.30-13.30                                 | Lunch break  |  |
| 13.30-14.30                                 | Formation of Advisory Committee  |  |
| 14.30-14.45                                 | Tea Break  |  |
| 14.45-15.15                                 | Define Advisory Committee meeting Schedule (Month, Day, Time for whole project period (One meeting in every 4 months   |  |
| 15.15-16.00                                 | Briefing about the role and responsibility of Advisory Committee   |  |
| 16.00-17.00                                 | Discuss and determine the way of co-operation and communication between 15 beneficiary, EEC-Nepal and FNCSIN <ul style="list-style-type: none"> <li>• Means of communication</li> <li>• Frequency</li> <li>• Circulation of meeting minutes of Advisory Committee</li> <li>• Circulation of Project financial report</li> <li>• How no advisory members can provide inputs to project and advisory committee?</li> </ul> |  |
| 17.00- 17.30                                | Tea Break / Close of session   |  |

| <b>Day Two (17 January 2008), Thursday</b> |  |   |
|--|--|---|
| <b>Time</b>                                | <b>Activity description</b>  | <b>Remarks</b>                                    |
| 10.00-12.00                                | Collection of capacity building expectation and requirement from 15 beneficiary on different issues: <ul style="list-style-type: none"> <li>• expectation and requirement from the project</li> <li>• expectation and requirement from each activity</li> <li>• expectation and requirement from Advisory Committee</li> <li>• Financial expectation and requirement</li> <li>• Administrative expectation and requirement</li> </ul>  |   |
| 12.00-13.00                                | Distribute discuss and finalize the draft cooperation contract among beneficiary and finalization  |   |
| 13.00-14.30                                | Lunch break  |   |
| 14.30-17.30                                | ECIBON project First Advisory Committee meeting (only Members of Executive Committee from respective organization) <ul style="list-style-type: none"> <li>• Project Manager welcomes newly elected advisory committee members.</li> <li>• Briefing on the role and responsibility of Advisory Committee based on project document.</li> <li>• Present the meeting agenda and documents to all members.</li> <li>• Intensive discussion on each agenda and decision made in each agenda or issues based on majority. (Minority can put their note of decent)</li> <li>• Closing remarks by EEC-N President</li> </ul> | Project Manager will prepare the meeting minutes. |
| 18.00                                      | Official Launching of the project followed by Reception  |   |

**Venue:** The Banquet Club  
Uttar Dhoka Sadak (Next to EU Commission to Nepal Office)  
Lainchur

**Date:** 16 & 17 January 2008  
02 & 03 Magh 2064

**Days:** Wednesday & Thursday

## **Proceedings Report of the meeting**

### **Day one (16 January 2008)**

The program was kicked off with a warm welcome speech by Mr. Binayak Shah, Secretary General of EEC-Nepal on January 16 held at Banquet Club, Uttar Dhoka Sadak, Lazimpat, Kathmandu.

As per the project's plan, a two day program was organized in a bid to establish IBO-network of Nepalese business enterprises, formation of an Advisory Committee for the project, possible cooperation within the Nepalese intermediary network and explore expectations and requirements of entrepreneurs for future course of actions aimed at capacity building initiatives.

Mr. Dibya Mani Rajbhandari, President of EEC-Nepal welcomed the participants and motivated IBOs representatives to actively participate at the two-day meet identifying their needs and requirements in capacity building initiatives taken by European Economic Chamber (EEC)-Nepal.

He made the participants aware of the fact that the European Commission monitors all activities carried out by Nepalese IBOs on capacity building through the ECIBON project. This is really a testing time for all of us to show our knowledge and skills for implementing project acquired by EEC-Nepal for the capacity building of IBOs, he added.

I request all chambers/institutions to explore their needs and requirements on how they can build their institutional capacity to boost their businesses, said Mr. Rajbhandari. As we are here from SMEs category, we need to work for service delivery and effectively utilize EC's aid for our benefits, said Rajbhandari.

All IBOs representatives should explore the possibilities to reap benefits from the project as we are gradually facing survival threats due to increased global competition, said Mr. Rajbhandari.

After speaking a few words about the project and stimulating words for IBOs, the floor was opened up for introduction.

Representatives from 15 IBOs introduced their organizations and areas of interests and business activities they are being involved. They spoke about the areas of interest and the potential products that small and medium entrepreneurs could exploit in the days to come.

Some of the businesspersons associated with chambers raised the issues such as market promotion, quality enhancement, and skill development, market access of the products, and resource mobilization for capacity building and sought the ways/strategies to penetrate in the global market *albeit* in small quantity of products they manufacture.

Mr. Jung Bahadur Shrestha, President of Federation of Nepalese Cottage, Small Industries (FNCSI-Nepal) highlighted on the activities carried out by the Federation in the past and also the linkages it has developed to promote small and medium scale industries across the country.

He was of the opinion that unless small and medium scale industries move towards development, Nepal's economy would not be advanced and sustainable. He also informed that FNCSIN would be holding a national conference in the month of April 2008. He said that despite Europe having potential market for Nepali products, entrepreneurs lacked skill/knowledge in marketing the products. Therefore, through this project intermediary business organizations would be able to learn some useful tools to develop better strategies and apply the same to boost the export sector, said Mr. Shrestha.

Mr. Binayak Shah, Secretary General of EEC-Nepal talking about the meeting's objectives said that networking and cooperation among IBOs were needed for socio economic development of the country. Today's meeting will also discuss on the formation of advisory committee of the ECIBON project to expedite its activities for effective implementation of the project, said Mr. Shah.

As EEC-Nepal is the lead implementer of the project which is funded by the European Union, Mr. Shah mentioned five implementing partners. They are EEC-Nepal, Federation of National Cottage and Small Industries Nepal (FNCSIN), Chamber of Commerce and Industry of Southern Sweden (CCISS), Sweden, London Chamber of Commerce and Industry (LCCI and the Danish Federation of Small and Medium Sized Enterprises (DFSME).

He said that the project's period lasts until January, 2010 which started back in August 2007.

Primarily, the project aims at making Nepalese IBOs better equipped to service local SMEs and European intermediary counterparts to facilitate trade between Europe and Nepal, said Mr. Shah. The target group of the project, according to Mr. Shah, is at least 15 Nepalese business IBOs whose capacity can be strengthened through training, information provision and a strengthened and broadened network.

The project office (PO) conducts courses on trade between Nepal and Europe, in London and Nepal. PO makes an assessment of opportunities for potential trade and trade-related procedures and requirements with reference to trade between Nepal and the EU. Gradually, IBO network of the Nepalese and International will be established.

He mentioned various issues related to the selection criteria of IBOs such as permanent office set up, associations having members (whose products are export potentials with European market, geographical coverage (at least one from five development regions, eager or willingness to learn and develop and cooperate with project office, work performance/programs over the last three years, working relationship with EU organizations/companies in Europe, among others.

The selected beneficiaries of the project as per the set criteria are Nepal Carpet Exporters Association (NCEA), Nepal Coffee Producers Association (NCPA), Floriculture Association Nepal (FAN), Rupandehi Industry Association (RIA), Lalitpur Handicraft Association (LHA) and Baglung Chamber of Commerce and Industries (BCCI). Similarly, other includes Nepalgunj Chamber of Commerce and Industries (NCCI), Itahari Chamber of Commerce and Industries (ICCI), Nuwakot Chamber of Commerce and Industries (NCCI), Darchula Chamber of Commerce and Industries (DCCI), FNCSIN-District Committee Kathmandu, FNCSIN-District Committee Bhaktapur, FNCSIN-District Committee Makwanpur, FNCSIN District Committee Dhading, FNCSIN District Committee Dolakha.

**List of participants:**

| <b>SN</b> | <b>Name of participants</b> | <b>Designation</b>        | <b>Organization</b> |
|-----------|-----------------------------|---------------------------|---------------------|
| 1         | Mr. Gopi P. Dhungana        | Executive Member          | NCPA Kathmandu      |
| 2         | Mr. Dhakeswor Ghimire       | President                 | NCPA Kathmandu      |
| 3         | Ms. Sarita Dhungana         | Secretariat Staff         | NCPA Kathmandu      |
| 4         | Mr. Manoj Amatya            | Executive Member          | NCEA Kathmandu      |
| 5         | Mr. Rajan Neupane           | Secretariat Staff         | NCEA Kathmandu      |
| 6         | Mr. Arun Chhetri            | Executive Member          | FAN Kathmandu       |
| 7         | Mr. J.B. Tamang             | Program Officer           | FAN Kathmandu       |
| 8         | Mr. Azaj Alam               | President                 | RIA Rupandehi       |
| 9         | Mr. Tika Ram Sharma         | Program Officer           | RIA Rupandehi       |
| 10        | Mr. Deependar Shakya        | Secretary General         | LHA Lalitpur        |
| 11        | Ms. Sapana Maharjan         | Office Secretary          | LHA Lalitpur        |
| 12        | Mr. Dhruva Raj Gautam       | President                 | Baglung CCI         |
| 13        | Mr. Nil Bahadur KC          | Program Officer           | Baglung CCI         |
| 14        | Mr. Damodar Acharya         | President                 | Nepalgunj CCI       |
| 15        | Mr. Bikal K. Shrestha       | Secretariat Staff         | Nepalgunj CCI       |
| 16        | Mr. Pradeep K. Gupta        | Executive Member          | Nepalgunj CCI       |
| 17        | Mr. Tanka Prasad Dulal      | President                 | Itahari CCI         |
| 18        | Mr. Nobindra Katwal         | Secretariat Staff         | Itahari CCI         |
| 19        | Mr. Basant Rijal            | Secretariat Staff         | Nuwakot CCI         |
| 20        | Mr. Birendra Raj KC         | Executive Member          | Nuwakot CCI         |
| 21        | Mr. Gobinda Balab Badu      | Executive Member          | Darchula CCI        |
| 22        | Mr. Puskar Raj Joshi        | Secretariat Staff         | Darchula CCI        |
| 23        | Mr. Prachanda Dev Manandhar | Executive Member          | FNCSIN Kathmandu    |
| 24        | Ms. Sulochana Rajbhandari   | Secretariat Staff         | FNCSIN Kathmandu    |
| 25        | Mr. Bishow Ram Duwal        | Executive Member          | FNCSIN Bhaktapur    |
| 26        | Ms. Ranjana Khichaju        | Secretariat Staff         | FNCSIN Bhaktapur    |
| 27        | Mr. Mohan B. Katuwal        | Executive Member          | FNCSIN Makawanpur   |
| 28        | Mr. Tej Prasad Upreti       | Secretariat Staff         | FNCSIN Makawanpur   |
| 29        | Mr. Santa Bikram Baniya     | Executive Member          | FNCSIN Dhading      |
| 30        | Mr. Ramesh Adhikari         | Secretariat Staff         | FNCSIN Dhading      |
| 31        | Mr. Santa Krishna Shrestha  | Executive Member          | FNCSIN Dolkha       |
| 32        | Mr. Santa Krishna Joshi     | Secretariat Staff         | FNCSIN Dolkha       |
|           | <b>OTHERS</b>               |                           |                     |
| 33        | Mr. Dibya Mani Rajbhandari  | President                 | EE-Nepal            |
| 34        | Mr. Binayak Shah            | Secretary General         | EEC-Nepal           |
| 35        | Mr. Jung Bahadur Shrestha   | President                 | FNCSIN              |
| 36        | Mr. Bau Kazi Maharjan       | Secretary General         | FNCSIN              |
| 37        | Mr. Nishikant Hate          | Advisor                   | EC-India            |
| 38        | Mr. Pravakar Rana           | Project Manager           | ECIBON              |
| 39        | Mr. Bimal Parajuli          | Assistant Project Manager | ECIBON              |
| 40        | Mr. Gopal Tiwari            |                           | Rapportoire         |
| 41        | Mr. Deepesh Shrestha        |                           | IT                  |

At the project presentation meeting, Mr. Shah presented in detail the activities of the project. Moreover, Mr. Shah at the beneficiaries' meeting also mentioned the level of involvement of each partner chambers in the project implementation period. He mentioned that additional 80 IBOs would also benefit from ECIBON project besides 15 main IBOs, as an aim is to boost the capacity of small scale business organizations.

Following the presentation of Mr. Shah, various participants of the meeting gave their comments which are as follows:

### **Comments from the Floor**

The representative of the Nuwakot Chamber of Commerce and Industry (NCCI) was quite enthusiastic in asking question in line with the project's objectives. He raised the issue of enhancing the capacity of entrepreneurs to exploit increasing potentials of exportable products and sell the same in international market.

Take the example of coffee, we don't have market for coffee for which we need to work aggressively to search market, said the representative. To export our product to other countries, quality maintenance is the key. Similarly, we hope that project's support will also be in line with identifying potential exportable sectors and motivate the entrepreneurs to that end, said NCCI representative.

Despite Dubai is the potential market for Nepali products, we have not been able to exploit it, said NCCI representative requesting the ECIBON project to help the entrepreneurs for market access, developing Nepali branding and maintaining better quality.

Meanwhile, President of FNCSIN Mr. Jung Bahadur Shrestha stressed for enhancement of product quality, market promotion, standards and other marketing network to penetrate in the global markets. At the same time, Mr. Shrestha said, technical inputs are also necessary for better quality of products.

The representative of FNCSIN, Kathmandu District Committee, asked the floor on what can we do to promote our businesses at a time when the country is facing various problems in economic front. In such a context, how can we promote our businesses, he raised his concerns. He said that there are problems in politics, labor sector, reform initiatives of the government, enhancing the quality of products, among others. He asked the project team on how the ECIBON can help in resolving these problems for the betterment of business and economic activities in a changed political and economic context.

Mr. Bimal Parajuli, Assistant Project Manager of the ECIBON project clarified the queries/concerns saying that the project has already devised programs for the IBOs to enhance their capacity and also business promotion which would be discussed at length later on. He appealed to all 15 IBOs participants to communicate with each other through developing network that would help in enhancing partnership cooperation.

Mr. Dibya Mani Rajbhandari, President of EEC-Nepal strongly stressed that European Commission (EC), whatever we do, monitors all the activities. He said that we need to make strong advisory committee. As there is also a need to enhance the capacity of

entrepreneurs out of the valley, we have programs out of the valley as well, and entrepreneurs are requested to take benefits from that program as well, said Mr. Rajbhandari.

The project office, with independent evaluation and selection criteria, had selected 15 IBOs which can cover as much as possible to support businessmen, said Mr. Rajbhandari. Of the 15 IBOs, five would be selected in the Advisory Committee that would monitor, supervise and give instructions to the project team to effectively carry out planned activities, he said.

Mr. Nishikant Hate, Advisor, Delegation of the European Commission to India, Bhutan and Nepal as an Observer at the Beneficiaries' meeting in Kathmandu opined that if women could be included in the advisory committee, it would be helpful for the project team for effective implementation of the project and in the perspective of inclusive approach. The women's involvement in at the implementation level of the project seems quite crucial and turns out to be quite productive as well, said Mr. Hate.

Mr. Hate raised a question on the proposed activity of the project titled seminar on doing business with the EU and / particularly with Great Britain. In reply, Mr. Binayak Shah said that the program on the above issue particularly with Great Britain is being done, thanks to their own area of expertise, and their involvement in developing the program as per the requirements of the IBOs.

Mr. Hate mentioned that if IBOs/chambers do not have website to upload their activities, ECIBON project can support to construct the websites, and at the same time, chambers/IBOs websites can maintain linkages with ECIBON project website that would really help the entrepreneurs, he said.

As the ECIBON is bringing experts from Europe to give training for Nepali IBOs/businesspersons, they should be informed on the style and teaching be made very simple to make the trainees completely aware on the issues/subjects they are trying to learn. Mr. Hate emphasized that the training reports/materials be made both in English and Nepali.

## **Second Session**

During the second session of the beneficiaries' meeting on January 16, an Advisory Committee representing from various parts of the country was formed through consensus among IBOs.

At the meeting, Mr. Jung Bahadur Shrestha, President of FNCSIN announced the names of the two persons to be incorporated in the Advisory Committee on behalf of the Federation namely Mr. Mohan Bahadur Katuwal from the Makawanpur Chamber of Commerce and Industry (MCCI) and Ms. Sulochana Rajbhandari, from FNCSIN-Kathmandu District Committee as per unanimous understanding of the federation executive members.

Similarly, other unanimously nominated members to represent at the advisory committee were from Itahari Chamber of Commerce and Industry, Nepalgunj Chamber of Commerce and Industry, and Rupandehi Chamber of Commerce and Industry.



Commenting on the selection of the members at the advisory committee, Mr. Rajbhandari, President of EEC-Nepal expressed hopes to work smoothly and effectively as per project's plans and programs.

Talking about the task of the Advisory Committee, Mr. Rajbhandari said that it basically monitors and gives inputs to the project team to effectively operate the project. AC would be in touch with the beneficiaries and discuss openly on their requirements, as EEC-Nepal and FNCSIN are only representatives to link the consortium and the Nepalese beneficiaries.

The nine-member advisory committee is headed by Mr. Dibya Mani Rajbhandari, President, EEC-Nepal.

### **Advisory Committee formed on January 16, 2008 with the consent of all IBOs**

Mr. Dibya Mani Rajbhandari, President of EEC-Nepal  
Mr. Binayak Shah, Secretary General, EEC-Nepal  
Mr. Jung Bahadur Shrestha, President, FNCSIN  
Mr. Babu Kaji Maharjan, Secretary General, FNCSIN  
Mr. Mohan Bahadur Katuwal, President, Makwanpur Chamber of Commerce and Industry  
Ms. Sulochana Rajbhandari, FNCSIN-Kathmandu District Committee  
Mr. Tanka Prasad Dulal, President, Itahari Chamber of Commerce and Industry  
Mr. Damodar Acharya, President, Nepalgunj Chamber of Commerce and Industry  
Mr. Azaj Alam, President, Rupandehi Industry Association, Butwal

After the formation of the Advisory Committee (AC), Mr. Rajbhandari, Chairperson of the Committee said that it would work as per the needs of the project, do consult with IBOs and seek their advice at times for effective implementation of the project. He also emphasized that while holding the meeting of the AC, attendance of the project manager is a mandatory in the meeting as EEC-Nepal controls the project and the total responsibility and liability is bestowed upon the chamber. Project Manager should take all responsibilities of the project, Mr. Rajbhandari said.

Mr. Bimal Parajuli, Assistant Project Manager of the ECIBON project mentioned that the role of the Advisory Committee is to guide, monitor, advice and give inputs to the project Team for better outputs. He added that the participation of beneficiaries is a must in the meeting to make the project activities result-oriented.

After the formation of AC, IBOs were motivated towards discussion for determining the ways of cooperation between IBOs and project office.

Mr. Bimal Parajuli explored on means and frequency of communication between all IBOs to develop strong network in order to enhance the capacity of the organization as per the project's objectives.

### **Means of Communication**

Mr. Mohan Bahadur Katuwal, President of Makwanpur District Committee of FNCSIN commented that e-mail was the best way of communication to develop network, understand latest activities of the project and share valuable information for capacity building of the IBOs.

The representative of Floriculture Association of Nepal said that the best way of communication for understanding the activities of the project and share useful information was through email and telephone.

The representative of Bhaktapur District Committee of FNCSIN said that the best way of communication were through telephone, email and fax.

For Itahari Chamber of Commerce and Industry, the best means of communication were fax and telephone.

The representative of Nuwakot chamber of Commerce and Industry says that email; fax and telephones were the best way of communication for increasing our network and share information of the project and the chamber.

Rupandehi Industry Association representative said that in today's environment, email, telephone, letters and fax were the best means of communication to make us updated about the activities of the project and share useful information for the betterment of our entrepreneurs.

The representative from Dhading District Committee of FNCSIN said that email was the best way of communication to share our information.

The representative of the Nepal Coffee Producers Association said that fax, telephone, office delivery were the best way of communication to make us informed and also share useful information.

Darchula Chamber of Commerce and Industry representative said that fax, telephone were the best means of communication with them.

FNCSIN-Dolkha District Committee representative said that telephone, fax and emails are the best means of communication.

Majority of the chambers/IBOs said that fax, email and telephone can be the best and effective way of communication for effective IBOs networking and keep all activities of the project and chamber updated for better result.

## **Frequency**

FNCSIN-Makwanpur District Committee said that frequency should be during mornings and evenings and also as and when necessary.

Kathmandu District Committee of FNCSIN said that best time would be mornings at 10.00 and evenings after 3 pm and the project should also fix the schedule.

Similarly, Nepal Chamber of Commerce and Industry said suitable timing for the chamber would be from 1 pm to 3 pm and on all working days.

Floriculture Association of Nepal said that timing of the contact can be from 10 am to 5 pm and also on a regular basis.

FNCSIN District Committee of Dhading representative wants timing from 11 am to 2 pm for contacting at office on a regular basis.

Itahari Chamber of Commerce and Industry said that frequency should be regular and the best contact timing would be 11 am to 2 pm.

Majority of the IBOs representatives said that the appropriate contact timing would be during the day time on a regular basis.

All IBOs representatives said that that the meeting minutes of every Advisory Committee should be circulated to all stakeholders.

Regarding the financial reports circulation to all IBOs, every representative asked to make available of the financial reports to maintain transparency and effective implementation of the project.

Meanwhile, Mr. Nishikant Hate, Advisor of Delegation of the EC to India, Bhutan and Nepal stressed that transparency is needed while carrying out project's activities. However, all IBOs, I think, would not be interested in such matters, he opined . Those who are interested on financial document can be circulated upon request; he said adding that the IBOs can also do correspond with project team as the people are there to facilitate them. Similarly, there is also a need to circulate the calendar of advisory committee meeting, he said.

IBOs raised the timing of the advisory committee meeting and asked for sending schedule on time. In reply, Mr. Bimal Parajuli, Assistant Project Manager of the ECIBON said that IBOs would be invited in every program. He said that the meeting of the Advisory Committee would be held every six months.

IBOs also said that through AC, we need all information about the project implementation activities.

At the end, Mr. Pravakar Bickram Rana, Project Manager of ECIBON gave closing remarks and informed the meet about next day's proposed activities.

## **Day two: January 17**

### **Meeting for Nepalese IBOs to establish an IBO-network**

On 17 January, Mr. Binayak Shah, Secretary General of EEC-Nepal kicked off the meeting requesting all participants to discuss within the framework of the project's designed activities.

Mr. Pravakar Rana and Mr. Bimal Parajuli moderated the discussion focusing on the collection of capacity building expectations and requirements from 15 beneficiaries on following activities:

#### ***1.1.1) Seminar on 'Doing Business with the EU and particularly Great Britain'***

This seminar is given by LCCI in Kathmandu. The seminar takes 2 days and will be given twice. Participants of this seminar are 30 representatives of Nepalese 15 beneficiaries IBOs (two each). (Month: May 2008)

#### ***1.1.2) Seminar on 'Chamber management and Administration' and 'Membership Recruitment'***

This seminar is given by the CCISS in Kathmandu. The seminar takes 3 days and will be given twice. Participants of this seminar are 30 representatives of Nepalese 15 beneficiaries IBOs (two each). (Month: January 2008)

#### ***1.1.3) Seminar on 'How to arrange and carry out Match-Making activities and events' and 'How to prepare and participate in Trade Fairs and Exhibitions'***

This seminar is given by parallel by CCISS and DFSME in Kathmandu. The seminar takes 2 days and will be given twice (4 days). Participants of this seminar are 30 representatives of Nepalese 15 beneficiaries IBOs. (Month: April 2008)

#### ***1.1.4) Seminar on International Documents and Payments' and 'Regional policy in Economy and Infrastructure'***

This seminar is given by the CCISS in Kathmandu. The seminar takes 2 days and will be given twice. Participants of this seminar are 30 representatives of Nepalese 15 beneficiaries IBOs (two each). (Month: July 2009)

#### ***1.1.5) Training on relevant EU/WTO quality and social standards issues applicable***

The aim of this training is to impart knowledge on EU/WTO quality and social standard issues applicable to Nepalese entrepreneurs in relation to EU standards. This training will be provided by 2 sub-contracted Nepalese experts. This training of 2 days will be implemented in 4 different locations (to be identified) in Nepal. (Month: March, April, May & June 2009)

#### ***1.1.6) Marketing / international business training for Nepalese IBOs.***

The aim of this training is to impart knowledge on marketing and international business for Nepalese IBOs. Nepalese entrepreneurs are quite competent in production but lack behind in marketing and international business transaction. This training will be provided by Nepalese local experts. This training of 4 days will be implemented in 4 different locations (to be identified) in Nepal. (Month: September & November 2008, January & March 2009)

### **2.1.1) Assessment of opportunities in -three- sub-sectors for potential trade**

The aim of this assessment is to produce, a study on three target sub-sectors of trade between Nepal and the EU. This assessment will be carried out in Nepal, Scandinavia and the United Kingdom. The assessment will be a useful reference during the implementation of the project as well as a part of the annual trade report (activity 2.2.3). (Month: April, May & June 2008)

### **2.1.2) General assessment of trade related procedures and requirements**

This assessment aims to determine all trade related policies, systems and step by step procedures for smooth trade between EU and Nepal. This assessment will be carried out in Nepal, Scandinavia and the United Kingdom. (Month: August, September & October 2008)

### **2.2.2) Direct mailing campaign to raise awareness among Nepalese SMEs**

This activity envisages addressing a direct mailing campaign directed at 80 Nepalese IBOs to raise awareness and build the capacity among them as well as Nepalese SMEs of business opportunities in Europe, related technicalities and the available knowledge among existing Nepalese IBOs. (Month: November & December 2008, January 2009)

### **2.2.3) Preparation of first annual EU Trade Report by EEC-Nepal**

The importance of trade as a factor for development and growth is becoming more and more evident. If accompanied by the proper flanking policies and if used correctly, trade policies can provide opportunities for promoting economic development and tackling poverty alleviation. However, issues such as tariff, non tariff barriers, quality, and standard issues always come in the way of facilitating trade. (Month: May, June & July 2009)

### **3.1.1) Organise a meeting for Nepalese IBOs**

- to establish an IBO- network.
- to determine an Advisory Committee for the project:
- to determine a schedule for meetings of the Advisory Committee once every 4 months:
- to determine the way of cooperation within the Nepalese intermediary network:
- to make a further detailed inventory among the Nepalese intermediary network of expectations / requirements: (Month: November & December 2007, January 2008)

### **3.1. 2) Sign cooperation agreements within the Nepalese intermediary network**

Based on the inventory of expectations / requirements collected from the benefiting IBOs of the IBO-network at the IBO-meeting, EEC-Nepal and FNCSIN will prepare the different cooperation agreements of each IBO and send them for their comments. When benefiting IBOs give their agreement the cooperation agreement will be finalized and signed by EEC-Nepal and the specific IBO for both administrations. (Month: November & December 2007, January 2008)

### **Expectations and requirements from the project**

IBOs representatives said that as per the requirements of the chambers, project office should help in revenue mobilization, leadership development, skill development activities, secretariat management, strategies and policy reforms and office management.

To enhance the capacity of the IBOs, the project should provide training, tour, specialized training about food and hygiene issues, organize product development workshop, storage establishment, trade fair participations, among others. The project team could also help the chambers/IBOs with better ideas on fund generation, a IBOs representatives demanded

Some of the IBOs had asked for training on secretarial management to make the chamber more attractive that will ultimately attract businesspersons to be a member of the chamber.

The project office has to, according to participants, identify the requirements of the members of the chambers and also help in secretarial management with some sort of training packages.

Some IBOs sought the support of the project for management of human resources, management of office layout and strategies mobilization financial resources. The focus of the project should be, IBOs stressed, on capacity building organizing training programs, leadership development training, training for secretariat staff to operate office effectively, computer training program and awareness campaign about chamber's activities so that membership of the chamber would increase that will ultimately strengthen the chambers.

### **Expectations of a seminar on doing business with Europe particularly with Great Britain**

The trainers of the Great Britain have to give training and inputs as per the demand of the IBOs to be benefited said the participants . The representative of Nepalgunj Chamber of Commerce and Industry sought the support of the project in identifying finding the products that can be exported to EU countries, standards requirements of the products and procedures for export promotion businesses in European Union.

The representative from Lalitpur Handicraft Association asked the project for support on increasing knowledge about e-business.

IBOs demanded the project should help in identifying and enhancement of quality goods to export to EU, demand of the goods there, existing legal procedures, information on post-harvesting and pest issues, packaging, handling and forwarding procedures including payment delivery. Not only that if Nepalese IBOs knew on business policy of EU, Europe's problems while doing business with Nepal, potential products to be exported to GB and quality maintenance ways, they can really expedite their business activities being quite competitive IBOs participants said .

The representative from Nuwakot Chamber of Commerce and Industry said that businesspersons are desperately looking for project's support in in impressing the quality of products . Not only that, due to lack of cold storage, businessmen are facing troubles to store their goods, said NCCI representative.

Some of the districts do hold potentials for non-timber forest products, but businesspersons are not able to exploit that potential for which the project can support to build their capacity, said the IBOs.

IBOs sought the support from the project to identify ways and means to do business with Great Britain to increase Nepalese business relations. Some were asking for the support in identifying market demand in Great Britain and process and policy issues of trade in EU to boost Nepalese businesses.

### **Marketing/international Business Training for Nepalese IBOs**

While giving training for Nepalese IBOs, experts coming from EU or other countries should be well versed on EU/WTO quality and social standards issues applicable in a changed globalized trading regime.

Even for giving training, experts who are coming here should possess product-based knowledge so that we, IBOs, can be benefited. Equally important is that experts should have enough knowledge on technical part. While giving training for IBOs, there should be need-based/product based that has to be informed to foreign trainers / experts who are supposed to be in Nepal in future.

The experts who are coming here to give training should have practical knowledge for doing business with EU market, similarly program for *allo* product should have special programs focusing on quality and marketing. As marketing is crucial, marketing training should be conducted bringing experts from EU, and Nepalese government officials should also participate at the training programs, among others, IBOs demanded .

The marketing training should also focus on technology transfer, local market promotion, and international market promotion, that would help in enhancing entrepreneurs' capacity. This would help the project to meet mostits objectives as well .

Some IBOs also stressed for involving the local experts as well while giving training to IBOs who will teach on marketing mechanisms at the local and international level understanding the local exporters' requirements.

Mr. Hate said that I am here as an Observer as EC financed the project and the project team has total responsibility to implement the project successfully. I don't think there is any scope for financial support to the chambers but it is good that IBOs representatives raised the issue on product development and training on specific product, commented Mr. Hate. However, it may be difficult for the project to give training on specific product, he further added.

He suggested that businessmen have to do research on buyers' needs. Regarding the quality enhancement issue, the project can address which is relevant as well, he said. Without quality, governments in Europe do not allow companies to import, adding he said that legal procedures are quite complicated. Regarding cold storage, Hate said that there is a huge problem even in India and this issue can be put on Advisory Committee. EC does want to see better exports between Nepal and EU but not at the local level. The issue of local marketing can be discussed with Advisory committee, Hate opined.

Representatives from IBOs attending at the meeting said that experts from EEC-Nepal could really be helpful for us to identify better ways regarding marketing issues.

All IBOs finalized and signed cooperation contract with EEC-Nepal, the lead implementing agency of ECIBON project.

Giving his closing remarks, Mr. Jung Bahadur Shrestha, President of FNCSIN commented that the expectations of the IBOs are very pertinent who represented the two-day meeting quite seriously. I expect myself that whatever is produced should be sent to the market, he said.

Mr. Shrestha suggested the entrepreneurs to understand system, taxes and other procedures while exporting products. Take for example the case of Pashmina (shawls) and sweaters which we cannot produce in large quantity as per the demand, said Shrestha urging all related businesspersons to go collectively in export promotion.

We expect that EU will do support us to boost our export in the context of WTO and tough competition going on at the global level, said Shrestha. He stressed for quality training. We need to be active and try to use all available internet sources for information seeking market globally, he opined. "Nepali product is not found to be competitive thanks to high cost of production. Existing problems of Nepal such as conflict has affected our business to a great extent." he added .

At the end of the program, IBOs participants also expressed their happiness for participating at the training program which will be useful in our business operations in the days to come.

Mr. Dibya Mani Rajbhandari, President of EEC-Nepal at the end of the program thanked all IBOs representatives, Mr. Hate and other participants for actively participating at the two-day long program and expressing their willingness to work jointly in capacity building areas.

### **Second Session:**

After the conclusion of the beneficiaries' meeting, the first Advisory Committee meeting was held at the Banquet Club, Kathmandu under the chairmanship of Mr. Dibya Mani Rajbhandari who is also the president of EEC-Nepal.

### **Members attending at the Advisory Committee were as follows:**

Mr. Dibya Mani Rajbhandari, President of EEC-Nepal  
Mr. Binayak Shah, Secretary General, EEC-Nepal  
Mr. Jung Bahadur Shrestha, President, FNCSIN  
Mr. Babu Kaji Maharjan, Secretary General, FNCSIN  
Mr. Mohan Bahadur Katuwal, President Makwanpur Chamber of Commerce and Industry  
Ms. Sulochana Rajbhandari, FNCSIN-Kathmandu District Committee  
Mr. Tanka Prasad Dulal, President, Itahari Chamber of Commerce and Industry  
Mr. Damodar Acharya, President, Nepalgunj Chamber of Commerce and Industry  
Mr. Azaj Alam, President, Rupendehi Industry Association, Butwal

### **Invitees:**



Mr. Nishikant Hate, Advisor, EC Delegation to India, Bhutan & Nepal  
Mr. Pravakar Rana, Project Manager, ECIBON Project  
Mr. Bimal Parajuli, Assistant Manager, ECIBON Project

Minute of the First meeting of the of the Advisory Committee of ECIBON Project has agreed to place in record following decisions, unanimously arrived at the meeting on the agenda put forward by the project office for deliberation and decision.

**Agenda of the meeting:**

1. Briefing on the role and responsibility of Advisory Committee based on project document.

**Deliberations and Decisions:**

The proceedings of the meeting commenced after Project Manager informed the house that all nine members were present at the meeting and this number exceeded the mandatory quorum required. President, of the European Economic Chamber-Nepal, Mr. Dibya Mani Rajbhandari chaired the meeting:

1. President Mr. Rajbhandari at the meeting welcomed the newly nominated members of the Advisory Committee of ECIBON project. (Unanimously five (5) IBOs were selected by 15 IBOs on 16 January 2008 at first IBOs meeting and represented by the followings:

Mr. Mohan Bahadur Katuwal, President, Makwanpur Chamber of Commerce and Industry  
Ms. Sulochana Rajbhandari, FNCSIN-Kathmandu District Committee  
Mr. Tanka Prasad Dulal, President, Itahari Chamber of Commerce and Industry  
Mr. Damodar Acharya, President, Nepalgunj Chamber of Commerce and Industry  
Mr. Azaj Alam, President, Rupendehi Industry Association, Butwal

2. Chairing the first meeting of the advisory committee, Mr. Rajbhandari informed that five IBOs were selected from the house while there was already a provision in the project document for the following four:

Mr. Dibya Mani Rajbhandari, President of EEC-Nepal  
Mr. Binayak Shah, Secretary General, EEC-Nepal  
Mr. Jung Bahadur Shrestha, President, FNCSIN  
Mr. Babu Kaji Maharjan, Secretary General, FNCSIN

3. Mr. Rajbhandari briefly explained the role and responsibility of the committee. He said that the Advisory Committee is not the steering committee but its role is to guide, monitor and supervise the project activities for effective and smooth implementation. He said that the meeting of the advisory committee will also be held out of Katmandu as well for which our local chambers / IBOs will coordinate.

4. The chairman of the meeting Mr. Rajbhandari stressed that the project operation is completely handled by the project team headed by Project Manager for which Advisory Committee has to give instructions/suggestions at times for making the project's activities productive and useful for IBOs. Project Manager should take all responsibility and attend the meeting of Advisory Committee compulsorily and if needed, he can incorporate his project staff in the meeting.

5. As our project is funded by EU, we should maintain transparent financial transactions as per the guidelines of European Commission, said Mr. Rajbhandari at the meeting and, stressed that we strictly follow our contract to implement the project. Regarding the withdrawal by Sweden from the project, Mr. Rajbhandari raised concerns.

6. Mr. Rajbhandari further added the time the proposal was submitted in 2006, and ongoing implementation of the project, there has been tremendous escalation in earlier estimated project cost due to increased inflation. To meet the shortfall of funds, alternative sources must be explored.

7. Mr. Rajbhandari requested the committee that it should also explore ways to involve other 80 IBOs in the project activities.

8. Mr. Nishkant Hate, as an observer of the Advisory Committee meeting said that we cannot change our contract documents, and already signed contract is our GITA . Please don't come for changing the project contract and the project should run as per the guidelines of the contract, stressed Mr. Hate. The project has to spend as per the set guidelines and EEC-Nepal is responsible for all activities and operation as it is the signatory of the contract document. He further added that for minor changes in the document, a request letter should be sent to the European Commission.

9. Mr. Hate said that the advisory committee should strictly listen to the IBOs, listen to the participants, stakeholders and give inputs to trainers. Trainer selection is very important and EEC-Nepal must give inputs to the trainers so that they would be able to provide excellent program. For giving training, if the budget allows, EEC-Nepal can invite experienced trainers from London Chambers and other potential European Chambers. Two ways dialogue is needed in the training, therefore, participants have to be more proactive and active to take benefits from the training activities as European Union does not directly give financial support to the IBOs. He also appreciated the quality of participants.

10. Mr. Jung Bahadur Shrestha, President of FNCSIN at the meeting argued that instead of Advisory Committee, Steering Committee would have been better. However, Mr. Hate clarified that the jobs of Advisory Committee and Steering Committee is not the same. Therefore, the project team has to be given full responsibility and they be empowered to successfully operate the project, said Mr. Hate. If anything goes wrong in the project, EEC-Nepal is responsible, stressed Mr. Hate.

11. Mr. Rajbhandari strongly said that if the project team has any problems, come with a systematic way as Project Manager is totally responsible for the success and failures of the project implementation. As we are the lead implementer (EEC-Nepal), says Mr. Rajbhandari, we have legal authority to control it and suggest the project team to expedite project's activities effectively. It means, EEC-Nepal does not interfere in the activities of the project staff but monitor and supervise strictly as and when required, said Mr. Rajbhandari. Total liability of the project is with EEC-Nepal, therefore we should be very careful while implementing the project, Mr. Rajbhandari added.

12. Mr. Damodar Acharya, member of the advisory committee raised the issue of up and down air fares while participating at the training programs/activities of the project as IBO.

13. Mr. Rajbhandari instructed the Project to re calculate the budget of the project.
14. Mr. Azaz Alam, member of Advisory Committee requested to conduct some activities of the project in the districts.
15. Mr. Binayak Shah, member of the Advisory Committee also raised pertinent issues about the advisory committee.
16. The Chair closed the meeting and thanked all the participants for their time, interest and vision shown for over all development of the ECIBON Project.

### **Third Session:**

#### **Project Launching Function**

On January 17, EEC-Nepal with the presence of European Commission's Advisor for India, Bhutan and Nepal Mr. Nishikant Hate, Federation of Nepalese Chambers of Commerce and Industry's President Chandi Raj Dhakal, the apex body of Nepalese business sector, concerned business community and stakeholders, Mr. Giap Dang, advisor of EC in Nepal and other related stakeholders, launched the first ever private sector capacity building ECIBON project.

President of FNCCI Mr. Chandi Raj Dhakal launching the project appreciated the efforts of EEC-Nepal in materializing the private sector related capacity building project. Mr. Dhakal opined that in a changed competitive market at home and at the global level, this project which is funded by European Union would turn out effective and productive for the benefits of the small and medium enterprises.

He said that the EU's support in the areas of trade and enhancing the competitive strengths of the Nepalese business enterprises should go up as Nepal is already a member of WTO.

He hoped that all related entrepreneurs would reap benefits from the project in this competitive era.

Mr. Giap Dang, Economic and Trade Advisor, Delegation of the European Commission to Nepal mentioned on EC's aid to Nepal in trade capacity building targeting at the private sector. He said that EC has been giving aid to Nepal to build her capacity in economic front and it will increase in the days to come as well. However, peace and stability really matter for increased aid and better output, Dang opined.

Mr. Dibya Mani Rajbhandari, President of EEC-Nepal at the project launching function said that the project is here to enhance the capacity of Nepalese intermediary business organizations (IBOs) in a changed globalized competitive business environment under the Asia-Invest Program targeting at the Nepali private sector which is funded by the European Union.

The main objectives of the project is to make local Nepali SMEs and European Intermediary counterparts better equipped to facilitate between Europe and Asia as per the mandated objective of Asia Invest program of European Union, said Mr. Rajbhandari.

He mentioned that the target group of the project is 15 Nepalese business IBOs whose capacity needs to be strengthened through training, information dissemination and developing network as per the set objectives of the ECIBON project. There are also 80 indirect beneficiaries who will be benefited from the project as well as according to project implementer.

Informing about the project launching function at a two-day beneficiaries' meeting held here in Kathmandu with a view to establish IBO-Network, determine the way of cooperation within Nepalese intermediary network, sign cooperation agreement with local chambers for effectively operating the project, Mr. Dibya Mani Rajbhandari, mentioned that the project is here to facilitate and boost Nepalese IBOs. He said that we do carry out various programs such as training and seminars to enhance the capacity of IBOs to make them competitive in their business. We need to do effectively use European Commission's aid through enhancing our capacity for advancing our business operations, said Mr. Rajbhandari.

At the first IBOs meeting and also at the project launching function in Kathmandu, Mr. Binayak Shah, Secretary General of EEC-Nepal presented on ECIBON project and its detail activities during the project period. Mr. Shah said that EEC-Nepal, FNCSIN, Chamber of Commerce and Industry of Southern Sweden (CCISS-Sweden), London Chamber of Commerce and Industry and Danish Federation of Small and Medium sized Enterprises, Denmark are the implementing partners.

He said that the duration of the project is 30 months. The project conducts seminar cum workshop activities such as doing business with EU and particularly with Great Britain, chamber management and administration, arrange and carry out match-making activities and events, and prepare and participate in trade fairs and exhibitions, international documents and payments, and regional policy in economy and infrastructure, WTO / EU quality standards and social issues including marketing issues. All these activities are aimed at enhancing the capacity of Nepalese IBOs, he stressed.

At the same function, Mr. Jung Bahadur Shrestha, President of FNCSIN also expressed the hope that the project would be crucial in boosting the capacity of SMEs in the days to come as the role of SMEs in national economy is crucial.

On behalf of the participants, Ms. Sulochana Rajbhandari also expressed happiness for effective training programs conducted by EEC-Nepal. She hoped that the program would be quite productive in the days to come to all IBOs for building their capacity to be competitive at the local and international market.