



Business for Millennium Development

Summit 2008

**TRANSCRIPT OF
DELEGATE QUESTIONS AND COMMENTS**

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CAPTURED ON TEAMWIN COLLABORATOR LAPTOPS
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The transcript of questions outlined below were recorded at the Business for Millennium Development (B4MD) Summit 2008 and captured on the TEAMWIN COLLABORATOR LAPTOPS.

B4MD has undertaken the task of obtaining responses to all questions put forward from the relevant speakers at the Summit. Where appropriate, B4MD has responded to specific questions and comments.

B4MD does not endorse the responses given by the Summit speakers as outlined in this transcript.

SESSION: PANEL DISCUSSION – “MEETING MILLENNIUM DEVELOPMENT GOALS”

Adrian Hodges, Managing Director, International Business Leaders Forum

- **Don't you think that when business enterprises become involved in poverty reduction efforts with shareholders' money they tend to sidestep the welfare focus and deflect from the goals of poverty alleviation from the original focus of poverty reduction efforts that we see in case of NGOs with a sole focus on poverty alleviation? How do you reconcile social business involving shareholder equity for maximising returns on their equity and welfare elements for poverty alleviation?**

B4MD REPLY: *Yes there is that risk. That is why B4MD suggests that these business enterprises be undertaken through cross-sectoral partnerships. NGOs understand the needs of poor communities. Businesses understand how to create marketplace opportunities. Business/ NGO partnerships ensure a return to shareholders as well as positive development outcomes for poor communities. This is the model for all the case studies presented at the Summit. B4MD's assertion is that you can profitably do business and at the same time alleviate poverty. We should not assume that there is a trade off between generating profits and reducing poverty. B4MD seeks to facilitate partnerships so that the respective goals of both NGOs, and companies are met.*

- **It is difficult enough to compete with China in Australian market, let alone in China.**

B4MD REPLY: *The Chinese Government has just announced a \$871 Billion economic stimulus package targeted largely at supporting the rural poor in China. There are massive untapped opportunities in China to do business with the 620 million Chinese living subsistently on \$2 a day. The Government plans to double the income of the rural poor by 2020. The Government will invest heavily in public services in rural areas including education, health care, roading, and low-cost housing. The supply of products and services such as engineering consultancy, agricultural technologies, microfinance and microinsurance will be in high demand. Furthermore, the extension of food and beverage supply chains to rural China will represent large opportunities for Australian business. These opportunities will generate profit while alleviating poverty in rural China.*

- **Can IBL Forum help governance/transparency and de-bottleneck bureaucracy?**

IBLF REPLY: *It makes economic - as well as social - sense for business leaders to work together to improve transparency and defeat corruption and promote good governance. Corruption increases company expenditure, eats into profits and damages a company's reputation for integrity - which is essential in obtaining customers, attracting high quality staff, raising capital and gaining local community acceptance.*

IBLF works to:

- *Articulate and advocate the business case for combating bribery and corruption*
- *Research and document examples of good corporate practices and existing initiatives to engage the private sector in collective action to fight corruption*

- *Produce practical tools and guidelines to help companies to develop and implement anti-corruption policies*
- *Stimulate collective corporate action programmes in-country to tackle corruption, analysing the experiences gained*

Business standards and corruption is one major area of IBLF's work with companies, including in-country collective action initiatives, facilitating high-level policy dialogues and creating tools (in partnership with Transparency International, the United Nations Global Compact and others) to empower companies to effectively deal with and debate the issues around this topic.

See: http://www.iblf.org/activities/Business_Standards/Corruption.jsp for more information pertaining to IBLF's Anti Corruption Standards, Tools and Regional Initiatives

- **The PPs need to be better planned inclusive of communities when you look at the Victorian Govt PPs in transport rescues and keeping them going without their meeting their objectives well.**

B4MD REPLY: *While it is not necessary that government be involved in the business/ community interface, sometimes there are market gaps that can be bridged through government support. B4MD is encouraged to see that the Enterprise Challenge Fund (refer www.enterprisechallengefund.org) is seeking to fulfil this role. More thought needs to be given to the future of ECF along with a broader consultation with the Australian business community.*

Geoff Wilson, Chief Executive Officer, KPMG Australia

- **Often businesses shift offshore to increase profitability and avoid union regulations minimum wages, etc. How do you make sure these collaborations are not exploiting communities that are vulnerable and deregulated workforces?**

B4MD REPLY: *B4MD is intent on building a Partnership Forum to ensure that any projects that are implemented involve NGOs, Government and transnational agencies such as UNDP (United Nations Development Programme) to ensure that vulnerable communities are not exploited. The reason why UNDP has initiated the Business Call to Action is to ensure rigorous tracking and monitoring of business projects. For further information, please contact Dr Arun Kashap, Private Sector Division, UNDP email arun.kashyap@undp.org.*

- **KPMG, as an international firm represented in most countries, what are some of its activities/successes in this area?**

KPMG REPLY: *On October 8th, 2008 KPMG US announced a \$1.5 million contribution over the next five years to Millennium Promise, a nonprofit organization dedicated to ending extreme poverty in sub-Saharan Africa, to help support a Millennium Village in Tanzania. In addition to KPMG in the U.S., KPMG International, KPMG in Japan, KPMG in Canada and KPMG in Russia are also providing financial and other commitments to support the project.*

KPMG will enlist employees and partners to provide pro-bono, skill-based assistance to the Millennium Villages project, as well as raise awareness to inspire further support from KPMG International member firms.

For further information, please contact Catherine Hunter, Head of Corporate Citizenship at cjhunter@kpmg.com.au.

- **Can accounting practice be changed to help public companies overcome short term stock market pressures to perform?**

B4MD REPLY: *B4MD is primarily interested in producing a paradigm shift in corporate Australia whereby business becomes more inclusive of the poor – particularly in the emerging markets of the Asia Pacific region where there is an increasingly heavy footprint of business activity. Such business opportunities will always be voluntary. We do agree that appropriate reporting mechanisms need to be developed. B4MD have developed an MDG Assessment Tool in conjunction with KPMG that is available for testing. Please contact David Faulmann, Office Manager on david.faulmann@b4md.com.au for more information.*

Tim Costello, Chief Executive, World Vision Australia

- **How does WV deal with the 'maintenance' issue?**

B4MD REPLY: *World Vision are keen to reply to this question, but do not recall the context in which it was asked. Could the inquirer please provide clarification to David Faulmann, Office Manager, B4MD at david.faulmann@b4md.com.au.*

- **How do we best direct AusAID to maximise successful private/public partnerships?**

B4MD REPLY: *One of the purposes of B4MD is to provide a method of engagement between Government and the private sector. We are in the process of establishing a partnership forum that will enable Government to dialogue with the private sector on various opportunities for private/ public partnership. For further information, please contact Mark Ingram, Chief Executive Officer B4MD on mark.ingram@b4md.com.au.*

- **How do small businesses in recipient countries survive aggregation/consolidation trends?**

B4MD REPLY: *Successful small business opportunities developed with poor communities can – and should - over time scale up and become substantial enterprises. For example, the Diageo project in Cameroon started with a few hundred farmers supplying sorghum. It is now scaling up to include 3,000 farm families by end of 2008. The business model allows for further expansion to include over 5,000 farm families. The nature of the project – being a partnership with EUCORD (European Cooperative for Rural Development) means that the supply chain will always retain the character of working with individual farm families. In structuring a project, the contractual arrangements with the community from the outset should be such that the community has clearly defined legal rights to financial returns from the project without threat of aggregation/ consolidation.*

Bruce Jenks, Assistant Secretary General, United Nations Development Program

- **We are seeing a few projects now – very laudable and no doubt a good beginning. But we need thousands, perhaps millions of such projects. How will we control them? The potential for exploitation and corruption will be enormous and could easily de-rail the whole project??**

B4MD REPLY: *We understand that the United Nations Development Program is working very closely with the UN Global Compact to ensure that any company that commits to the Business Call To Action has first committed to a set of ethical principles that guide their corporate behaviour.*

Perhaps this is an opportunity for NGOs to work constructively and in partnership with companies in delivering social good through profitable business. B4MD will not support projects that do not have adequate checks and balances in the form of business/ NGO linkages.

- **How do we deal with the risk of being perceived by smart business strategists as telling them how to suck eggs?**

B4MD REPLY: *The notion of doing business at the base of the economic pyramid (BOP) is a relatively new concept. In fact Harvard Business School Professor CK Prahalad coined the phrase in 2004 (in his book, “The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits”). It requires a fundamental shift in thinking to see the poor as consumers, suppliers and potential employees rather than merely people in need of our charitable support. It wasn’t until January of 2008 that the World Economic Forum in Davos formally recognised the role that business could play in alleviating poverty through profitable core business. It was not until September 2008 that the UN held its first Private Sector Forum. This global movement is very young and formative and various Business Schools, the UN, World Bank and others are still developing a robust framework for business engagement with BOP markets.*

- **In the analysis, talk to the NGOs – we have a wealth of knowledge about unmet needs, which often translate into new markets. We also have deep knowledge about operating within these countries. We need partnership, and can help facilitate on-the-ground links.**

B4MD REPLY: *B4MD entirely agrees that NGO’s have intimate knowledge of poor communities and are therefore ideal strategic partners for business. Our partner organisations can be found here: <http://www.b4md.com.au/partners.asp>*

Jeffrey Sachs, Special Advisor to United Nations Secretary General Ban Ki Moon and Director of The Earth Institute, Columbia University.

- **We are outsourcing more and more of our technology needs to Indian companies – how do we encourage them to 'help their own' more?**

B4MD REPLY: *: India should certainly be encouraged to help its own poor, but with 903 million living on less than \$2 a day it is difficult to see how India can take that mass of population out of poverty with internal efforts alone. Again, what B4MD is emphasising is the enormous opportunities to do business with these poor. We encourage all companies to*

consider business opportunities with those living at the base of the economic pyramid. India is the world's largest BOP marketplace. The International Finance Corporation (IFC) has released an excellent publication entitled "[The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid](#)" should you wish to research further on BOP markets.

- **What happens when business/stakeholders' interests are not in sync with MDGs?**

B4MD REPLY: Any project that intersects business with the poor should have strong formal partnerships with NGOs. This minimises the risk of delivering projects that are not in sync with the MDG's. Neither B4MD nor UNDP will encourage projects that are independent of partnerships with NGO's.

Other

- **Barriers of entry are big for smaller private companies – how do they engage with other relevant parties, and overcome reluctance to share information?**

B4MD REPLY: Smaller companies create most of the jobs and wealth required to achieve the MDGs. They are often the most innovative and in fact many of the case studies in the UNDP Growing Inclusive Markets (GIM) report (refer http://www.undp.org/gimlaunch/press/docs/GIM_EN.pdf) are smaller companies. A consistent trend amongst the case studies is that small companies combine resources and capabilities with other companies/ NGOs/ Governments. Like any business transaction, the structuring of a solid partnership agreement that protects all the interests of the various parties is essential. B4MD will be working very closely with IBLF (International Business Leadership Forum) to train and equip partnership brokers with the necessary skills to put together successful partnership arrangements. Please refer to <http://www.partnershipbrokers.org/> for more information on the IBLF Partnership Broker Accreditation Scheme.

- **Question from Catherine Bevan-Jones, Project Officer Africa, Monash Uni: What role does higher education have in working with and supporting business in helping achieve the MDGs and/or how can Australian business and the Australian Govt help support Australian universities (in partnership) achieve their social justice mission in the developing world?**

B4MD REPLY: Australian universities together with business and government can help achieve their social justice mission in the developing world through:

- 1) The funding of scholarship positions for students from low income communities in the developing world to take business skills and expertise back to their communities.
- 2) The opening of regional campuses in the developing world with a specific emphasis on providing education for students from low income communities.
- 3) Funding of research to further understand and enhance opportunities to do business at the Base of the Economic Pyramid.

B4MD would welcome a further conversation with any academic institution interested in contributing to this important initiative. Please contact mark.ingram@b4md.com.au

SESSION: GENDER EQUALITY IN BUSINESS

Dr Sun-Hee Lee, Special Adviser on Gender Issues, Centre for Democratic Institutions, ANU

- **Can you clarify your top 30 of ease of doing business?**

DR SUN-HEE LEE REPLY: *“Doing Business” ranks economies based on 10 indicators of business regulation that record the time and cost to meet government requirements in starting and operating a business, trading across borders, paying taxes, and closing a business. (see www.doingbusiness.org)*

For example, Singapore was ranked number one in ease of doing business. It requires 4 procedures and 4 days to start a business. In China (ranking: 83), it requires 14 procedures and takes up to 40 days to start a business. In Australia (ranking 9), it takes 2 days and 2 procedures to start a business.

Starting a business Indicators	Singapore	China
Number of Procedures required to start a business	4	14
Duration to start a business	4 days	40 days
Cost (% of GNI per capita)	0.7 %	8.4%

- **Is not religion the underlying cause of gender inequality? If so, what is happening at that level where progress is being made?**

DR SUN-HEE LEE REPLY: *There are a number of underlying causes of gender inequality - some are structural (i.e. factors that are external to individuals such as concentration of power, the legal system, and organisational barriers that promote sexual inequality) whereas others are related to gender roles (rights, responsibilities, expectations). Religion can play an important role in both but it varies from country to country.*

Feminist theology found in some religions (eg. Christianity and Judaism) aims to increase the role of women among the religious authorities. This involves rethinking the traditions, practices and scriptures from a feminist perspective. In some Islamic countries, there are positive movements to promote gender equality within their religious frameworks (eg. separate banking services for women and increased emphasis on girls' education).

To move gender equality forward, we need to find ways to engage religious leaders more effectively and we see some positive signs of this happening, especially in the Pacific.

- **Who looks after the kids when mum becomes absorbed in her business?**

DR SUN-HEE LEE REPLY: *It is a very important question, given that women take on most of childrearing responsibilities in many developing economies.*

Unlike in middle income countries where individuals with a higher household income are more likely to start businesses, in developing countries, it is individuals with little resources who start business out of necessity. Women tend to start business activities which they can engage in around the home, where they can fulfil multiple roles, including minding children at the same time. Those who can get some help in childminding and finances break out of this mould.

In the US, women are more likely to turn to business ownership than men to accommodate family responsibilities.

- **What is being done to encourage innovative models of education to increase the opportunities for women?**

DR SUN-HEE LEE REPLY: *One good example of innovative education models is Bangladesh female stipend program.*

Since independence, Bangladesh addressed girls' education as a means of readying for enlightened motherhood or to enter professions thought to be suited to women. The new generation of Female secondary school program financed by International Development Assistance had different objectives: to address quality and girls' access to secondary education in rural areas.

Stipends provided to families for girls' education allowed families to choose schools for their girls. This created healthy competition among schools to provide better education to secure these girls. The quality of education became an important factor.

In 1991, girls constituted only 33 % of secondary school enrolment and only a small percentage passed the secondary school certificates. As a result of the program, access to secondary education has increased substantially for girls to the point where it exceeds that of boys, with an increasing number of girls from disadvantaged or remote areas enrolling, enabling Bangladesh to achieve MDG 3- gender parity in education.

- **Is literacy lower in women and how can business help?**

DR SUN-HEE LEE REPLY: *About two thirds of the world's illiterates are women. Businesses can play a very important role in improving women's literacy by partnering with those who are working in this area (eg. Government programs, community groups, NGOs, other businesses). Working in partnership with others tends to yield better results. As well, businesses can provide learning opportunities for their employees, especially female employees. Literacy skills are not static, in today's highly technological society, it is more than ability to read, write or calculate.*

- **The above are good points – we need to stop talking about why gender equality is a good thing and start talking about how it might be achieved. What are the obvious barriers and how will they be overcome – religion, child minding, education, culture, etc, etc.**
- **I was disappointed that for the women's session solid examples of how utilising women in business reaps business benefits.**

- **Could you please provide solid examples of how utilising women in business reaps business benefits?**

DR SUN-HEE LEE REPLY:

Marketing to women – there are numerous examples where companies target women consumers (eg. young women, working women, moms, high net worth women, women in China) in various sectors. One example is the private banking sector, which used to focus on male clients. But the banking sector is increasingly looking to women, because women live longer than men, and women take greater control over household finances. Women are also increasing their wealth around the world particularly in regions such as Hong Kong and the Middle East. The financial sector is recognizing this trend and making attempts to attract and support female business (eg. In UK, Bramdiva and Independent women, and in Australia, Westpac).

New research findings provide companies with more opportunities to break into sectors which used to be considered male dominated sectors such as internet marketing. In a few developed countries, women now constitute the majority of internet use.

Women as employees as a productive labour force – Pure Fiji (fragrance company) began as a SME with a few women and has now secured markets in the US and Australia.

Deepthi Reddy, Vice President, The Network Enterprises Fund, IFMR Trust

- **How have the retailers addressed quality control issues at the village level? Is there a high level of rejections at initial stages and how does this ensure the poor women are adequately rewarded for their work whilst they are on the learning curve?**

DEEPTHI REDDY REPLY: The issues of quality control at village level are arrested completely as they are monitored the supply chain enterprise. The supply chain enterprise functions as de-facto hub for the village level productions. Thereby design, quality are all controlled by the hub prior to reaching the end retailer. At the level of production, the women involved remain unaffected for any rejects. They only process in meeting the order supply. They are incentivised through stock options in the hubs apart from their earnings.

- **How do they educate rural women in terms of understanding demand/fashions at the end market (Indian and overseas)?**

DEEPTHI REDDY REPLY: Marketing, design related skill up gradation and awareness are facilitated by the hub with in-house specific expertise to the rural women

- **We know that a strategy for retaining male workers that works is to provide ARVs in countries with high HIV/AIDs prevalence. What about the provision of contraception in the workplace for women (who can't access contraception due to family or religious pressure at home)?**

DEEPTHI REDDY REPLY: Agreed; work place can be considered for community engagement and can be instrumental in education/ awareness on Health aspects including means of lowering HIV/AIDS prevalence

- **How do we address high fertility rates as part of empowering women to participate in business?**

DEEPTHI REDDY REPLY: *Enterprising women are supportive of the livelihood of the household in totality; thereby the household and the village community jointly become part in addressing and sharing the benefit*

- **Are there examples of big Indian businesses sponsoring entrepreneurship at local level?**

DEEPTHI REDDY REPLY: *From the front end retailer's point of view; Kishore Biyani's Future group and Fab India are active players in India for engaging into business at rural level*

- **I was disappointed that for the women's session solid examples of how utilising women in business reaps business benefits. – can you provide two to three examples.**

One instance is an enterprise invested by the Network Enterprise for FMCG (our portfolio invested supply chain company). This company manufactures jams, marmalades, juices and squashes. It is an enterprise managed and operated by women group. It reaps double digit margins and is successfully expanding it's model as scalable in five other destinations in north India.

SESSION: PROCUREMENT & INVESTMENT

Justino Arboleda, President, Coco Technologies Corporation

- **What do we need to focus on if people value 'employment with a big US company' above entrepreneurship? This seems like a very significant factor.**

JUSTINO ARBOLEDA REPLY: *It is very difficult to change this orientation since the prevailing educational and economic systems are continuation of the colonial system which discouraged locals from doing their own business. There are very few schools encouraging self employment (Why get a college degree when you will only be working for yourself?) The banks only collect deposits from small depositors and lend them to large corporations. There are very few banks lending to small businesses and they are not usually available in rural areas.*

Perhaps formal training and special assistance to prospective small scale entrepreneurs coupled with financial assistance will produce success stories and later gradually change the way Filipinos look at starting small businesses”.

- **What steps are required to move from making low-tech net to assembling Land Rovers?**

JUSTINO ARBOLEDA REPLY: *With proper training of the surrounding residents, or communities, they can be made to do per piece jobs or do subcontract work for a central assembly plant.*

In a wig manufacturing plant for example, it takes so many hours to knot or plant each hair strand to a netting or base. A person trained in factory conditions can now be allowed to make the wig on per piece basis in the comfort of her or his home at her own time.

Similarly, the wire harness of a Land Rover assembly plant may be done in the poor communities in Australia where trained people can cut the wires and attach the terminals etc.....

This system will not only cut labor costs but also save on factory building infrastructures and maintenance for the manufacturer, and also provide jobs to poor communities.

- **How are cement manufacturers reacting?**

JUSTINO ARBOLEDA REPLY: *Cement is still used in paving roads and buildings, so we find no reaction from cement manufacturers. Public works contractors find however their contracts decreasing and we are facing resistance from them.*

- **Are workers paid an hourly wage or do you work out a cost per metre? What is the average hourly rate for workers? What is the minimum wage in the Philippines? Have you worked out whether the workers get a living wage?**

JUSTINO ARBOLEDA REPLY: *Since people in the villages work on the comfort of their home at their own time, we pay on per piece basis. The money earned by the women doing this is less than the minimum wage established for factory workers. There are very, very few factories in the Philippines. This however raised the farm family income from US\$1.5 a day to about US\$3 to US\$4 a day, which greatly increases their purchasing power and make their family of six free from hunger.*

- **40% margin v profit share?**

JUSTINO ARBOLEDA REPLY: *For every dollar income of our company, 60% is spent on producing the fibers and in paying the twinnners and weavers. About 20% is spent on overhead and the net profit of about 20% is used in expanding to other communities”.*

- I highly respect Mr Arboleda for giving up respectable employment position to endeavour on to the path of starting up a private enterprise (against the general conception re private entrepreneurs in his country!) and providing employment to so many of the poorest, including women in the process, training workers into respecting values, etc!!
- Great range of products, tick off environment, poverty alleviation and spin off effects in terms of MDGs, full respect to Justino.
- Would recommend vetting speakers to ensure that business examples in developing world still aligns and upholds human rights. Also the talk was a sales pitch as opposed to showing true mutual benefit for business and developing world. It did not show how MDGs are being helped by this business.

B4MD REPLY *International speakers invited to speak at the Summit were either signatories to the UN's Business Call to Action or case studies from the UNDP Growing Inclusive Markets report or Australian companies pursuing BOP marketplace opportunities. We are confident – particularly in relation to the international speakers - that the case studies demonstrate mutual benefit for business and the developing world. Should you have any further specific questions on the Cocotech case study, please contact Dr Arun Kashyap, Private Sector Division, UNDP email arun.kashyap@undp.org.*

- Panel chat better than sales pitch and reading slides etc ... speakers need to be vetted indeed.

B4MD REPLY: *In holding an inaugural Summit, there is much for our organisation to learn. It is very difficult to vet speakers in such a new initiative. Certainly, for future events we will be more insistent that speakers keep to our speaking guidelines.*

- **Needed more info on process as opposed to an infomercial on the product!**

B4MD REPLY: *B4MD agrees on this point however, our focus from the outset was to have business leaders present to delegates on their initiatives and therefore we expected presentations would be in part promotional.*

- **Who is responsible for inviting this guy?**

B4MD REPLY: *B4MD takes responsibility for all speakers invited to the Summit. Please contact us at contactus@b4md.com.au should you wish to make further feedback and recommendations for the future.*

Oliver Yates, Executive Director, Macquarie Capital

- **How does Macquarie protect forests from illegal logging?**

OLIVER YATES REPLY: *By providing alternative employment as protectors of the forests for local people, we expect local communities may no longer need to log forests to generate an income”.*

- **What is the relationship between this work and the start-up efforts recently screened on ABC?**

OLIVER YATES REPLY: *If your question related to the program "the burning" then this is similar*

- **It seemed to suggest that avoided deforestation could be included in Kyoto?**

OLIVER YATES REPLY: *This is what we hope for*

- **What more can be done in Australia to educate the masses and market carbon credits?**

OLIVER YATES REPLY: *Climate Change is a topic of importance to all Australians. The voluntary market continues to grow and the introduction of compliance markets through emissions trading should further increase awareness. As our project - and others like it - develops, there will be a broader understanding of avoided deforestation and reforestation as a source of high quality credits.*

- **Sounds too easy – what's holding it back?**

OLIVER YATES REPLY: *The project is progressing as expected. As the programs will impact local communities there is a complex consultation process that typically involves local, regional and national governments.*

- **Given Macquarie focus on forests I am interested to know whether they are considering signing on to the Equator Principles.**

OLIVER YATES REPLY: *Macquarie is not a signatory to the Equator Principles or the UNPRI. Macquarie's primary framework for identifying, assessing and managing environmental, social and governance (ESG) issues is its own risk management framework. Risk assessment is one of our key strengths. Importantly, investors who are signatories to*

standards such as UNPRI and the Equator Principles speak to us directly about ESG issues and have investments in Macquarie businesses.

- **Sounds too good to be true that everybody can produce carbon. What about desertification and already completely eroded areas? Commendable projects and partnerships but there must be more to it.**

OLIVER YATES REPLY: *Thank you. We are proud of our climate change efforts, including work on renewable energy and carbon abatement projects, and it will continue to be a focus for the Group. Once the value of carbon in land and forests has an established value areas that might be under significant environmental threat will have a value in a new market. The land in these areas might be degraded already but might support the replanting of biodiversity vegetation. If they can then as the alternative use of this land is low, its economic attractiveness to long term carbon projects might increase. It is really hard to turn the clock back without the help of nature and in our view this must start with the reestablishment of the eco system.*

- **And what about deforestation in Australia – see Tas and Qld.**

OLIVER YATES REPLY: *We are constantly assessing new opportunities however in Australia there are clear laws that prevent illegal clearing of lands and most natural forest areas are subject to protection arrangements. There have been a couple of projects done in Australia. There could be more but they are unlikely to be on the scale achieve ale in tropical areas. Areas that jump to mind would be a program to protect stock routes/ biodiversity corridors.*

- **Given your interest in conserving forests in developing countries, is Macquarie still considering financing the Gunn's pulp mill in Tas?**

OLIVER YATES REPLY: *I am aware of the speculation in the media about financing for Gunns' pulp mill. Unfortunately I cannot provide you with any clarity because Macquarie has a longstanding policy of not commenting on any speculation.*

- **Re Equator Principles or the UNEP PRI, given that Macquarie's peers have signed up (e.g. ABN AMRO, JP Morgan, etc), what is Macquarie's reluctance to take on principles like these if they are really serious about helping to meet the MDGs?**

OLIVER YATES REPLY: *"Macquarie is committed to continuing to be a good corporate citizen. Macquarie takes pride in being a good custodian with a long-term view in respect of its investment, development, management and service-provision activities. Macquarie acknowledges the importance of that custodianship to the communities where it operates. We believe this can represent a positive contribution to social and economic activity. Our current primary framework for assessing ESG risk remains our own risk management framework".*

Damien Green, Head of Morgan Stanley Investment Management (Australia)

- Great talk.
- **Will more competition between credit suppliers make the attractive ROI on microfinance less over time?**

DAMIEN GREEN REPLY: *We can address this question from two perspectives: retail and wholesale funding.*

Wholesale Funding: *If by credit suppliers, we mean Microfinance Investment Vehicles (Debt Funds, CLOs, etc); it is our belief that the gap between provision of capital and demand for it is still very large (some researchers say 15X); therefore the recent spike of commercial investors in this industry is not yet posing a challenge to the ROI of those investments. However, it is important to bring to the attention that the speed of international debt transactions tapping the market has reduce significantly in 2008 (no CLO deals since May 2007) due to current the global crunch; therefore such competition between MIVs should be lower in 2009.*

Retail Funding: *If by credit suppliers we mean Microfinance Institutions providing loans to micro entrepreneurs; we also believe that the very low penetration in some regions and the growth rates experienced should allow MFIs to continue their fast growth pace in a profitable way. With few exceptions of some market concentrations, such as Peru or Bosnia, MFIs still have room to enter new regions or countries which can certainly mean new venues to untap profits.*

- Linkage with goals was very well demonstrated, however, what a sad state of affairs that something that has been around for more than decade and well evaluated only comes to the attention of a mainstream investment bank once it receives a Nobel Peace prize.
- Good presentation Damian, good to see you emphasised the three benefits to your group from microfinance: 1) Alleviates poverty, 2) Address the MDG, 3) High ROI (compared to mainstream options).
- How many microfinance providers are there in the world and are they independently rated by whom?

B4MD REPLY: *Please see the Microfinance Gateway website for a comprehensive listing of information pertaining to microfinance including regulation. The Microfinance Gateway website is part of CGAP, a leading independent resource for objective information, expert opinion, and innovative solutions for microfinance (AusAID is represented on CGAP's Council of Governors).*

<http://www.microfinancegateway.org/>

- **It is fantastic that investment banks have begun to inject large amounts of capital into MFIs. From a commercial point of view from your customers and investors it is great you are able to generate such high economic returns. How do you balance this with the issue of maximising social impact for the MFI clients to help achieve the MDGs? In particular, how do you encourage MIFs you invest in to minimise their interest rates to clients whilst remaining financially sustainable?**

DAMIEN GREEN REPLY: *Since about 2-3 years ago, certain investment banks have been intermediating debt and equity financing for MFIs in the international capital markets. Among the investment banks, Morgan Stanley (MS) ranks first in debt capital markets transactions, having raised to-date US\$250 mm in the international capital markets by means of 2 CLOs and an EM debt fund managed by Morgan Stanley Investment Management (MSIM). The MS-led microfinance debt transactions have been aimed at bringing funding with attractive terms to MFIs, largely contributing to the expansion of microloan portfolios and to the consequent poverty alleviation. The interest rates of the loans granted through our transactions have been very convenient for the MFIs, and consequently for their borrowers. We believe that the loans' interest rates and the investment instruments' returns have been at market-based levels - same for similar transactions led by other investment banks (and sometimes below market). Morgan Stanley selects MFIs after a thorough credit due diligence as well as an analysis of the social objectives and social effects of each MFI considered, both analyses being as important in our decision process.*

Kit Cheong, Group General Manager, Supply & Operations, Pacific Brands

- **How are you addressing the issues related to palm oil supplies?**

KIT CHEONG REPLY: *Pacific Brands do not have any direct dealings that would relate to palm oil supplies. At this stage our social compliance program extends to our Tier 1 suppliers, from which we buy finished goods.*

- **What are the material issues for Pacific Brands? This is just about pretty standard processes in retail.**

KIT CHEONG REPLY: *Pacific Brands is keen to ensure that our products are manufactured ethically, and is of a quality standard commensurate with what our brands represent. This includes ensuring that our suppliers:*

- *Do not utilise child labour*
- *The workers are paid appropriately (including overtime)*
- *The workers are not working onerous hours*
- *That their working and living conditions are reasonable*

Social compliance comes at an increased cost – suppliers will need to build this into the price of product. There is a commercial challenge, especially if our - competitors do not share the same ethos – they could often purchase goods at a better price. Given the competitive nature of the business PB is in, this is a challenge, both internally and externally.

- **What is your actual policy?**

On request, B4MD can provide interested delegates with Pacific Brands Code of Conduct for Suppliers and Manufacturers. Please email contactus@b4md.com.au

- **Pacific Brands needs to be congratulated for showing CR leadership in the Australian garment sector through signing onto ETI. They are the only Australian garment company to sign on to a multi-stakeholder initiative.**

KIT CHEONG REPLY: *Thanks – the comment is appreciated. We are proud of our leadership role.*

- A pity she didn't get that across herself.
- Work with the presenters to cut down over lunch.

B4MD REPLY: *B4MD endeavoured to shorten presentations during the course of the day. Unfortunately a number of our speakers were very passionate about their subjects. And so on future occasions we will introduce a bell to warn speakers to sum up their presentation!*

- **It appears that framing the topics was not very specific and perhaps it's up to each one's interpretation.**

B4MD REPLY: *B4MD instructed all speakers that the focus of their presentations was to be how their profitable business was helping the world's poor/ achievement of the MDGs. Obviously, such a broad agenda means that there is considerable room for individual interpretation.*

- Shame that the intellect and firepower in the room wasn't better utilised....

B4MD REPLY: *In introducing such a new idea to the Australian community, B4MD considered that the most important aspect of the day was to have business leaders present on what their companies are doing in relation to the core business/ poverty alleviation interface. Obviously, given the very strong delegation in attendance at Summit, it is very important that we hold workshop sessions in 2009 to draw out valuable feedback and ensure there is further dialogue. B4MD will be in contact with all delegates early in 2009 with our Events Calendar for the year.*

- Agreed. Can we make afternoon sessions more interactive?
- Yes-less talking TO, more talking WITH!
- Maybe it's too late as the actual sessions are organised.

B4MD REPLY: *B4MD acknowledges the need for a follow up dialogue with business and NGOs. We are currently planning our Events Calendar for 2009 which will focus on a series of workshops to discuss how companies and NGOs can explore business opportunities that alleviate poverty in our region.*

SESSION: SUPPLY**Jayant Pendharkar, Vice President, Tata Consulting Services**

- **How do the farmers without electricity keep the phones charged?**

JAYANT PENDHARKAR REPLY: *Electricity is available throughout the length and breadth of India except that in rural areas, it is not available on continuous basis and is sporadic. Despite the erratic supply in rural area, power is consumed to run water pumps etc. Even this nature of supply is sufficient to charge mobile phones. Already significant number of farmers have started using mobile phones for voice communication.*

- **What does Mkrishi mean?**

JAYANT PENDHARKAR REPLY: *'M' means mobile telephone and KRISHI means "Agriculture" in several Indian languages – utilization of mobile phone to provide advisory services to the rural community engaged in farming.*

- **Is there scope to increase advisory services to animal husbandry?**

JAYANT PENDHARKAR REPLY: *mKRISHI is a framework essentially bridging the gap between the experts on farming and the farmers to make difficult decisions based on various parameters. The farmers are not able to make a decision and the experts are located far away from the farmers and does not have the necessary data for decision making. This solution makes it possible. Hence, whether it is poultry farming, agricultural farming or animal husbandry this solution will be very useful.*

- **How much does this service cost the farmers?**

JAYANT PENDHARKAR REPLY: *At the moment, this solution involves farmers, experts, network providers, content providers is at a prototype stage where discussions are in progress with various agencies on economic pricing model. However, farmers, have indicated that this kind of a solution can save USD 400-600 per annum per acre of produce . The farmers who are interviewed have indicated willingness to pay for the services which gives good return and they consider this very valuable.*

- **Does the farmer have to purchase your product in order to receive this service?**

JAYANT PENDHARKAR REPLY: *The farmer needs to purchase a mobile handset which ranges from USD 50-100 and sign up for services with a mobile service provider which could be USD 2- 5 per month. This is viable even for an Indian rural farmer with a farm as small as one acre in view of the benefits that would be accrued.*

- **What is the differential in TCS fees charged in domestic market versus beyond?**

JAYANT PENDHARKAR REPLY: *We do not differentiate between a domestic market and international market, but the cost of travel, lodging and cost of doing business overseas will be extra.*

- **The technology is great ... we should be focusing on the outcomes in the context of the MDGs.**

JAYANT PENDHARKAR REPLY: *How this solution can be scaled up so that it large number of rural users can be benefitted. We are working with various agencies such as telecom providers, agricultural universities, research establishments to come up with a viable economic model. This is also an ideal opportunity for village entrepreneurs to invest in the infrastructure and set up rural BPO capability. The main investment is in cell phone, weather station and sensors which will serve the community of 100 – 1,000 users depending on the geographical spread.*

- **Is there a financing option for farmers?**

JAYANT PENDHARKAR REPLY: *In India, with tremendous support from Government, many agricultural banking institutions have been set up, both at the rural, district and state level. In addition to this Co-operatives have been set up which have their own banking facility. Also micro-finance is catching up and many farmers can avail of the facility without going to money lenders who charge very high rate of interest. We are also talking to a Group Company, Tata Capital to examine how micro-finance and crop insurance could be extended through this infrastructure.*

- **What does TATA mean?**

JAYANT PENDHARKAR REPLY: *TATA is a surname of the founding family. The Group was found by Jamsetji Tata in 1868. Today, TATA is house-hold name in India and is getting recognition overseas.*

- **How inclined are farmers to work together to share machinery, etc?**

JAYANT PENDHARKAR REPLY: *The farmers are quite happy with the model chosen because they get good returns. In this case, the equipment to be share is weather station which may be financed by co-operatives of farmers or network providers.*

- **TATA has been at this for a long time. There should be more focus on the link to achieving larger sustainable development goals and evaluation/performance indicators.**

JAYANT PENDHARKAR REPLY: *First of all, we would like to clarify that TCS has been involved in this project for a little over than a year. So far investment has been in software development, sensors, weather station infrastructure, etc and has been financed entirely by TCS. Now that the proto type is successful, we are looking at how to make this commercial. At the moment, the proto-types have been implemented in four different villages (potato farming, grape cultivation, cotton and soyabean) Our roadmap is as follows :*

- *Paid pilot (Dec 2008 – March 2009)*
- *Limited commercial launch (April 2009 – March 2010)*
- *Aggressive expansion/International launch (April 2010 onwards)*
- **Africa economically speaking is still unfortunately, largely South Africa ... the rest of the continent's GDP is largely insignificant. Correct to say potential is**

massive, but reality is that today, all actual wealth and GDP/economic activity happens in South Africa.

JAYANT PENDHARKAR REPLY: *We agree, and we also feel that there is good potential not only in India but Africa, South East Asia and Latin America. This application can be used in developed countries also and a variation of this is provided in Australia. We are willing to work with other international agencies to take this solution on a global basis.*

Glen Boreham, Managing Director, IBM Australia and New Zealand

- **The instability of the political situation in many African countries could inhibit the ability of commerce to grow, how can we deal with this difficulty?**
- **What about solutions to the infrastructure challenges: water, energy, health and corruption – major under miners of any anti-poverty strategy. It is good to have ideas and potential to build on, but how?**
- **Because IBM staff rather than senior management initially pushed for initiatives in this area, do the latter really have their hearts in it?**

IBM is in correspondance with B4MD regarding relevant answers to the above questions.

Napoleon Nazareno, President and Chief Executive Officer, Smart Communications, Inc.

- **How do people without access to electricity charge their mobile phones?**

NAPOLEON NAZARENO REPLY: *Rural electrification has fairly reached majority of the country's population. For some areas, the problem is not complete lack of access to electricity but the stability of supply (electricity for only several hours of the day) and cost (as they run on diesel fuel or controlled by a local electric company). Thus, almost all people are able to charge their batteries. There are some communities without electric providers who are able to charge their phones because of the presence of solar power batteries. Others charge through batteries powered by diesel generators. We have also seen some who attach their phones to their cars, charging from the batteries*

- **Sola panel chargers ... small and smart.**
- **Ideal entree is to partner with an outfit that has an established presence in relevant region – you clearly can't just rock up.**

B4MD REPLY: *That is precisely why B4MD is intent on creating a partnership forum. We plan to help companies construct projects by providing a range of potential partners to which they can discuss ideas in commercial confidence.*

- **And you need to be prepared before you go – learn languages and other relevant skills.**
- **As previous speaker said, without infrastructure no potential for economic growth.**

B4MD REPLY: *Clearly, there is a role for foreign aid and charitable donations to build infrastructure where it does not exist and where there are no market incentives to provide this infrastructure.*

- **New technology can help leapfrog infrastructure barriers e.g. the spread of mobile phones.**
- **What happens to the jobs of other poor people who distribute to the sari sarai stores if Nestle/Colgate, etc supply their products in bulk? Are they formally employed in the process?**

NAPOLEON NAZARENO REPLY: *For the Hapinoy model, sari-sari store owners formerly buy from bigger groceries or by-membership bulk grocery outlets. They do not buy from middlemen who distribute to sari-sari stores in bulk because small sari-sari store owners are not qualified to have credit lines. So there are no "poor people" whose jobs are affected in this model.*

- **We have heard too much about technology and not enough about other businesses like sanitising water, it is not only about mobile. Also, no mention has been made about responsible use of access to internet, privacy and security issues.**

B4MD REPLY: *Clearly, there are many other examples of businesses providing solutions to development problems. In a one day Summit like this one we can only present a small selection of case studies. We encourage all delegates to spend the time in reading the various reports in your delegate packs which have a large range of case studies relevant to your industry and the parts of the world in which you do business.*

- **Can we focus on how to get started rather than infomercials?**

B4MD REPLY: *Phase II for B4MD will be very much about how your company can get started on similar kinds of opportunities. The focus of B4MD for 2008 has been the raising of the awareness of the opportunity that exists of doing business with the poor. In 2009 intend to assist in the implementation of new projects.*

- How to get started on what? It's different cultural presentation styles.
- This is more marketing innovations. How does this have anything to do with MDGs?

B4MD REPLY: *The Growing Innovative Markets (GIM) report commissioned by the UNDP documents that the cost of money transfers for poor workers is now 1 to 8% compared to 10 to 35% for standard bank rates. Thereby increasing net income of the poor. The GIM report also links case studies with relevant MDGs, in the case of Smart Communications its is MDG 1 and 8. Please note the full UNDP GIM report is available in your delegate pack.*

- **It is about accessibility for the poor, he just doesn't translate it into the MDGs.**
- **A constant question I have is what's the purpose of this conference, as the speakers do not seem to be addressing it.**

B4MD REPLY: *The purpose of the Summit, is to demonstrate that you can undertake profitable business and alleviate poverty. There is not a trade off between the two. Each speaker articulated this theme in their own style and manner. The refrain was that you can apply your core business in poor environments and “do well by doing good”.*

Lunch session

- Nice lunch!
- Not enough time to mix and mingle. Great people to connect with but no time!

B4MD REPLY: *It's encouraging to see that there was strong interest in further opportunities for dialogue. B4MD are planning to respond to this feedback by designing a range of workshops in 2009 and beyond.*

SESSION: OPERATIONS

Richard Rankin, Director, East Asia and Pacific, International Finance Corporation

- **Great job! Crisp and clear.**
- **Yes – good work IFC!**
- **Good – mix up the format a bit!**

Peter Botten, Managing Director, Oil Search Ltd

- **Is there are an element of community ownership e.g. who will do upkeep on school if company leaves area? Where is your community development expertise being driven from ... are there INGO partners?**

PETER BOTTEN REPLY: *Both the school and health programmes facilitated by the Company are, where possible, delivered in conjunction with locally based church groups or NGO's that are able to continue to operate when we may cease operations in the area. This is not an infallible solution, especially in the absence of consistent local government delivery but it does provide an effective compromise for long term sustainable service support. We have a number of partnerships with local church based organisations and typical NGO's. We continue to develop these relationships, building on our strengths in predictable delivery and logistics support, with specific skills and funding from the NGO's, who have challenges in managing the local logistics.*

- Some is with WWF facilitated.
- Is this the same presentation given at ACCSR conference in Sydney earlier this year?
- Inappropriate comment or perhaps alleged plug?

Alex Thursby, Group Managing Director Asia Pacific, ANZ Banking Group

- **How do you access the markets in which you work? Are they managed in country?**

ALEX THURSBY REPLY:

- *ANZ operates in 14 markets in Asia and 12 markets in the Pacific. We have had operations in Asia for almost 40 years and we've been operating in the Pacific for more than 150 years.*
- *Each of these businesses is led by a Country CEO based in the country so that decision making is kept close to the customer. The Country CEO is responsible for all of ANZ's interests in their market and is responsible for leading the development and implementation of ANZ's strategy in that market.*
- *We also have strong regional leadership, with a CEO for South and South East Asia, CEO for North East Asia and CEO for Pacific, along with regional headquarters in Singapore and Hong Kong.*
- *In Asia, as well as having ANZ operations in each of our markets, in some countries we also have partnerships with local banks. We have 6 minority partnerships and two joint ventures in Asia, including a 20% stake in Malaysia's AmBank, 20% stake in Bank of Tianjin and 19.9% stake in Shanghai Rural Commercial Bank, both in China.*

- **How does your money transfer system compare in terms of cost, speed and service with local systems like Hawala?**

ALEX THURSBY REPLY:

- *The WING service compares favourably to the informal money transfer services in operation in Cambodia in terms of cost, speed and service.*
- *Most transactions for this customer segment will be in the sub-\$100 range. WING will charge significantly less than 1% to transfer funds at the sub-\$100 level and its pricing will be the same regardless of location.*
- *The WING service is instantaneous for person to person transfers*
- *The three informal money transfer services in operation in Cambodia are money changers, taxi service or airtime transfer.*

Background:

- **Money changer:** *Similar to Hawala, customers go to a money changer, hand over the money to be remitted + fee within instructions for delivery/pick-up. A money changer at the receiving end cashes out the recipient, in some cases either calling or delivering the funds to the intended recipient. Money changers generally have only 1-2 points of representation in each large town and the sender and receiver must both visit the money changer to transact. Money changers generally charge a fixed fee of \$1-\$2 for nearby provinces which equates to 1%-10% for amounts ranging between \$20-\$100. This can increase dramatically for more distant provinces.*
- **Taxi service:** *Customers visit the taxi points where taxis collect their customers, hand over the money to be remitted + fee within instructions for*

delivery/pick-up. The taxi service then delivers the cash to the recipient. Taxi services take between 1-10 hours depending on the location of delivery. Trust is the key service challenge with taxi services. Taxis generally charge a fixed fee of \$1-\$2 for nearby provinces which equates to 1%-10% for amounts ranging between \$20-\$100. This can increase dramatically for more distant provinces.

- **Airtime transfer:** *Customers “deposit” funds via the purchase of mobile phone scratch card with a unique 12-digit code. This code is then sold for 90% of its value to an airtime reseller at the receiver’s end who redeems the code for cash. The high price is supported by the fact that airtime is a wasting asset. Mobile operators expire unused airtime and therefore once redeemed, the airtime reseller must on-sell the airtime within the timeframe. The recipient must go to an airtime reseller to pick up funds. Airtime transfers charge a fee of 10% of the value of funds.*
- **Australia is about to embark on unskilled worker Visa program to address labour shortages in industries such as agriculture. One issue that has been identified is the high cost of transferring money from Australia to Pacific Island Nations. Could ANZ offer a solution to this problem? Providing a solution to this issue could assist in ensuring that this scheme has a positive impact on poverty alleviation.**

ALEX THURSBY REPLY:

- *ANZ has been an active participant, along with central bank representatives from across the Pacific, in World bank forums on the subject of improving accessibility and reducing the cost of remittances to Pacific nations.*
- *ANZ is committed to building a robust solution for customers seeking to transfer money from Australia back to their home in the Pacific. We are currently pursuing a number of initiatives that will provide greater flexibility beyond the existing telegraphic transfer facilities currently in place. We will announce details of these initiatives in due course.*
- *ANZ in New Zealand have played an active part in the unskilled workers program which commenced in 2008 and we will be drawing from their experience to develop solutions for workers who will be coming to Australia 2009.*

Stephen Grant, Chief Executive Officer, Asia Pacific Business Coalition on AIDS

- Very concise.

Other

- I think it would have been nice to have less speakers, and more opportunity to connect with others. Is there anything planned after the summit to network?

B4MD REPLY: *It is encouraging to see that there is demand for further networking opportunities regarding this initiative. B4MD is intent on providing these opportunities in the near future.*

SESSION: GOVERNANCE**Paul Hohnen, Senior Advisor, United Nations Global Compact**

- **What are the expectations of companies who are signatories of the Global Compact to address the challenges of labour rights in countries where basic ILO standards are not upheld?**

The Global Compact includes four principles on Labour Standards. These are:

- *Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
- *Principle 4: the elimination of all forms of forced and compulsory labour;*
- *Principle 5: the effective abolition of child labour; and*
- *Principle 6: the elimination of discrimination in respect of employment and occupation.*

PAUL HONEN REPLY: *In signing up to the Compact, companies undertake to integrate these principles into their operations, wherever they operate. The Compact understands that business organisations operate in a range of locations and face a range of challenges in relation to labour rights. This means that different approaches might need to be used in different places. What it says, however, is that these four principles are based on internationally agreed norms, and that these basic principles should be respected by the company. Even in cases where ILO standards are not upheld by host governments, companies understand that they can set higher standards in their own operations and contracts, knowing that these are consistent with international law, and also with stakeholder expectations. Investors, customers and employees understand that there are risks associated with management practices that observe one set of principles in one place, and others elsewhere. Whether they like it or not, companies are the ambassadors of global values and standards, and it is in their long term interests to apply and publicly advocate such standards”.*

- **Why is Australia apparently more complacent**

PAUL HONEN REPLY: *“What is the evidence that Australia is complacent? I think the failure by Australia to diversify its economy into the new and emerging renewable energy technologies such as solar (where we had leadership in the 1970s) and wind (where we could have been leaders) is one example. These are technologies where we will largely be importing the technologies in the future, rather than manufacturing and exporting them ourselves, as Spain and India are doing. These countries had no substantial industry in the wind sector a decade ago, but now are world leaders, with major companies.*

In part, this complacency came from political denial about the risks of climate change (e.g. refusal to ratify Kyoto), a refusal to drive policy to develop non-fossil fuel based energy systems (e.g. feed laws for solar and wind power), and a reduced entrepreneurial stance by business. Looking to the future, there is a case for mandating solar hot water for example. This would be a quick way of reducing CO2 emissions and energy bills. It is likely that mandating will occur in the next years, just as the phase out of incandescent lights is occurring quickly. Are Australian businesses ready to move into this space, with creative technologies and financial engineering packages? Where is government in terms of putting

solar hot water into new building standards? Rather than wait for others to lead, Australia can lead on the policy front, and in doing so drive important new business opportunities”.

- **GE? Predatory lending?**

PAUL HONEN REPLY: *“No organisation – government, business or civil society – has a blemish-free track record. However I stand by my reference to GE in the context it was made. Namely, that in launching its “Ecomagination’ initiative, we have an example of a major business hunting for new business based on acceptance that sustainable development needs are large and growing. GE has shown that you can build sustainable development concerns into the business strategy with positive results to the bottom line and brand”.*

- **Government leadership regarding the MDGs and sustainable development has been weak. What is the role of business in lobbying governments and in creating a level playing field?**

B4MD REPLY: *The Australian government is very interested to hear from the Australian business community on how the business environment in developing markets can be improved. Given the governments firm commitment to the MDGs we understand that they will be very receptive to feedback on how government and business collectively support the achievement of the MDGs. As mentioned at the Summit, B4MD has a meeting with federal government in the near future – we would like to take your comments with us. Please email Mark Ingram at mark.ingram@b4md.com.au*

- Until recently minimum compliance thankyou no leadership there.
- Exactly and that should change.
- Not with a CSR focus ... need holistic Sustainability.
- I would have liked to hear more about Paul's views.

Please see B4MD website for complete transcript of Paul Honen’s speech.

A Hewett

- Andrew’s point about business models and its impact on the MDGs was the most relevant point today. It would have been nice to have discussions about this, the how, where and why.
- I agree with the above comment. We do risk thinking that if we all just invest in and employ labour in developing nations that this will bring improvements. The right business model is essential.
- Are we doing enough to support companies trying to do business and add value socially in emerging countries?

B4MD REPLY: *The reason B4MD has been established is to provide an exchange of ideas about what is best practice and to discuss various business models so that we all learn how best to help the poor through our day to day business. The suggestion to focus on appropriate business models is a good one, and B4MD will look to construct future events around issues of process and implementation. Again, in raising awareness of this global movement we*

focused on presenting examples of what is actually happening. The next step is to critique case studies and develop best practice models on how to implement.

Steve Bracks, Former Premier of Victoria

- **Does Timor-Leste government have incentives to encourage Australian business to invest there?**

STEVE BRACKS REPLY: *The short answer is no. However, the Victorian Employers' Chamber of Commerce and Industry (VECCI) has recently been invited to Timor-Leste to assess what assistance it can provide to local employer groups and opportunities for Victorian businesses. The Australia Embassy in Dili would be a good first point of contact for Australian companies interested in investing in Timor-Leste".*

- **Is there scope for in-country B4MD-type collaboration of companies in Timor?**

B4MD COMMENTS: *Should demand exist, B4MD is happy to arrange country specific and/or industry specific coalitions.*

- Is there a program to improve the skill level of local management?

STEVE BRACKS REPLY: *The new Government has recently approved the establishment of a Civil Service Commission that will be responsible for training within the public service - the biggest employer in Timor-Leste. The Government is also keen to build capacity within the private sector as demonstrated by its support for the VECCI initiative referred to above"*

- Transparent procurement processes critical pre-requisite.
- The question from Plan International is a very good one. We often refer to others having to build capacity and improve governance when we need to also examine our own capacity and governance as a business in a new environment.

B4MD REPLY: *Even though the focus of the Summit is doing profitable business with the poor to mutual gain, B4MD recognised that it is vitally important that companies operate transparently in developing markets. The message to deliver pro poor business is only relevant to companies who are doing no harm.*

- Good on ya Steve.

Other

- **We have heard a lot today about GDP and ROI, and I am concerned that these do not necessarily translate into achievement of the MDGs, particularly the reduction of poverty. Unless the projects are directly pointed at, and regularly assessed against, the goals, we surely risk the rich getting richer, the poor, if not poorer, no better off.**

B4MD REPLY: *B4MD does not believe that the benefits of globalisation are sufficiently reaching the poor. That is why we are encouraging Australian companies to do business*

directly with the poor. We are also encouraging companies to use the MDGs as a reporting framework on the success of their efforts/projects.

- **We have also heard a lot about the poor being cheap labour.**

B4MD REPLY: *The private sector is a crucial contributor to employment and the creation of market places. Given the assumption that business projects are undertaken with appropriate NGOs, protective measures should be put in place in those collaborative agreements to ensure that the poor receive liveable wages and that there are demonstrable development outcomes.*

- **One of the reasons Australians struggle with these issues is that we still have too much of a silo mentality to the key players – business, government and community only work in their own worlds.**

B4MD REPLY: *A clearly discernable theme throughout the Summit transcript is the need for cross sectoral partnerships between business, government and community groups. Hence phase II of the B4MD initiative is intended to be a partnership forum.*

- **Australian business has been far too inward-looking although improving.**
- **Parachuting in from outside won't work – need catalyst from within target country first.**
- **So what's next? What do we want B4MD to do?**

B4MD REPLY: *B4MD is overwhelmed by the positive response of the business and NGO community to this initiative. With this quorum of support we have a strong signal that there is demand to take the initiative forward to the next stage, namely the construction of a Partnership Forum to enable Government, business and NGOs to collaborate on the delivering of successful projects that are profitable to business and beneficial to the poor.*