



Proceedings Report

Alternative Development Paradigms: Exploring New Equations in Ecological Balance, Conservation and Entrepreneurship

23 November 2014

Speakers:

Laurence Brahm, Founder, Himalayan Consensus Institute

Ambica Shrestha, President, Hotel Dwarika's

Phinjo Sherpa, Country Director, Eco Himal

Shruti Nada Poddar, Founder, Shruti Foundation, India

Moderator:

Sujeev Shakya, Chairperson, Nepal Economic Forum

In the recent UN summit, the issues of environmental conservation and sustainable development took a back seat to the issues on war on terrorism and the Ebola outbreak. However, deterioration of the environment continues and the world is faced with an ever increasing number of natural calamities. Although the debate has moved on from whether global warming is real, to what to do about it, the movement for environmental conservation continues to be a grassroots movement and is gaining momentum all over the world, despite powers at top still reluctant to take the issue seriously. To keep the momentum going, Nepal Economic Forum (NEF) and Himalayan Consensus Institute organized a curtain raiser event for the Himalayan Consensus Summit to be held in Bhutan in July 25, 2015.

The event brought together experts from different fields that have been making contributions to environmental conservation and sustainable development in their own way.

Laurence Brahm opened the discussions by introducing the concept of Himalayan Consensus which is a fresh economic paradigm that views the integrity of the planet's ecosystem as a core foundation for economic development. It is based on three principles; **protecting cultural identity, through sustainable businesses** requiring innovative financial models, while **emphasizing the importance of environmental protection**. It emphasizes building businesses with direct participation and ownership of the local community. The local community's culture and livelihood are often directly tied with their environment and so they have the greatest stake in preserving the natural environment. Himalayan consensus attempts to build businesses based on innovative financial models that are environmentally sustainable while preserving the cultural identity of the local community. He emphasized that it is not just about protecting the trees and the forests but more about developing renewable and efficient systems that will be aimed at zero carbon emissions. This will ensure not just protection of the planet and its ecosystem but will also promote peace as it will provide local communities with access to resources.

Most conflict in the world stems not from religion but from resources. The countries of the Himalayas are joined by the glacial and river ecosystem and Nepal is a core Himalayan country. However, with the ecosystem of the Himalayas interconnected with various other ecosystems, deterioration of the glacial and river ecosystems will have consequences for downstream countries such as Maldives and Sri Lanka.

Phinjo Sherpa shared the experiences of his organization, Eco Himal, which has been working on various projects with the aim of sustainable development. He mentioned the Namche Hydropower Project which provides a continuous supply of electricity to the areas around Namche. The project is run by local communities and is a good model for how **local communities can participate in and reap the benefits of their local resources in a sustainable way.** He also talked about the Garden of Dreams project which is a good example of a project that emphasizes **protection of heritage and environmental conservation without sacrificing profitability.** His organization is also involved in cleaning Everest, which has often been described as the highest junkyard in the world, through recycling of waste materials and developing it into useful products such as paper pickets and Sichuan pepper which is supplied to European countries. This is not only environmentally sustainable but also provides a source of income to local communities.

The theme of **conserving the natural environment and man-made heritage** without sacrificing sustainability was further elaborated by Ambica Shrestha. Hotel Dwarika's today is one of the most popular hotels of Nepal, often described as a 'living museum' due to its rich architectural heritage and praised as a pioneer in sustainable tourism, providing direct and indirect employment to many. However, as explained by Ambica Shrestha, the beginning of Hotel Dwarika's was quite modest. She recalled the beginning of Hotel Dwarika's, the impetus for which came from the founder's desire to preserve the rich cultural heritage of Nepal. When her husband saw few carpenters attempting to burn the antique pieces of wood with rare carvings, he decided to use it himself to build a few rooms above a cowshed. Guests started coming in and more rooms were added while the emphasis was always on preserving the architectural and cultural heritage of Kathmandu valley. Over time, its rich architectural heritage became its unique selling point and Hotel Dwarika's grew to become what it is today, one of the most popular and successful hotels of Nepal.

Often, conservation and profitability is described as a zero sum game, but the success of Hotel Dwarika's, aptly described by Ambica as an ongoing 'project' for the preservation of cultural heritage, refutes the proposition. Hotel Dwarika's success is not despite its conservation effort but rather because of it. In response to Sujeev's comment that organic is often perceived as expensive, she responded that her hotel has been using organic since its inception. Shruti Nada Poddar commented that rather than organic being more expensive, it is cheaper as it is really about relying on local resources and local wisdom rather than outsourcing everything. Laurence elaborated on the Himalayan wisdom which is about understanding that the glacial and the river ecosystem of the Himalayas is interconnected with the lives of the people in the Himalayas and beyond. This wisdom must be preserved and Himalayan Consensus attempts to do just that.

When talking about sustainable production with participation of local community, the question of profit redistribution to the local communities often does not get as much attention. Sujeev asked the participants to comment on **how to ensure that the local communities stay on top of the value chain and reap**

most of the benefits. He stated that the whole discourse about climate change is often considered as something that is imposed on us, and time and again the momentum and the discourses on climate change ends up becoming something like what happened with the Ebola, an opportunity for multinationals to make profit. He requested Shruti to provide an internalized perspective since the whole issue is connected with individuals through consumption. Speaking from her own personal experience, Shruti emphasized the need to change our thoughts by changing the narrative reality of the world we live in. She stated that we live in a narrative reality created by media, education, etc and we hang on to this narrative and never question them. We accept those narratives that have gone through the printing press. This often makes it appear as if the whole discourse on climate change is something imposed on us while the truth is that the ancient communities have always known how to live in harmony with nature and use the available resources in a sustainable way.

To make sure that local communities stay on top of the value chain, Phinjo suggested following a partnership model and minimizing the number of brokers. Laurence emphasized the need to go beyond thinking about sustainability and thinking more broadly about capital and consumption. Sustainability implies that you are breaking even but we have to go beyond that .He introduced two concepts **‘compassionate capital’ and ‘conscientious consumption’**. Compassionate capital implies thinking about capital not just in terms of returns and profits but thinking about how the capital is being used in terms of affecting the lives of local communities. Conscientious consumption requires the consumers to be more aware of their consumption decisions, think about what and why they are buying, and how it is affecting the community, other people and the environment.

A member of the audience inquired about how to incorporate the various aspects of sustainability and conservation into a workable business model, whereas another member emphasized the need to look at feasibility of a project in terms of economics. He mentioned that although the use of cycles for transportation may be sustainable for the environment, it is not feasible for all. He also mentioned Bhaktapur as an example of a city that has done a good job of preserving the cultural heritage. In response the panelists reiterated the **need to start small, use local resources and local wisdom and create value in a sustainable manner.** Ambica mentioned how a large quantity of herbs are exported to India for processing and sent back to Nepal when processing is something that can easily be done in Nepal, thereby ensuring that profits from value addition are retained within the country.

In conclusion, Sujeev emphasized the need to bring together different groups of people who believe in the same thing and build co-partnerships across a broad range, and how NEF has been attempting to facilitate consensus on such important issues. He wrapped up the session by reiterating that this is just the beginning and bringing together people who believe in the same thing will help build an impactful consensus.

The current event jointly organized by NEF and Himalayan consensus was an attempt to raise awareness and build a consensus by bringing together different groups of stakeholders. It is easy to dismiss the whole discourse about environmental conservation, protection of culture and heritage as something imposed on us from the outside, but for a country like Nepal whose wealth consists mainly of its natural resources, such as the great Himalayas, the rivers, the forests as well as a rich and diverse cultural heritage, the issue is all the more important. As we are about to complete the constitution making process

that will mark the end of a long period of conflict and enter a new period of peace and prosperity through economic development, the need to balance economic development with the protection of natural resources and cultural heritage, will become even more urgent. Like Laurence said, “if we destroy our environment, we destroy ourselves”

Nepal Economic Forum is a not-for-profit organization initiated by beed and aimed at becoming Nepal’s premier private sector led economic policy and research institution.

Neftalk is a platform for policy discourse and discussion on pertinent economic issues