

# Development projects put people first

Chinese firms in Nepal map out plans to meet Himalayan nation's economic and social needs

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In a few months' time, Kathmandu will have its first eight-lane ring road. The 10-km road-expansion project, funded by the Chinese government, is the first phase of the Kathmandu Ring Road Improvement Project which will upgrade the entire 27-km-long road from its existing two lanes.

In Nepal, China's development initiatives and the companies involved in implementing them focus on the basic premise that the projects must meet the long-term needs of the local community.

Cheng Congyin, project manager and senior engineer of Shanghai Construction Group (SCG), said the ring road project's first phase, which is contracted by SCG, will be completed by June.

Meanwhile, the company is carrying out bridge and underpass projects in the Himalayan nation, which Cheng believes will help improve people's quality of life through a more convenient and modern transportation system.

"The current two-lane ring road was also built by the Chinese government, back in the 1970s," said Cheng.

China and Nepal share a 1,414-km border, and China's assistance to the country can be traced back to the 1950s, when the first agreement on economic aid was signed in 1956, the year after they formalized bilateral relations.

Development cooperation in Nepal averages about one-fourth of the national budget, according to a report by Nepal's Ministry of Finance.

In the fiscal year 2016-17, China disbursed a total of \$41.24 million to Nepal, which places it among the country's top five bilateral development partners by volume of disbursement in official development aid.

China is also one of the largest contributors, together with the Asian Development Bank and the World Bank, to Nepal's post-earthquake reconstruction, based on pledged amounts. The devastating earthquake that struck central Nepal on April 25, 2015, killed nearly 9,000 people and damaged or destroyed

more than half a million homes. It was followed by a major aftershock on May 12 the same year.

Besides aid and assistance at the government level, there are many Chinese companies involved in social initiatives and investments in Nepal.

"Taking social responsibilities in a proactive way can help companies gain trust and build up a reputation," as it is important for them to develop a good social image, said Yuan Zhixiong, president of the Chinese Enterprises Association in Nepal (CEAN). "It can also enhance competitiveness, and promote sustainable development."

With members spanning from hydropower and aviation to the restaurant and hotel industries, the association now embraces a total of 52 Chinese companies, up from 18 when it was first formed in 2013.

## Building ties

In the past few years, CEAN has organized a variety of donation activities, industry talks, tax and law lectures, so as to build closer relationships with local companies and people. In addition, it signed a memorandum of cooperation on May 18, 2017, with the Confucius Institute at Kathmandu University on developing a talent incubator base.

"Students are the hope of the future. Their fondness for China will be conducive for the lasting friendship between China and Nepal," said Yuan, adding that many of CEAN's donations will focus on students, including the Confucius Institute and its courses, as well as other local schools.

Yuan is also the chief representative in Nepal of China Gezhouba Group Corporation, a major construction and engineering company that is undertaking three hydropower projects in the country.

These projects can help provide clean energy and improve Nepal's electricity sufficiency, Yuan said, noting that the company adopts a localization strategy to engage the local community.

For example, at China Gezhouba's Upper Trishuli 3A hydroelectric project in central Nepal, the number of non-Chinese workers stands at more than 85 percent. "The skill of foreign



A Nepali nurse (second right), trained under a program sponsored by the China Foundation for Poverty Alleviation, carries out hepatitis B screening at a health center. PROVIDED TO CHINA DAILY ASIA WEEKLY

workers has been improved greatly," said Yuan. "Some of them have now become senior management staff in the project, or workers with the skill to operate equipment."

"We are actively involved in all kinds of corporate social responsibility (CSR) works, including donations to Nepal's education sector, construction of roads and water supply," said Yuan, whose company has also contributed to the relief works following the earthquake by providing shelters, food and donations as well as repairing damaged roads.

Zou Zhiqiang, country director at China Foundation for Poverty Alleviation's (CFPA) Nepal office, said: "We need to have a plan to organize what we do (to conduct social responsibility works), how to engage the local community and how to interact with them." She noted that many Chinese companies provide funding to their Nepalese partners for building schools or roads, while a better way to conduct social responsibility is to ensure the aid reaches deep into the community.

Zou, who has spent around 300 days in Nepal each year since 2015, believes that only by enhancing people-to-people cooperation can social responsibility efforts truly benefit people's livelihoods and promote mutual understanding.

According to a report last year by the World Bank, the rate of poverty in Nepal "at the \$1.90 a day line" was 15 percent in 2010 and was projected to be 10.8 percent by end-2017.

According to CFPA, one of China's largest non-governmental organizations (NGOs) in poverty reduction, it had raised as of April 25, 2017, a total of 11.43 million yuan (\$1.82 million) in funds and materials for emergency relief and post-disaster recovery efforts, benefiting more than 193,800 people.

With limited funding, the team tries its best to make sure their projects can create real value to the poorest areas in Nepal.

"Also, unlike NGOs in other countries that can receive funding from

the government ... most of our money comes from public fundraising, from companies like (Chinese retail giant) Suning and (accounting firm) KPMG," Zou added. "These companies care a lot about transparency, so we have to be clear about how we spend each penny."

One of CFPA's main activities in the past two years is the hepatitis B screening program. With a funding of one million yuan from the San Francisco-based NGO Give2Asia, the program covered 50,000 people in Pokhara, a major tourism hub in Nepal. All medication was purchased locally and 109 medical workers and researchers were trained as part of the program, making the benefits long-lasting.

"At first we made two camps to gather the public, provide health information and screenings. Though 200 people came, only 50 were willing to do the test," said Zou, adding that many people in Nepal are reluctant to take the blood test due to misunderstandings and lack of medical knowledge.

The team then decided to send the doctors to different villages around Pokhara, and let them use their personal experience to convince others about the credibility and necessity of the test.

## Infectious diseases

Zou is pleased that their project has reached the famous trekking route to Annapurna Base Camp (ABC) in Ghandruk, a small village popular with tourists and located 3,000 meters above sea level. During the peak season, hordes of overseas tourists pass through this village, spending several days there or even up to half a year. This means that villagers are easily exposed to infectious diseases.

"Thirteen people were infected among 1,000 villagers who received the screening," said Zou, who explains the normal ratio would be one to two cases out of 1,000. "It was the same with another tourism village, where we found 23 cases. We

only have 137 cases out of the total 50,000 people tested."

Considering Ghandruk's remote location, four hours' drive from Pokhara, Zou decided to put a hepatitis B ultrasound scanner there for use by pregnant women and tourists.

"Local villagers told me that this project, the 1,000 people (tested), is like a seed sown on the route to ABC that represents the friendship between China and Nepal," said Zou.

CFPA continues to work with CEAN to assist Chinese companies in Nepal to better conduct social responsibility projects. It plans to organize training programs to provide skilled workers from the local community.

Nepal was ranked by the World Bank as the third fastest growing economy in 2017. Yet, labor migration still plays a key role in Nepal's economy and social development, as stated by the country's Ministry of Labour and Employment. In the 2013-14 fiscal year, remittances accounted for about 28 percent of the country's GDP.

"We hope these young people can come back to Nepal, support the reconstruction (of the country following the 2015 earthquake)," said Zou.

Yuan from CEAN said Chinese companies also need to change their way of thinking, from direct CSR works to indirect works with the help of professional institutions, for the benefit of the community.

"CEAN will cooperate more on CSR with well-established NGOs in China, and enhance the contingency plan for disaster preparation and rescue to face natural disasters like the earthquakes in 2015," said Yuan.

"Chinese companies need to focus more on combining social responsibility with NGOs. While undertaking infrastructure projects, we can also carry out some projects that meet the most basic needs of the local poor people," he said. "It can also make them understand us gradually."