Early in 2001 the United Nations Industrial Development Organization (UNIDO) launched its “triple bottom line” (TBL) demonstration project in four Asian countries (India, Pakistan, Sri Lanka and Thailand.) Its aim was to develop a generic decision support system for export-dependent small and medium size enterprises (SMEs) in developing countries to help them comply with the environmental and social requirements of global buyers and supply chains. Without such compliance, they risk losing their access to world markets. Without new cost-effective responses to these challenges, they risk losing their competitive edge in their established international markets.

The TBL decision support system builds on UNIDO’s successful “cleaner production” assessment methodology and extends it to include social (i.e. employee related) and financial issues. It comprises a gap analysis, application of an improvement methodology, and use of a standardized reporting form. The key tool for both the analysis of the baseline situation and the self-documentation of the changes brought about is the REAP (Responsible Entrepreneur Achievement Programme) software system.

All of the client institutions in the four countries introduced the TBL approach to 22 SMEs. Most of the enterprises were in the textile and garment sectors, but other sectors were included as well as will be seen in the reports from each country. Apart from the monetary gains the factories achieved through the implementation primarily of waste minimization measures, remarkable improvement in the labour relations was seen in several factories through out the implementation process.

Implementation of the project encounters several constraints and almost total failure in a few cases. The constraints encountered are grouped at the four stages of company involvement in the TBL process—enrolment, application, implementation and maintenance.

The two building blocks of the TBL are a Cleaner Production / Waste Minimisation Process, and a Social / Human Resource Development Process. The two processes are very similar. There are important practical linkages between the two improvement processes in terms of functions, “benefit/dis-benefit,” and cash flow.

In some cases firms may have little choice as to where they begin the TBL improvement process; the issues they need to tackle are prioritised for them for one of several reasons. In some cases, environmental issues may not be very significant in their industry or sub-sector – for example in apparel manufacture. In other cases, most or all of the “low hanging fruit” – whether in the environmental or human resources areas - have already been picked. In these latter cases the firms may find, apart from a few small improvements, the main TBL issues represent substantial challenges.

For most firms however there are likely to be a variety of options in both main areas and the tactical question arises of where best to begin. Experience during the TBL project suggests that there are merits in using some of the cleaner production options as a kind of “starter motor” to kick start a longer term process that would progressively move into some of the “harder” human resources areas.