Remarks by UN Resident Coordinator

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Program: Role of Private Sector in Sustainable development in Nepal

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Soaltee Hotel

Honourable Dr. Swarnim Wagle, Vice Chair, national Planning Commission
Ms. Yam Kumari Khatiwada, Secretary, Minister of Industry
H.E. Mr. Park Young-sik, Ambassador of the Republic of Korea
Mr. Pradeep Vaidya, Vice Chair, Vice President, UN Global Compact Network

Dear Colleagues, Ladies and Gentlemen,

Danone is a multi-national food-product company, well known for yogurt products. You may have seen or tried Danone yogurt available at supermarkets. In 2006, the company opened a new business in Bangladesh, Grameen Danone Foods. The new company has a single objective: to solve the problem of child malnutrition. They designed the yogurt that contains all the micronutrients needed for children, and sell it at a low price to poor families. Street beggars are turned into street yogurt sellers and earn margin of the sales. The company makes profits to keep the business going, but its dividend is not taken by anyone. The business continues earn and re-invest to make the society a better place. This model is called ‘Social Business’.

The concept of Social Business was introduced by Mohammed Yunus, Nobel Peace laureate, economist and the founder of Grameen Bank. It is not charity where a one-off donation is made. It is business which makes profits and share them in society. The model is innovative because it challenges our traditional business model and ethics. It challenges today’s socio-economic architecture where the eight richest men have the same wealth as the 3.6 billion poorest of the world. It also makes us re-think the wellbeing of our society at large, and sustainability of the ‘ecosystem’ of everything that surrounds us on this planet.

Nepal has committed to achieving the Sustainable Development Goals (SDGs). SDGs are everyone’s business including the private sector. What is your role as business
leaders? What can you do beyond traditional private public partnerships, charity arms, and funding opportunities that will take us to the next level? This is the topic of today’s discussion. I am excited to see what will unfold. Because today, this country is at a crossroads.

Nepal is taking steady steps towards becoming a middle-income country. Right now, Nepal stands among 31 nations as a low-income country. The country experienced major economic and development setbacks with the earthquakes and border obstructions in 2015. This year, the flood caused another disruption. Nevertheless, Nepal has managed to right the ship and is moving forward with an economic growth rate higher than the historical average.

It is also a unique time for Nepal with its new Constitution that is reshaping the fabric of the country. The transition into a federalized State has allowed for widespread change. And we have just seen very successful elections held across the country at the local levels.

During the local elections, we saw the tremendous impact of one of the UNDP’s flagship interventions – Micro Enterprise Development Programme. The programme blended economic and personal empowerment for micro business owners. This led micro-entrepreneurs to run for office, many of whom are women and from marginalized groups. We now have more than 400 of these micro enterprise owners sitting in local councils and offices. These are the people leading change in their communities. They know the value of economic empowerment. They know the way that business plays a role in shaping the lives of the community at large. And you do too.

Since 2000, the global community has been driving thinking around social responsibility of businesses in the society. Global Compact is the world’s largest corporate social responsibility initiative which has been promoting this thinking. We have Global Compact Nepal network. Today, there is increasing demand on businesses to adhere to the universal principles of human rights, labour protection, environment, anti-corruption, and take actions that advance social goods. Communities and investors are keen to see the businesses more socially responsible and environmentally sustainable. It is no longer about what the businesses do and how much they make, but also how they do business.

It is not good enough to produce a nice report of your corporate social responsibility contributions to Nepal’s development. You have to pick apart your own way of working to see how you can change, adapt, and begin significantly contributing to the SDGs.
Thirty-six percent of Nepali households struggle to get enough food to eat. That is one-third of this country. By 2030, that will fall to one percent. Is there an innovative business model to feed all these mouths in an environmentally sustainable manner?

How many of your companies have a balanced number of women, men, people with disabilities and different ethnic background at all levels? Right now, women in Nepal make 62 cents for every dollar a man earns in comparable work. How can you contribute to close this gap? Can entire wings of your business be led by the innovative youth entrepreneurs, perhaps to tackle the issue of air pollution?

Some of the private sector actions are already happening in Nepal. Lately, Chaudhary Foundation and Yeti Airline Pvt. Ltd. signed a Memorandum of Understanding with UNDP to promote SDGs together.

SDGs can be translated into a new business solution. It can also be internalised in your business operation. There would be many more significant changes you can make to address the myriad development issues at hand.

To our business leaders, I would like you to commend your efforts and commitment made to promote SDGs. I would like you to continue leading the way in shaping Nepal’s development landscape. We have tremendous power as agents of change. Some of you come from the most influential businesses in the country. Every day, most Nepalis interact with your businesses one way or another. If you pick up the mantel of SDG champions, then Nepal will succeed in all its Goals. It is not just good for business. It’s good for the future of Nepal.

To our Government partners, I want to thank our friends from the Government of the Republic of Korea who have made private sector partnerships a key area of focus. Inclusive Business Solution Initiative resonates our priority under the new UN Development Assistance Framework 2018-2022: that is to promote inclusive economic growth.

Once, Mohammed Yunus said: “Every time I see the problem, I created the business to solve it”. Indeed, businesses have so much potential for innovative ways to contribute to the achievement of SDGs. So, let us make our global goals local business.

Thank you.