

Business-UN Partnership Panel UNGC Leaders Forum

July 6, 2007 - 10:30-12:00
Palais de Nations, Genève

- Thank you Jane for the opportunity to contribute to a discussion about Business-UN Partnerships, which is of crucial importance given some of the challenges we face.
- It is important that for partnerships to succeed, they are truly productive and sustainable for both sides, or they become partnerships for partnerships sake, which will never have staying power.
- If partnerships are to be sustainable, they must relate to the basic business goals and strategy of both partners, or they will disintegrate in the long term,
But to be truly successful, they must also be derived from a deep commitment based on strong common values and principles. It is more than enlightened self interest.
- For a company like Nestlé, right partnerships have an important business rationale. Some immediately measurable, some only longer-term.
Just to name a few, they help us establish better links with the communities in which we operate; they help get us closer to the consumer we serve, they help create better frameworks and conditions for our products to grow, they create new opportunities otherwise not possible and they develop our people to become the leaders needed for continued success.
They are deeply engrained in our concept of shared value which has driven the company for the past 140 years.
- But there are thousands of opportunities for partnering which present themselves to us each day, and we have to prioritize as resources are scarce. We must selectively pick those few partnerships which truly add value. The cost of failure is high.
- A good example is our partnership with the International Federation of the Red Cross/Red Crescent's Africa Health Initiative. We recognised an opportunity to create real value in Nigeria through an HIV awareness programme that would benefit our own workers and over one million young people in the community, while also bringing essential nutrition knowledge to those living with the disease. In this case, we had the nutrition and the communications expertise, but not the delivery network. IFRC had the latter so we partnered with them.
- Another example is our water partnerships. Our strategic focus on water management, as outlined in yesterday's Water Mandate announcement, has resulted in providing technical expertise and support to the UN High Commission on Refugees in Ethiopia, to create a sustainable source of clean water for over 100,000 refugees in eastern Ethiopia,

- It also resulted in an extension of our Red Cross/Red Crescent partnership to increase access to clean water in various other countries in Africa... The Red Cross/Red Crescent delivery network coincides with our expertise in bringing fresh water to remote farming communities. So they based their Mozambique drinking well programme on expertise we'd gained in India; and then in an innovative approach to capacity building, presented the programme results to the European Commission which provided significant additional scale-up money to build a further 300 new water sources.
- Not surprising, one thing leads to another and we now have a third partnership on water in Africa, with the religious community, through the World Lutheran Foundation. We provide technical expertise and support to build a new clean water system for a community of 36,000 people in Rwanda. But the bigger agenda is to use the building of water systems as a way of creating cooperation and peace between the various factions and religions creating opportunities for markets to grow.
- As we are on the topic of UN partnerships, one partnership I specifically want to highlight today is a partnership we have in Pakistan with the UNDP. In 2006, the United Nations Development Programme, under its Gender Support Programme, asked Nestle Pakistan Ltd to implement a project to train 5,000 women agricultural extension workers in the Punjab Province of Pakistan. The UNDP offered Nestlé funding of 5 Million US\$, if Nestlé would provide the technical expertise in livestock extension education it has developed over decades of working with farmers, and to manage the program in the milk collection areas of Pakistan.
- The result of this program will be 5,000 women who can run their own livestock improvement businesses, bringing an increased standard of living to themselves and to hundreds of thousands of women in Pakistan who are responsible for the family cow. The result will also be better access to clean water, as the women will be taught good water management and a better source of supply of milk for Nestle.
- Some may think it is odd that UNDP is funding Nestlé to implement this program, rather than the reverse, but in fact we are bringing millions of dollars of educational technology and management expertise which has been developed over decades of working with millions of farmers to improve their dairy business and escape poverty

What are the specific advantages and challenges of working with the UN?

- Advantages are clear in this case; it's sometimes needed to use private expertise and seed money to demonstrate a real, measurable and workable model that can then be scaled up to truly meaningful proportions using UN resources
- UN procedural rigour also provides reassurance, process and formality that can be relied upon; other partners cannot always bring this structure.
- UN agencies bring credibility, knowledge and scale that is not always available from other partners
- UN agencies can be bureaucratic by nature; in the case of UNDP we were pleased to encounter a more entrepreneurial vision (this was also true of our earlier water partnership for refugees in Ethiopia with UNHCR)

Key messages of advice/guidance to other companies regarding potential collaboration with the UN.

- Get alignment and buy-in from the highest levels
- Be clear on what each partner wants to achieve. Align on objectives.
- Be transparent with each other. Build trust. Invest in relationship. Active partnership management is key.
- Be prepared to "think outside the box" concerning the roles of each partner – it's not always about the corporate partner providing the funding. Focus on building local capacity / systems.
- Think about how to communicate inside / outside.
- Recognise the roles, assets and limitations of each partner

Specific recommendations to the UN and/or to the UN Global Compact Office that will assist in moving the partnership agenda forward.

- Make sure it's as much if not more about maximising shared expertise as about shared funding
- Develop even more opportunities to showcase the successful partnerships. Continue to help create a critical but constructive environment
- Foster an environment of more flexibility and receptiveness in considering business as partners – the benefits to society of the partnership should be more important than ideology
- Finally increase efforts to bring in other members of civil society to recognise the positive role business can play in partnerships by creating shared value for all partners (and recognising that for truly sustainable partnerships, both partners must benefit).
- Need common framework/ simplified procedures to work together. The UN should develop this.