



PART 1: NEPAL'S DEFINING CHAPTER: THE JOURNEY FROM TRAGEDY TO TRANSFORMATION

Announcer 00:00

Please welcome Executive Vice President, International, Milken Institute, Laura Deal Lacey.

Laura Deal Lacey 00:13

Good afternoon. I wanted to talk about why we at the Milken Institute felt it was important to have this conversation today. On August 26, Nepal experienced one of the worst natural disasters in recent history. A massive collapse of ice, rock, high in the Himalayas, sent an extraordinary surge of water, mud, rock, and debris through the Bhotekoshi and Trishuli river systems. The destruction was devastating. More than 2,000 people have died, and more than 5,000 people are still missing. Thousands of families have lost the people they love. Families lost their homes and their livelihoods. Roads and bridges were destroyed. Hydropower facilities were badly damaged. And the scale of the human loss is difficult to comprehend. And for those who survived, the work to rebuilding is only beginning. The Nepalese government estimates that rebuilding will require nearly \$5 billion, close to 10 percent of the country's economy. But this is much more than just about replacing what was destroyed. It's about rebuilding roads, bridges, power infrastructure, restoring communities and livelihoods, and making those investments more resilient for the future. And that is exactly why the Milken Institute wanted to put a spotlight on Nepal here at this Asia Summit. The people who are attending this event, investment leaders, policymakers, business leaders, philanthropists, they can play a pivotal role in terms of rebuilding Nepal. Disasters, when they happen, they really capture the world's attention. But attention moves on quickly, and we want to make sure that we stay focused on the issue. I want to thank the Chaudhary family for coming to our event. Nirvana Chaudhary is here from Kathmandu, and he flew especially for this to tell the story and share the road to recovery. So, with that said, I would like to please welcome the panel. So, thank you.

[Applause]

Announcer 02:39

Please welcome Nirvana Chaudhary, managing director, CG Corp Global, and vice chair, Chaudhary Foundation. And Curtis Chin, senior advisor and chair, Senior Fellows, Milken Institute.

[Applause]

Curtis Chin 02:58

Good afternoon, everyone. Thank you for joining us. As my colleague Laura said, we're so excited to be able to do our part at the Milken Institute to help keep a focus on—and many of you, I'm sure, have seen videos and all online, but really not just capturing what happened, but what comes next. Delighted to have with me on stage, Nirvana Chaudhary. People know you as an entrepreneur, a musician, an adventurer. I also understand you're a film producer, and Nirvana actually, like Milken, is using film also to raise issues, social issues, issues about social impact. So, congratulations on your film. But you're here also because you are managing director of CG Corp Global, which is one of South Asia's largest multi-conglomerates. You're also cochair with your father, who's been a regular here at the Milken Institute, of the Chaudhary Foundation. And you're founder of Third Point Initiative, which we'll talk about in a little bit. But as we begin, though, this is such a visual story of what happened in Nepal. And I don't want to just show disaster things, but it's really more than that. What we're going to show you is a two-minute film, which is more about the human side of what has happened, and not just in the last two months, but looking at Nepal through the year. I actually began my career as a volunteer teacher in Lalitpur, Patan, I don't know, 40 years ago, and how that country has evolved over the years. So, this short film looks at the impact of the floods, at the communities working to rebuild their lives. It also traces the Chaudhary Foundation's work, from helping families recover after the earthquake to supporting Nepal today. And as you watch it, I want you to consider how as Nepal recovers, because Nepal will recover, but I want you to consider also what might need to change to have a more resilient future. Do you want to say anything about this film, or should we just show the film? Okay, let's go to the film. It's again, about two minutes.

[Video plays]

Curtis Chin 07:26

What a beautiful film. Why I love—thank you for you and your team for pulling this together really in one week—it shows the beauty. If you haven't been blessed yet to go to Nepal, and we're going to talk about what you can do next, and one will be to visit Nepal, of course. But it showed really the majesty of this country, from the mountains to the history, to the heritage. But it also showed that those of you who might not remember, in 2015, there was a tremendous earthquake. I believe even back then, the Milken Institute, one of our first partnerships with the Asia Society Hong Kong Centre, was a focus on helping Nepal after that earthquake with a session with Jamling Tenzing Norgay, probably one of the most famous, there's even a movie about Tenzing, about his father from the Khumbu region of Nepal, Sherpa. But then it was like, oh, I pay attention to Nepal because there was a disaster, and here we are again. And so, we were talking earlier, will it always be like this? Your family does so much for Nepal. Let's really begin by talking about, first, the bigger context. In terms of what happened, all those numbers that my colleague Laura shared about 5,000, 10,000 people missing, extraordinary numbers. 1,500 or 2,000 people have passed away. 10 percent of Nepal's hydroelectric capacity damaged. Is it like, well, it's always going to be like this? Last year, you shared with us the context, not just about earthquakes and floods, but sometimes people sadly only know places because of bad news that makes the media. Last year, one of the things that people saw was the burning down of Nepal's parliament. Prominent business families, I think sadly, yours included, were set upon. And if you're a businessperson, one more reason I'm not going back to Nepal. Explain to us now that context of what has happened, and then what we're really going to do after that is really focus on what comes next.

Nirvana Chaudhary 09:33

All right. So, Curtis, thank you so much, especially Laura. You've been so kind in inviting us over here to talk about Nepal, the challenges we've gone through, the disaster, which is beyond our control, that we're going to be talking about, and the real need for really putting Nepal on the right path going forward. So, we've seen natural calamities happening all around the world more and more. And Nepal obviously sits in a very sensitive spot surrounded by the great Himalayan region. We've got the Trans-Himalayan region, which pretty much touches almost nine countries. That's 2.1 billion people living around it. Over 155 million people living downstream from the rivers that flow in from the Himalayan region. And while the whole world is heating up at 0.03 degrees per year, Nepal's, because of its height and its mountains, those mountains are melting at 0.05 degrees per year. So, we are prone to risks, and especially climate-related risks, more and more. And the floods been happening over the last few years, the earthquake that happened in Nepal was something that we experienced after 85 years, so, that was unfortunate.

But am I surprised that again this year we've had flood? No. Am I surprised and shocked with the magnitude of the flood that happened this time? For sure. Were we prepared? Absolutely not. Could we have been more prepared? For sure. We could have done a lot more in terms of the preparedness work around these high sensitive areas where hydropower projects, tributaries coming in from China, from these mountainous regions, where we protect the local environment, where we have people living around those regions, more better protected or living in a higher zone. So, yeah, I think like you mentioned, it's only when we experience a calamity, a natural disaster, do we then start preparing for the preparedness for it, so that in future we are able to control it. So, yeah, it's been unfortunate. Our Third Pole Initiative, just to connect it, was primarily founded and started with the mindset of making Nepali custodian for the climate change in the Trans-Himalayan region.

Curtis Chin 12:10

What is the reason it's called Third Point? What does that mean, that new initiative?

Nirvana Chaudhary 12:14

Third Pole.

Curtis Chin 12:15

Third Pole. Yeah.

Nirvana Chaudhary 12:17

The Himalayan region is actually the third pole. And perhaps the most sensitive demography and area when it comes to climate change disaster. It's a private sector-led intervention, private sector-led initiative on how we can play our role, not only in terms of policy advocacy, but in terms of the various more eco-friendly manufacturing facilities that we put. Create a supply chain and value chain for the food securities. Come up with much more effective and efficient logistics around the entire region. And train and prepare communities for preparedness for disasters like floods.

Curtis Chin 13:03

But when you think about the role of business, I'm going back to that question I had, we saw from a business perspective, really a tax on businesses just a year ago. Some people reference it as the Gen Z revolution. I don't know if that's accurate or not accurate. But if you think about talking to this investor audience, people watching online, why would I go to Nepal as an investor? There are appeals, important appeals out there from World Food Programme, other respectable sources that say, "Help us." But you said something to me in the green room, which is, this isn't just about the next charity initiative. It's really an opportunity, an economic opportunity. But don't they say that in many countries about, "Oh, now you've got to come in"? Isn't it the same? You were giving me the number of governments that Nepal had in a very short time. So, again, how do we move beyond, "Oh, you need to help us, give us some money," and then you forget about us until the next sad disaster that comes our way? What has really happened since this last change in government in Nepal?

Nirvana Chaudhary 14:08

Sure. Something that just came to my mind. It's a short—it's more a lighter note. So, different gods were making different countries, and the main god said, "I want to make Nepal." And he said, "I want to just put the most majestic mountains in Nepal. I'm going to cover it with 70 percent of forest, where you'll have thousands of these bio herbal diversity, where you'll be able to cure the most sophisticated diseases in the future. I will have Lord Buddha be born there, creating it as a spiritual destination of the world. I will place it right in between the two superpowers of the world, India, China." And he's going on and on, and his other gods are like, "Hey, hey, boss, hang on. What are you doing? You give everything to Nepal. What are you going to give to the rest of the world?" He said, "Ah, don't worry. I'm going to also keep such a complicated political structure there that nothing functions."

[Laughter]

Curtis Chin 15:01

But it changed, though. Tell us.

Nirvana Chaudhary 15:02

Yes. Yeah. So, 29 governments in the last 30 years.

Curtis Chin 15:06

How many?

Nirvana Chaudhary 15:07

29.

Curtis Chin 15:08

29 in 30 years.

Nirvana Chaudhary 15:15

It was only natural. When you have a population where almost 60 percent of the population is below the age of 21, a young population. You saw a Gen Z protest happening in Bangladesh, in Sri Lanka. You're seeing similar uprisings slowly happening in India as well. Different parts of the world. Frustration of unemployment, frustration of corruption, frustration of things just not moving. The Gen Z protest was underlying all about that. In Nepal specifically, was pertaining to government suddenly announcing, we're going to shut down social media. And the Gen Zs are being told that, "Okay, I'm going to take away your YouTube and your Facebook and Instagram." Forget about the country, at home, you'll have a pushback, right? If you tell that to your kids. So, it was a natural thing happening over a period of time, but it was like a champagne bottle cork just opening up. And in 48 hours, we saw all the legacy old political parties and their leaders and party members being directly affected. And as a consequence, there were about 12,000 prisoners that escaped. And obviously, companies like ours, and a dozen others, were collateral damage to that. But we understood. My parents' home got burnt. Our factories got burnt. Our showrooms got burnt. And we were like, we can rebuild that. We understand where the frustration of the youth is coming in from. And I was telling this to the youth as well that, "It's okay. We understand where it's coming from. We are not the targets. We understand where the frustration's coming from." But what I said, told my people in my company and my family, was like, they can burn our homes and factories, but they'll never be able to burn our commitment and our dream for making Nepal a better place. Fast-forward to six months from now. Six months ago, we had a new government, two-third majority. The average age of our parliament is 34. The average age of our cabinet is 32. Our prime minister is 36. Young guys. They have a track record of being very well-educated. They've got a global perspective on the different expertise and studies that they've mastered. But, honestly, for the first time, I've seen political leaders with clear majority wanting to really do and make a difference. Our finance minister used to be with the ADB. We worked very closely. He was working very closely with the private sector as well. 24 hours after being the finance minister, he changed 24 different policies and laws and acts, which, let's say the last three years, 36 acts were changed, laws were changed. He did this in the first 24 hours of coming in his office. And these all are pertaining to private sector, ease of doing business, more open, etc. So, today, me coming and saying, "Hey, Nepal's ready for business," would be far-fetched. The discussions we are having in Nepal is that today we have almost 37, 38 percent of the GDP, which is coming in through money remittance. So, there's huge amount of liquidity. There's a lot of entrepreneurs within Nepal that are wanting to do a lot of stuff, whether it's agro, whether it's renewable energy. Nepal today sits with almost world's top three potential for hydropower. Just India-Nepal border, which is open border, requires 30,000 megawatts.

Nirvana Chaudhary 18:57

I mean, for us, producing hydropower and selling it to India is a no-brainer. Selling 10,000 megawatts to Bangladesh, who's converting their coal-based power to gas-based power to hydropower is a no-brainer. But the opportunity today is coming where the new government, the younger government, is announcing policies on crypto mining, are announcing policies on—because of the terrain of Nepal, are announcing policies where data centers can be used for tokenization. Now, these are opportunities that we're talking about in any part of the world. And Nepal's opening up these policies, which are not even going to be changing in years to come. These are existing and opportunities are happening now. So, whenever I'm speaking to investors who are invested in Nepal or wanting to come in, they have two versions. One is, "Ah, okay, we know you're an eternal optimist person that we've known all your life, but we want to wait and watch. We don't want it to be 30th government in 31 years." And so, for us, it gives us that added pressure and responsibility and a moral duty to go and have these proven businesses that are successful at a short time. So, we can showcase this outside and say, "See? I've done it." And the second thing is, "Hey, I want to come into Nepal because now we are building a narrative where everyone's looking at India, but we don't want to put all our eggs in one basket." So, maybe Nepal can be like a India plus one story. And if we have a local partner who understands Nepal, who's putting in their own—they have their skin in the game. They're putting in a dollar to our dollar, we get that much more confidence. So, I think it's going to take a little bit of time, but I think the trend is already changing, and I'm very optimistic, especially when I'm interacting with the various ministers. These guys are not messing around. They won't cheat.

Curtis Chin 20:51

It was interesting, we were talking in the green room. I've been in and out of Nepal so many times. In my role on the board of the Asian Bank, I met with various ministers from various governments. And I think, like you and I, they're always, I won't say selling, but selling me an optimistic story. Nepal is different this time. And so, clearly, we want this to happen, but I find what's different, too, is you're in the business also from your great films of storytelling, right? That Nepal needs storytellers about the opportunity. And so, I don't know if you saw, but your new prime minister is literally like a rockstar, a rap star. He was just at the UN General Assembly. A very poignant message. Why is it that sometimes, I won't say poorer countries, but countries that really don't add so much in terms of changing the climate, they suffer the most. And you said something about comparing earlier about so much attention on the Pacific Island nations, but think about this mountain region, and where are the stories from there? We had hoped to have the Nepal finance minister join us, but he was actually in Washington. Importantly, meeting with people in Washington. And the Ambassador Oli, Nepal ambassador to Singapore and Thailand, also said, "How you can help Nepal is to help us deliver that story." That Nepal has indeed changed, and there are actually opportunities. I see in this audience some great philanthropists and people who are giving money and helping Nepal. But I also see people who could potentially be investors and all. Some of the questions we went through earlier, like what are the real opportunities, whether you're an entrepreneur in Nepal or you're saying take another look or take a first look. Do you tell people, are there certain sectors? That beautiful video you showed us earlier, also showed all those beautiful sites. Kathmandu, Pokhara, elsewhere. And one of the messages the ambassador wanted me to underscore is, let's go to slide two. This is just for those who are watching online or in this room. Slide two is simply a map provided to me by a great international organization, the Asian Institute of Technology, based in Thailand. I used to be their executive in residence. So, this gives you a sense of where Nepal is. Sometimes people don't even know. And he's like, "People, sadly, are cancelling trips to Nepal right now." They see these videos and think that's all of Nepal, but it is not. So, is tourism a sector? I know you have properties, even a place I go a lot, Bhutan. But are there specific sectors if you're saying to investors, "Come visit, enjoy the beauty of Nepal. But if you're going to help Nepal, think about also investments, because there's a return. It's not charity. You're going to benefit." So, you're in so many businesses and sectors. Where should people first focus? Is it—

Nirvana Chaudhary 23:46

So, I think, you know, the flood that we saw, it's just taken lives. We estimated north of 10,000 people. Getting the funds in or us contributing even to the government's coffer or us doing—our foundation believes in getting down to the ground and doing work, immediate response, which is happening. I think the first immediate requirement is, a

lot of you will be working on a lot of different initiatives, philanthropy or even in your business. I think the impact where we've seen over four villages wiped out, and the 10,000 number of people estimated to have died, I think is a little understated. But, the hundreds and thousands of families that have been affected because of this flood, the supply chain, et cetera. If we're able to partner with companies, with individuals, with philanthropic organizations that have a know-how in such emerging markets, in terrains like that, where we could create livelihoods. Whether we could come up with innovative ideas for preparing for the next flood or next disaster, which we might not be aware of. I think that's going to be something which we really needed now. Us as a foundation, we believe that— just to give you a very short example: Nepal's earthquake in 2015, again, 10,000 people died. But within two hours of the earthquake, we were able to provide food, medical equipment, assistance, and relocate some of our schools to medical relief camps. 600,000 homes were impacted, damaged, or destroyed because of this earthquake. Within 15 days of the earthquake, we built the first transition home. One year, our foundation was able to give close to 5,000 homes, build 55 schools, 22 digital classrooms, 20 clean drinking water, rebuilt an entire village, and trained 7,000 people in one year. So, we're always driven by this mindset of a private sector leveraging its infrastructure and its ecosystem, its people on the ground, and the impact, the timely impact we're able to create is what makes a difference in a disaster situation, disaster. And that's what we've done in—

Curtis Chin 26:11

Are there many businesses like that? Are you just one small shining light? How do we get more private sector to behave that same way?

Nirvana Chaudhary 26:21

There are now, especially post-earthquake, seeing is believing, seeing that this works. A lot of smaller organization businesses are doing things in their own way, which is a good step. But, in the earthquake time, we were asked by the prime minister's office saying, "Hey, I need this million-dollar check," or whatever, this contribution to the Prime Minister's Relief Fund. And because everyone was just signing the check and giving it away, and at that time, frankly, we were not even confident where that money's going to go. But we did it with the condition that our foundation would be allowed to do our own work, which they happily did. Flood also, same thing. There was an example of a teacher who I met next day of the flood. He had saved lives of 1,800 students. And it was 30 seconds, where the flood had just started to come to the water level, and he made sure each and every student was sort of put in a higher place. Now, 48 hours after that, because we're into education, we immediately took 15 other classrooms in a nearby building and sent furniture, digital boards, stationery, bags, everything. So, we made sure that those 1,800 kids were studying in 48 hours.

Curtis Chin 27:41

Our half hour is almost up. What is this lightning-like question we always see at the end? You've got two minutes, three minutes. What is your request for people watching online, for people in this room? From now a business investor side, what would you like people to do?

Nirvana Chaudhary 27:57

I think just come and visit Nepal. I have a very dear friend of mine, Elaine, here. She's been coming here since the earthquake days, and she's fallen in love with Nepal. You've come to Nepal. You've stayed—

Curtis Chin 28:08

Oh, I see Chris Fussner. There's many people out here who give money, who do work in Nepal. Now I want you also to invest. So, one question I was supposed to ask you, but I didn't have time, was, is it appropriate for tourists to visit Nepal now?

Nirvana Chaudhary 28:23

Of course.

Curtis Chin 28:23

So, absolutely, they should come right now, right?

Nirvana Chaudhary 28:26

Absolutely. And actually, the peak of the tourist season starts now. Unfortunately, the flood happened in the north part of Nepal. It was unfortunate, but Nepal as a country is great to travel. I think tourism is already picking up. People who are visiting there have already realized, hey, everything is safe and everything. But from Nepal's perspective, for one, every tourist that comes in, there's three new jobs created. We've got a friend of mine, again, who's very frequent at Milken's program. He sort of came into Nepal, and he was with our finance minister and prime minister, and he said, "You have this airport in central western part of Nepal, which is the birthplace of Buddha. And the airport's been lying empty for the last one year. Let me take it, and I'm going to guarantee you one million spiritual tourists coming in." So, that itself coming in means three million new jobs created. So—

Curtis Chin 29:26

So, come visit

Nirvana Chaudhary 29:28

Come visit. Come see it for yourself—

Curtis Chin 29:29

That's maybe a precursor to come invest. So, our time is ru—can we just show slide 15? I don't know if you saw, that video was over before you know it, but slide 15, there's a phrase that you put at the end of that. Read that to me.

Nirvana Chaudhary 29:48

"Don't just rebuild. Build forward."

Curtis Chin 29:51

Right. I felt that was such an important closing message of that two-minute video. So, it's not just about rebuilding, otherwise we're going to rebuild after every disaster. Nepal is so resilient. But, how do we build forward in a way that changes things?

Nirvana Chaudhary 30:06

Build it stronger. Exactly.

Curtis Chin 30:06

Right? And I think to one of your other key points you really wanted to underscore was: it's through partnership. It's not like, "World Bank, ADB, give me more money. Someone give me some contributions." Great, do that. But also, how do you build in a way that you see it's in your interest, too, as a businessperson or investor because Nepal has changed under this new government. Last 10 seconds that you want to share before we wrap?

Nirvana Chaudhary 30:29

I just really, really want to convey my heartfelt thanks once again to Laura for so kindly giving us this opportunity to talk about Nepal, where Nepal is going through, especially post the flood, is going through a little bit of a difficult phase. But it is where we need more and more people's support in terms of the know-how, the expertise, the preparedness of how we can make that stronger. Curtis, thank you so much. As someone who's been to Nepal, and you having taught there, in Nepal, we call you Curtis Dai. Dai means big brother. So thank you so much for talking to us. And thank you all so much for, I know you've just had lunch. Or maybe we've come in the way of lunch. Thank you so much for hearing us and giving us this opportunity to tell the story of Nepal. I don't want to be talking about what all Nepal has. I just want to be able to say we welcome you to Nepal, come see for yourself, and you'll fall in love with our country.

Curtis Chin 31:32

Join me in a round of applause for Nirvana. Thank you.

[Applause]

Nirvana Chaudhary 31:36

Thank you.

Curtis Chin 31:36

Thank you. Thank you, Nirvana.

[Closing music]

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