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The High-level Launch of the Sustainable Development Solutions Network Northern Europe

Thank you.

I am grateful for this opportunity to speak about Swedfund as a powerful tool in fighting poverty and advancing the 2030 Agenda.

The 2030 Agenda was adopted just a couple months ago. But we already know that to implement it, we have to think and act differently. The Sustainable Development Goals and the Paris Agreement on Climate Change constitute a transformative plan of action. The Goals are indivisible and inter-related. Progressing on one goal will trigger progress in others – and vice versa. We can no longer think and work in silos. Why? Because in the real world, human beings don't live their lives in silos.

To deliver on the Sustainable Development Goals, a strong commitment to ODA is needed. But that is not enough. We need more money to finance development. 1 dollar must become 10 dollars or 100 dollars. We need a model with sustainability and leverage. We need inclusive growth that is closely linked to sustainability and environmental goals. I believe that the Development Finance Institutions and the International Finance Institutions can be the bridge between traditional aid and the private sector.

History has clearly proven the correlation between poverty eradication and the impact of growth. In the year 2000 the United Nations adopted the millennium development agenda. Goal number one was to eradicate extreme poverty and to half extreme poverty by 2015. Fifteen years later, we know that 2/3 of millennium goal number 1 was reached thanks to the impact of growth. Nine out of ten jobs has been created by the private sector according to a study made by IFC/World Bank.

Among the recently adopted Sustainable Development Goals, eradicating poverty is again Goal number 1. To work towards it, we need more and better jobs.

The World Bank did a study interviewing 60 000 people living in extreme poverty. They asked them what they needed the most to improve their conditions in life. They ranked a job as number one. A job would allow them to improve their lives dramatically. A job to support their families, send children to schools and by food and medicine.

One new job creates 7-25 new jobs and every person who gets a new job supports up to five persons. For Swedfund that implies the following: right now we have 106 000 jobs in our portfolio companies, that means another 700 000 to 2,5 million jobs. That is I think true leverage.

Swedfund was established in 1979 as the Swedish Development Finance Institution. Our goal is to reduce poverty by sustainable investments. We have about 70 percent of our investments in Sub-Saharan Africa. We focus on three sectors, which are the finance sector, energy and manufacturing & service.

We invest in equity and loans. And we invest where we consider that the needs are the most urgent. Where the positive impact of an investment the greatest. And where the risk is considered to high for private investors.

To invest productively, we need to be sensitive of the environment in which we are active as investors and owners. The companies we invest in have an important impact on society in the countries where they operate. Swedfund has created a business model that increases impact on society and decreases the risks of an investment. This model can contribute to the SDGs with leverage.

The model consists of three pillars: Impact on society, sustainability and financial viability. All pillars have three main indicators.

Impact on society is the pillar where we measure the number of jobs that we have created, the tax income that the investment has generated and the knowledge that has been transferred. The second pillar, sustainability, is where we measure that the jobs we have created are decent according to ILOs core conventions, the impact on environment and anti-corruption. And thirdly, financial viability is where we measure growth, return on investment and profit.

Every investment is measured, evaluated and monitored based on these three pillars and their indicators. We believe that what gets measured gets done.

Our annual report is fully integrated and it demonstrates the complexity of our investments operations, our commitment to the fight against corruption, respect for Human Rights etc. Our integrated report also gives us the opportunity to measure our aggregated results, to follow up on investments in dialogue with our partners for improvements over time. We are very proud that our report is fully integrated and that we measure development results with the same level of authority as we measure the financial viability of our investments. Responsible Investors gave Swedfund the price for the best integrated report among small and medium sized funds 2015.

Through partnership we are looking to do more since we always are a minority investor. And it is through partnership that we will fulfill the 2030 development agenda.

Let me mention a few examples of partnerships:

Mitigating climate change is a top priority among the European DFIs. They understand that while people may have a Plan B, humankind has no Planet B. We are working with European colleagues through a network on various issues called EDFI. EDFI has a portfolio of 33 billion Euro implemented in more than 4000 projects. We have a common facility ICCF to address climate change. ICCF is a facility where we pool our resources – both financial and technical – to implement sustainable energy project mainly in Sub Sahara Africa. An existing efficient facility with leverage.

EDFI is also working with the European Commission within the initiative Electrify and the initiative by the UN Secretary-General Sustainable Energy for all. Together we will work with the electrification of the countryside. The regional focus is Africa south of Sahara.

Together with H&M we have a partnership to develop a sustainable textile industry in Ethiopia. Swedfund as an Investor and H&M as a Buyer have agreed on the same sustainability indicators, which pushes our industrial partner in the right direction much faster. It is crucial in our endeavor

to build a responsible industry with both high social and environmental standards. For Ethiopia this will be a strong factor for job growth in an important industry. Also we will reach young women living in extreme poverty that now will get a possibility to make a living. I think and hope that it will become a benchmark for the entire textile industry, which we all know needs improvement. Leverage on the leverage in my mind.

Swedfund has partnership with Scania in India to develop the production of biogas as an automotive fuel in Nagpur. The biogas will be produced from digested sludge from one of the city's wastewater treatment plants in collaboration with local companies. This cooperation is providing climate smart and affordable transport. As owners, Swedfund and Scania together ensure that the production is sustainable in all its aspects. Similar to our project with H&M.

With the Norwegian DFI, Norfund we have established a small finance company, Kinyeti Venture capital in South Sudan. Kinyeti provides risk capital to South Sudanese entrepreneurs and growing businesses that are commercially viable and socially and environmentally sustainable.

Last year Swedfund started a pilot project in Kenya, a talent scheme called Women 4 Growth. It aims to inspire and strengthen participants in their professional roles so that they can eventually take up management positions. The participants are female employees in two portfolio companies in Nairobi that Swedfund owns directly and indirectly via a fund.

I have mentioned our partners and partnerships a few times today. We are strong believers in partnership as the new leadership – through partnership we avoid working in silos. Finding the right partner is perhaps the most important factor for a successful investment and for us to deliver on our three pillars. To implement the SDGs we need:

To increase our cooperation with responsible business partners, like H&M, Scania and local entrepreneurs.

We need a strong partnership with our colleagues from IFC and EDFI, other development banks and financial institutions.

We need to partner with organizations like UNWOMEN, ILO and with local unions, we need a global deal between unions, businesses and countries.

We need to partner with civil society organizations from who we can learn a lot and work with to improve the investments we make.

We need to partner with universities and researchers and take initiatives like the SDNS further and act together coherent and in partnership.

We should use our investments as a platform for change, as a platform to combat climate change and as a platform to eradicating poverty.

If we work together through partnership and through the right business model, we can deliver on the SDGs. Together we can eradicate extreme poverty.