

## DANISH SDG INVESTMENT FUND



INVESTMENT FUND FOR  
DEVELOPING COUNTRIES

### PRESS RELEASE

## NEW DKK 4BN FUND CONTRIBUTES TO UN SUSTAINABLE DEVELOPMENT GOALS IN DEVELOPING COUNTRIES

*Today, six pension funds and IFU signed an agreement to establish the Danish SDG Investment Fund, which will contribute to meeting the UN Sustainable Development Goals in developing countries and promote the sale of Danish know-how and technology. The current capital commitment is DKK 4.1bn, and it is expected that the fund will contribute to investments worth approximately DKK 30bn in developing countries.*

Today, the pension funds PKA, PensionDanmark, PFA, ATP, JØP/DIP and PenSam together with IFU signed an agreement to establish the Danish SDG Investment Fund, which is part of the Danish contribution to the 17 UN Sustainable Development Goals.

Danish SDG Investment Fund is a public-private partnership, in which the Danish state and the pension funds collaborate to take up an important social challenge. In that way, the fund is an innovative solution to how Denmark can contribute to increasing private investments in developing countries, which is a prerequisite for meeting the Sustainable Development Goals towards 2030.

- Danish SDG Investment Fund could mean new, sustainable investments in the amount of as much as DKK 30bn in the poorest countries in the world. The fund is a specific example of the paradigm shift in Danish development cooperation – we cannot meet the Sustainable Development Goals and lift people out of poverty without private investments. The Danish pension funds' participation shows great leadership and global responsibility. The potential of the private sector in the developing countries is huge and can result in jobs, education and a better life for many people in some of the poorest countries in the world. I am very happy about the agreement, said Ulla Tørnæs, Minister for Development Cooperation.

### **Solid return to investors**

The current capital commitment to the Danish SDG Investment Fund is DKK 4.1bn. The six pension funds are contributing DKK 2.4bn in total, IFU and the Danish State are contributing DKK 1.65bn, and a private investor is contributing DKK 80m. The objective is to raise about DKK 1bn more in a so-called second closing.

Danish SDG Investment Fund will invest equity in companies in Africa, Asia, Latin America and parts of Europe. Investments will be made in cooperation with Danish companies, which have strong competencies, knowledge and technologies within several strategic sectors that support the realisation of the development goals. The fund will be operated on commercial terms and will ensure a competitive return to its investors.

- Danish SDG Investment Fund is a good example of how Danish pension funds and State funds can contribute to making a positive difference in the developing countries, while members still make a solid return, and Danish companies gain access to new markets, said the six pension funds in connection with the signing of the new agreement.

### **Great support from Africa**

A large part of the fund's future investments are expected to be made in Africa. Therefore, there is great support and praise to the Danish initiative from Ghana's Minister for Foreign Affairs.

- Ghana would like to commend Denmark for launching a sustainable development goals fund. When we invest in each other's countries, the world becomes a richer and better place, said Shirley Ayorkor Botchwey, Ghana's Minister for Foreign Affairs.

### **Investments of DKK 30bn**

Danish SDG Investment Fund will be managed by IFU, which has invested in over 1,250 project companies in more than 100 developing countries in collaboration with Danish companies. The new fund will, as IFU, participate in raising further capital in the individual companies in the developing countries, and therefore we are very happy that the Danish SDG Investment Fund will create a positive return to its investors as well as improve the livelihoods of people in developing countries, said Tommy Thomsen, CEO in IFU.

The agreement about the Danish SDG Investment Fund was signed in UN City in Copenhagen with UNDP as host.

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