

# What are the challenges to be addressed to further attract private capital?

UNECE Global Workshop 6 December 2023

# SEB's sustainability milestones



SEB helped **Mercedes-Benz** establish a sustainability-linked loan on the market.



SEB launches five 2030 sector targets

SEB forms the **Greentech Venture Capital** for investments in green technology.



SEB is **sole structure advisor to the Swedish government** in the inaugural Swedish sovereign green bond.



SEB launches **green mortgages** for retail clients.



SEB starts working towards the **UN Sustainable Development Goals**.



and the **first corporate green bond**.



SEB launches its first **Microfinance fund**.



SEB assisted issuing the **first green bond by a municipality**.



SEB signs the **Equator Principles**



Start of co-operation with **Mentor**.



**#1 in Prospera's** Sustainability Advisor 2021, in the Nordics

SEB founding signatory of **Net-Zero Banking Alliance**

SEB presents **updated sustainability strategy**



SEB signs the **UNEP FI PRINCIPLES FOR RESPONSIBLE BANKING**

In collaboration with the UN, SEB launches a **public e-learning platform** for sustainable finance.



SEB issues its **first own green bond**.



The **Green Bond Principles (GBP)** are launched by SEB together with 12 other banks.

SEB signs **PRI**, Principles for Responsible Investment, supported by the UN.

The World Bank together with SEB issues the **first World Bank Green Bond**.



2004

SEB signed the **UN Global Compact**.



1995

First **Environmental Manager** appointed at SEB. Employee engagement through training.

1997

1995

2007

2008

2013

2014

2015

2017

2018

2019

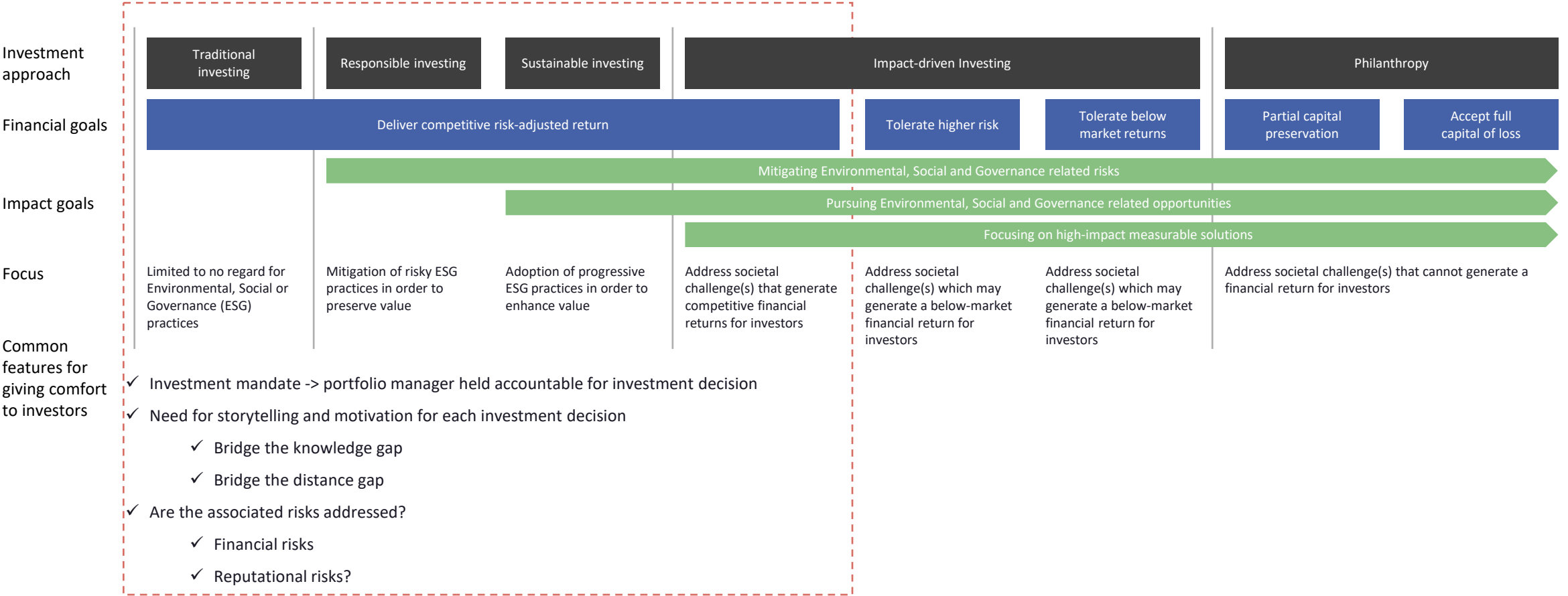
2020

2021

2022

# The private sector landscape

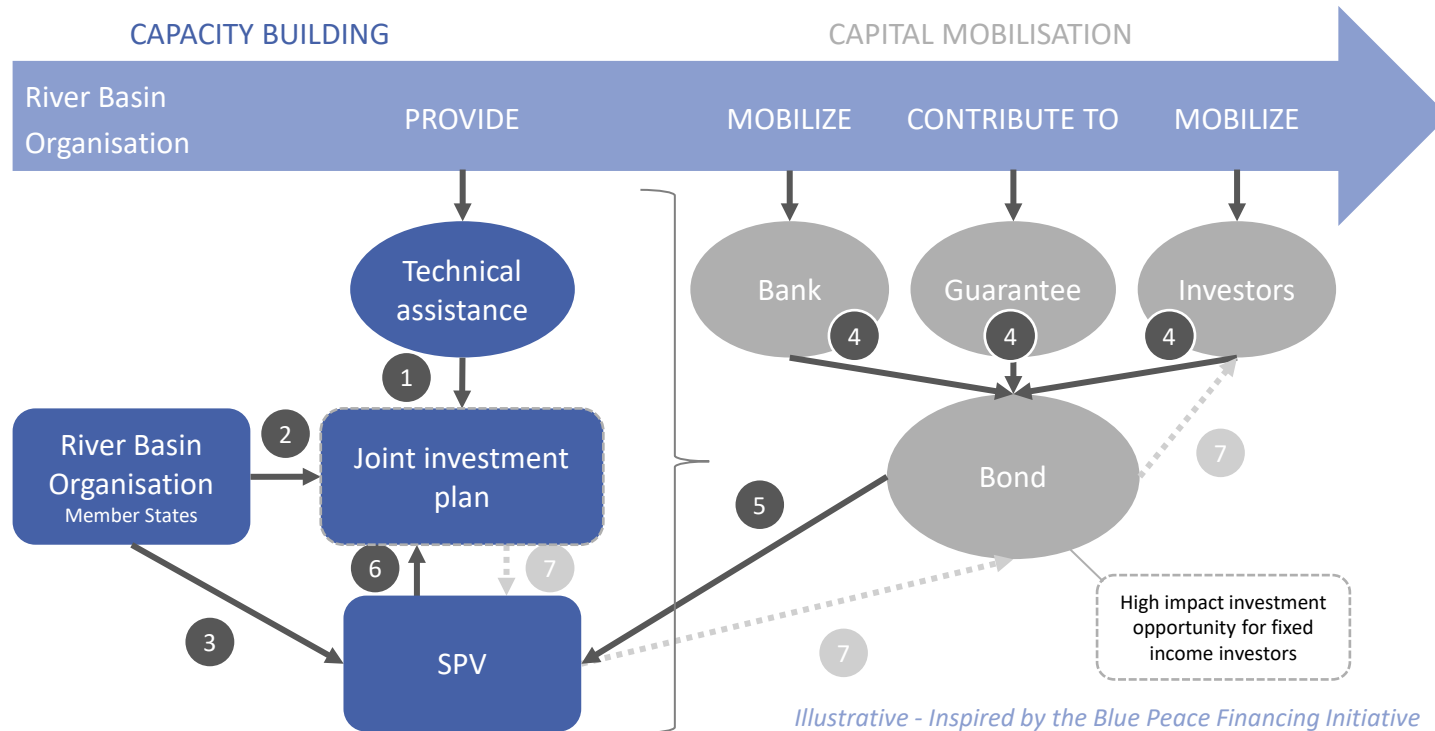
The "Spectrum of Capital"



Source: SEB, ESMA, Bridges Fund Management "The Bridges Spectrum of Capital) and G8 Social Investment Taskforce

# Schematic illustration of a potential financing structure

How to provide comfort to investors and attract private capital



Step-by-step:

1. Sponsor/NGO/ Development Agency provides technical assistance to the River Basin Organisation (RBO) for steps (2) and (3)
2. The RBO and Partners develops a joint investment plan
3. The RBO creates a Special Purpose Vehicle (SPV) for the implementation of the financing of the plan
4. Bank takes on the task as lead arranger for the structuring of the financing instrument finding the optimal price- risk return features for the bond
  - Market sounding
  - Credit enhancement
  - Finding the right investors
5. The SPV issues the Bond
6. The SPV manages and implements the projects under the joint investment plan from the bond proceeds
7. The SPV repays interest and principal to investors through the cashflow of the underlying projects

Protocols needs to be in place to provide comfort to investors

- Assessment & approval of underlying assets and the soundness of RBO legal and institutional framework
- Development of the Impact Framework and systems for monitoring and reporting
- Third party verifications where relevant for credibility



Thankyou!