Your Excellencies, Mr. Kleiterp, Ladies and gentlemen, I am so glad to be speaking to all of you today on such a wonderful occasion: the 40th Anniversary of the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, or like everybody knows it: FMO. My sincere congratulations to you, Mr. Nanno Kleiterp, CEO of FMO; to your colleagues of the Management Board; and of course to the whole staff of this fine institution.

You might ask yourself what is a member of the Royal House doing here? Well, the bond between FMO and the Royal Family dates back many years. As some of you still might remember, my late father-in-law - His Royal Highness Prince Claus, opened FMO's former offices in 1993 and I had the pleasure and honour to open its present offices ten years later. We both performed the opening ceremony by setting in motion a marble globe sustained by water.

But the relationship did not limit itself to opening buildings, which my father-in-law would jokingly call "our core business". In fact, Prince Claus was engaged with FMO in various ways. FMO often gave him valuable advice and input. And it is funny how history tends to repeat itself, because in my capacity as the UN Secretary-General's Special Advocate for Inclusive Finance for Development, it is now my pleasure to be able to work closely with FMO. So I guess a thank you for the time I have worked with you, would also be very appropriate.

40 years is a respectable age. Certainly for a development bank that had to deal with various economic crises during its existence - from the oil crisis in the seventies to the Asian and Russian crises in the late nineties, as well as several Argentinean crises. And since 2008, the world economy has challenged us once again. But all of this, ladies and gentlemen, makes FMO's work more relevant than ever. Like the water that keeps the marble globe in motion, FMO's financial activities keep local initiatives alive - initiatives that foster businesses, feed the economy and help development.

"On ne développe pas, on se développe," was Prince Claus' favourite quote from his friend Joseph Ki Zerbo. Helping people to develop themselves: that's exactly what FMO does. And that's exactly what so many people in developing countries desire.

Earlier this month, a farmer in the north of Rwanda told me about his life since he had access to financial services. As a result of several microloans, he now owns four cows, a fine house and was even able to send one of his sons to medicine school in Kigali. When I asked him, "is there anything else that you would like to have?" He replied with huge proud eyes 'I don't want anything from anybody, I just want you to believe in me.'

Poor people are worth investing in; and this, underlines the importance of inclusive finance. Let me share the definition of financial inclusion. It means universal access, to a wide range of financial services, provided by a diversity of sound and sustainable institutions. This agenda is obviously much broader than microcredit alone.

First, it includes savings accounts, loans, insurance, payment services, pension plans and remittance facilities that can help people generate income, build assets, manage cash-flow, invest in opportunities and protect themselves from unexpected setbacks.

Second, it also includes financing not only the micro-entrepreneur, but also small and medium sized enterprises, the real job creators.
Ladies and gentlemen,

We must always remember that inclusive finance is a means to an end and not an end in itself. But it is still a very powerful enabler of development, and works both directly and indirectly. Directly, through impact on individual households, and indirectly in many ways.

To begin with, finance programmes can reach far beyond the limits of scarce donor resources. Not only can they unleash domestic capital in the form of savings, they can also have a multiplier effect on donor resources and foster innovation.

What is more, research shows that there is a connection between a large shadow economy on the one hand, and weak states on the other. Banking the unbanked can help to solve the problem of informality and, by extension, can strengthen governance.

And finally, inclusive finance can help us to reach environmental sustainability. Many people, as you know, have no access to electricity, water, drinking water or fuel to cook with. For example, building alternative energy systems is a huge challenge, but it is also a huge opportunity. Financial products can play an important role here, too.

In Rwanda again, I visited farmers who with small loans had bought small installations to turn cow dung into biogas. They use the biogas for electricity and cooking. As a result, there are fewer fumes in the house, less deforestation and less soil degradation. Also, the women no longer spend hours collecting wood. And the waste is a better fertilizer than the dung itself, further improving crop yields. FMO played an important role in financing this project, in cooperation with NGOs and a local bank.

As a Special Advocate for Inclusive Finance for Development, I constantly seek best practices and policies like these. In my opinion it is crucial to acknowledge the importance of mixing private and public money to achieve a multiplier effect.

Like MASSIF,[1] another great FMO example of public-private partnership. This 300 million euro government-financed local currency fund is active in about 50 countries worldwide. Its 120 clients are local financial institutions that serve micro, small and medium-sized enterprises. These financial institutions have limited or no access to medium and long term finance, let alone local currency financing. Altogether, MASSIF serves 14 million borrowers and 17 million depositors.

Remarkable is the fact that in many cases MASSIF bears the currency risk. By doing so, neither the clients of MASSIF - the local financial institutions - nor the final beneficiaries - the micro, small and medium-sized enterprises - face foreign currency risk. This would be too risky for development banks or commercial banks alone. It can only be borne together with the public sector.

And, importantly, the fund operates in a sustainable manner. It has remained stable for years and has even managed to make some profits along the way. In my view, this type of public-private mechanism deserves to be duplicated or taken to a European level.

Let me now leave you with some final thoughts. In the years to come, I see two major challenges.

Firstly, it is necessary to have pilots that will test innovative partnerships between financial services providers and any other service provider. An important part of making pilots replicable and scalable is to collect good data on both demand and supply of the financial services, and to analyze impact.

Secondly, we need to scale up the pilots and make them sustainable, so that we can serve as many people as possible and at the most affordable price. In my view, FMO has a key role in both financing pilots and making them sustainable business models. Not only by providing money, but also with the provision of expertise, capacity and enabling innovative partnerships to flourish.
Of course, being sustainable means also seeking profits. And in itself profits are not bad, as long as we win, and they win too. So let us make sure, that whenever we build up these sustainable models, that the mechanisms are in place so that this win-win really does take place. Are there consumer protection measures in place? Are these likely to be implemented in weaker states? Are the prices properly disclosed? Are the prices fair and who determines that? Should there be a policing body, or will just naming and shaming do the job? Are we providing products that the people really need and can afford? Are we measuring the impact of our products? Do we measure the impact on the environment?

I am aware that this is not a simple black and white discussion, but it is an extremely important one. I believe that investors have a task in influencing their clients to build these checks and balances in their business models. Therefore I do urge you to include them in today's conversation on "Be social, make profit". Because at the end of the day, profits themselves will not be sustainable if the underlying product is not improving people's lives.

I thank you very much for your attention and I wish you a very fruitful discussion.