Ladies and Gentlemen, Thank you so much for this opportunity to open the first SOCAP Europe conference and the invitation to give a keynote speech.

Finance is at the nexus of so many issues. How money is invested today is crucial for what the world will look like tomorrow. Impact investing can help to build a globally just and sustainable society. SOCAP is dedicated to this end, and has brought together innovation, entrepreneurship, finance, science, passion and philanthropy. We need more meetings like this to lift people out of their own silos, and build creative partnerships. Partnerships that together will deliver more than the sum of all parts.

In my role as UN Secretary-General's Special Advocate for Inclusive Finance for Development, I encounter inspiring examples of partnerships that pair finance with business and social initiatives. And this is helping to change lives, business and communities everywhere. I have also observed that real sustainable impact is most likely when diverse partners consider the underlying needs, and design products and investments accordingly.

I would like to share three ideas about how we can build sustainable impact through investment. My first message focuses on access to finance. From the Netherlands to Nigeria to Nepal, small and medium enterprises are the engines of local job creation and economic growth. In order to grow and thrive, enterprises need a variety of financial services, including savings, payment facilities, loans, credit lines, and different types of insurance.

So often, people talk about microenterprise in one silo, and SMEs in another. In reality, the borders between micro and small enterprises are blurry. Not every entrepreneur starts by being a mid-sized company, but often as a micro-business. And, finding finance at these initial stages can be very hard. Moreover, the success of an enterprise is linked to larger and smaller businesses around it. All of these suppliers and clients need financial services to thrive.

By creating silos, with microfinance here, and enterprise finance there, we will not effectively focus on the needs of the enterprises. We need to speak a common language that connects finance in a smooth continuum. We also need to make sure that the financial products are tailored to the cycles, investment needs and nature of each industry and value chain.

SMEs can also be an engine for sustainable change, as I am sure you will be discussing. For example, business can combat climate change through approaches to production and agriculture, package design and the products they sell. Each of these requires specific kinds of finance. Tree-crops, landscape restoration, and soil conservation measures often take five to seven years to yield results. So making longer-term capital available will be key for these types of initiatives.

In Rwanda, I visited a farmer who produces his own biogas. With dung from at least two cows, a simple tank now gives him gas for cleaner, healthier cooking and lighting. His family no longer collects wood for fires, which also helps preserving the land.

And, the waste of the tank is better fertilizer for his land, so his crops and yields improve. What interested me was how the farmer could afford this tank. Well, up to a third came from his own savings and construction materials that he provided. A third was subsidized. And the remaining third was from a bank loan. And, the loan was designed so that the monthly payments equal what he saved on fuel expenses - so really paying attention to his cash flow. Innovative financing schemes like this hold great potential.

My second message is very important: technical assistance is also needed along with finance. Small businesses start with a good idea. But it is not always easy to shape an idea into a good business plan that attracts investment. Or to produce detailed documents that banks require for larger and longer-term loans.
This is why non-financial assistance is also very important. In the case of the farmer in Rwanda, several partners facilitated a larger package, helping the farmer get a loan and also build the tank to technical specifications. In the Netherlands, an organization called Qredits provides small loans to very small businesses. But most importantly, it also arranges for coaches to help entrepreneurs with practical questions ranging from financial administration to planning to marketing. I encourage all of you here to think about how you can expand your partnerships with local organizations to provide finance, but also expanded business development services.

My third message is on responsible investment. As social investors, finding the right balance between impact on sustainable development and financial return is crucial. But how to attain this?

Responsible finance rests on three pillars. The first pillar is regulation and creating a level playing field in a given country. This is a role for government. The second pillar is the ability of consumers to understand choices, products and rights. In other words, consumer capability. This includes financial literacy. And this is best achieved when service providers and governments facilitate it, and clients actively pursue it.

The third pillar is what we call self-regulation by industry. As a previous banker, I have realized that it is very difficult for companies to have a long-term vision unless their shareholders and investors actively pursue it. I believe in institutions that have such a vision, not only on moral grounds, but also for their long-term sustainability. I also think that investors hope that any profits today will be maintained in the long run, through the creation of strong institutions and good products. Only with sustainable institutions will we grow a strong financial sector and vibrant markets.

This is why in January we launched the Principles for Investors in Inclusive Finance. These Principles provide practical guidance to help investors leverage resources, experience and collective voice to build sustainable and responsible institutions.

Already close to 50 investors - some of you are here in this audience - including major pension funds, follow the guidance offered by these principles. Civil society, governments and entrepreneurs should all ask investors to use these principles, which are now part of the United Nations Principles for Responsible Investment. We want to create a global norm that puts client needs at the heart of enterprise and financial services. Only in this way will we get the right products at the right price to everyone who needs them today, and in years to come. And this is at the very core of responsible finance. I hope that more investors will join us in signing the Principles.

There is so much to explore and learn during this conference, including:

- The need for channels like these are enormous;
- The need to share information about how to effectively finance SMEs;
- How to design a scalable business model with the right incentives for consumers;
- How to stay away from negative side-effects;
- How to establish the right partnerships - be it finance, drinking water, health or clean energy - to get the distribution right. We need holistic approaches;
- How to establish a dialogue with governments to foster proper environments and even improve their efficiencies.

The challenges are still enormous. Whatever was reached through microfinance is still not enough. More than 2 billion people still have no access to finance. The same goes for other needs. So I hope you can inspire others to reach an equitable, sustainable world.

Thank you.