

Philanthropy, Faith and Finance: A vision for the future

Jean-Pierre Sweerts MD Water Financing Facility, Chairman of the Board DOB Equity,

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“What do you do with wealth to make a better planet?” That is the question at the heart of the question: “Why and how to invest Faith Consistent?” But there is another question too: “Can you strengthen your Faith Group by Faith Consistent Investing?” I am convinced it will contribute to social-cohesion and strengthen your Faith Organisation and Community.

To invest in line with your beliefs sounds so logical. But it hardly happened in religious organisations. Most invest purely based on financial return. The reason is simple: it is so much easier to invest in a standard way. You only have to look at the desired financial return / risk profile”. Nowadays, the information to do so is widely available. Faith consistent investing means that you have to select funds, companies, bonds and other investment possibilities also based on consistency with your beliefs. This adds complexity.

However, when such a Faith Consistent Policy is determined and the Strategy is worked-out it becomes again simple if it is set-up solidly. One can choose to use as a basis “How faith investment in environmental and sustainable development can support the UN’s sustainable development goals.” But one can also directly relate it to the basic principles of the Faith. One can invest based on exclusion or inclusion. One can choose for a global investment horizon or invest primarily locally where the people of the Faith Group live. One can allocate part of money for more high-risk and labor-intensive Impact Private Equity Investments. Clearly, there are different roads to Rome.

In the last two days, we have shared our knowledge and ideas about “How do you develop strategies for faith-consistent investing?” and “How the faiths can create investment opportunities”. This has led to “The - Zug - Faith Guidelines for faith-consistent investment”. It has also led to the new Platform for Faith Consistent Investing. Two break-throughs that can assist you all in making your investments Faith Consistent. And as such, have a much bigger positive impact to make a better planet and to further build on the strength of your Faith Organisation and Community. It’s logical development.

Faith Consistent Investing has to be in line with the fiduciary duties of the Trustees. Rigorous and professional risk management has to be part of the investing strategy. The asset management should be in the hands of trustworthy and most skillful investment managers. Philanthropy is and will be needed for activities that do not generate a direct financial return. Investments need a financial return; only then long-term impact can be achieved. To strive for solid financial returns is part of the fiduciary duties. This is also fully in line with Faith Consistent Investing.

The Alliance of Religions and Conservation already started to support Faith Consistent investing in the late 90's of the last century. ARC has contributed to the Faith Consistent Investing of several Faith Groups. Several Faith Groups have invested fully faith consistent, have reached solid financial returns and social and environmental returns. Because they invested Faith Consistent they have more impact on society and become stronger and more rooted organisations and communities. It has contributed to social cohesion within and outside the Faith Communities. Some of these champions were here the last two days and we have seen they are all open to show how they do this.

ESG and Impact investing have grown tremendously in the last two decades. Now it's time for the Faith Groups, for you, to become all part of this worldwide movement. A movement that sets "values" on top of its investment strategy.

Wishing you all the faith to set these steps towards Value Investing with strong financial, social and environmental returns and strong and leading Faith Organisations and Communities.

Jean-Pierre Sweerts, Water Financing Facility, Netherlands

Jean-Pierre Sweerts has a 19-year background in financing and investing in water and clean energy infrastructure and in (impact) private equity and venture capital, worldwide. He is used to building and managing successful and dedicated teams and to set up the required legal structures and organisations (i.e. funds, companies and foundations) and teams (boards, management, staff, partners). Before he became active in the financial sector, he spent eight years working at Delft Hydraulics in the water sector in various managerial and consultancy positions. He works in, and bridges gaps between, the public and private sector and works with local as well as international oriented institutions. He has, and has had, supervisory board positions in a range of companies, infrastructure projects, public institutes, impact investment funds and foundations. He has an IEP from INSEAD and a PhD in Mathematics and Natural Sciences, in fresh water systems ecology. (NETHERLANDS).