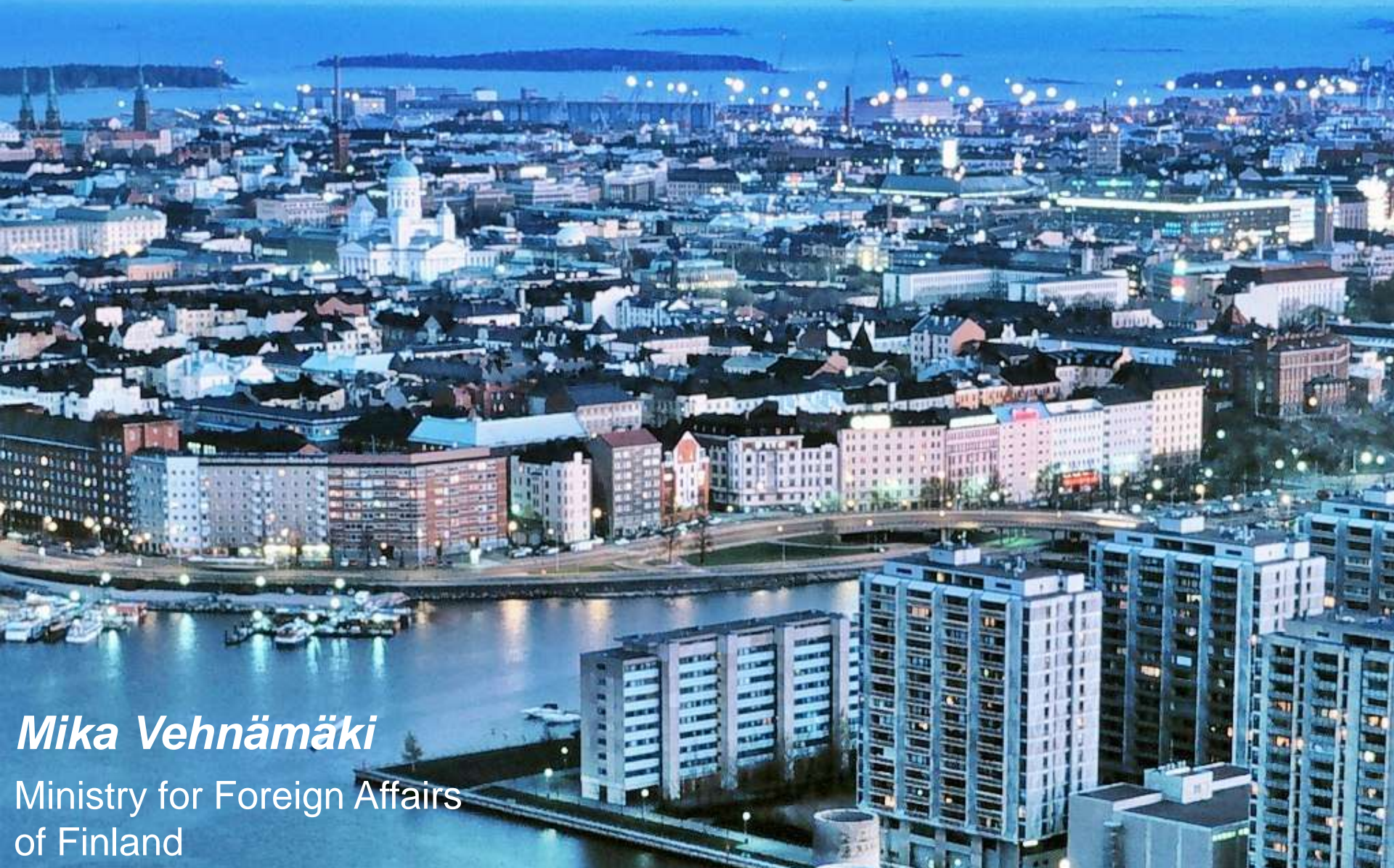


# Finland's strategic directions

DCED Annual Meeting 2017



***Mika Vehnämäki***

Ministry for Foreign Affairs  
of Finland



# Finland's development policy (2016) focuses on *four priority areas*



1. The rights and status of women and girls have been enhanced



2. Developing countries' own economies have generated more jobs, livelihood opportunities and well-being



3. Societies have become more democratic and better-functioning



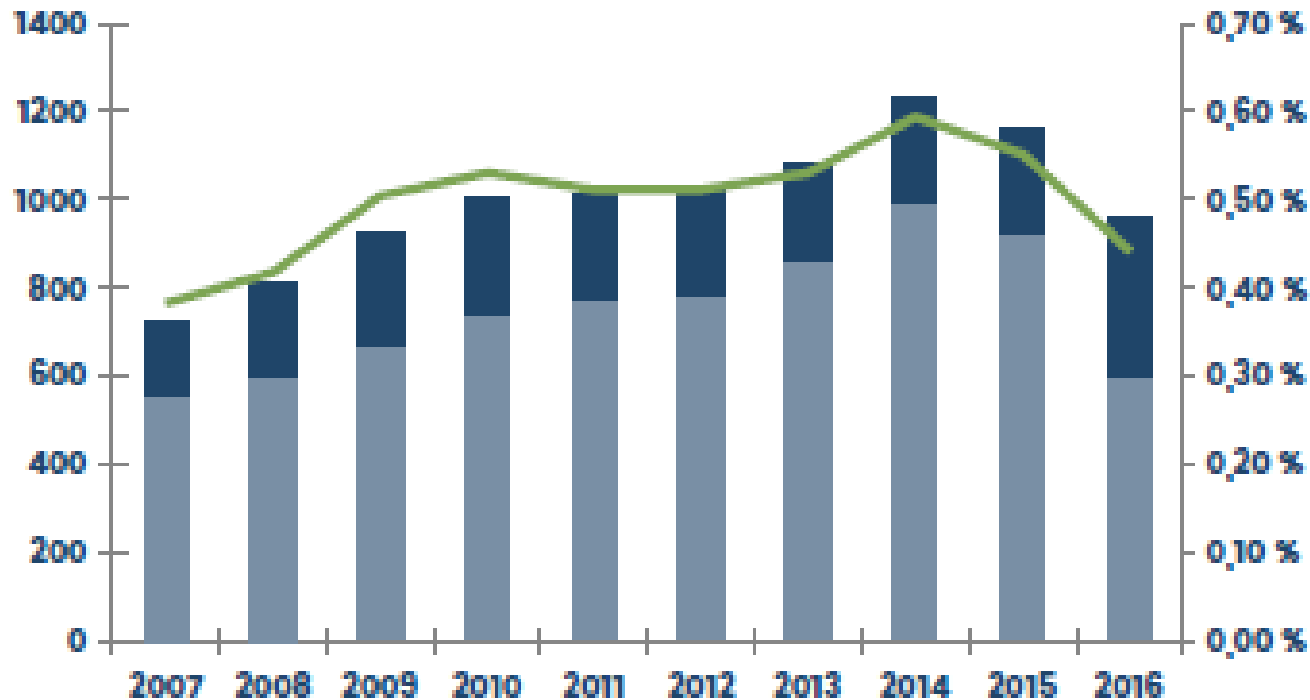
4. Food security and access to water and energy have improved and natural resources are used sustainably



**Private sector  
development**



# Finland's development aid disbursements 2007–2016



- **43 % cut in ODA in 2015**
- Share of PSE: 3 %
- Share of CSOs: 7 %
- Share of "Economy Focus Area": 16 % (\*)

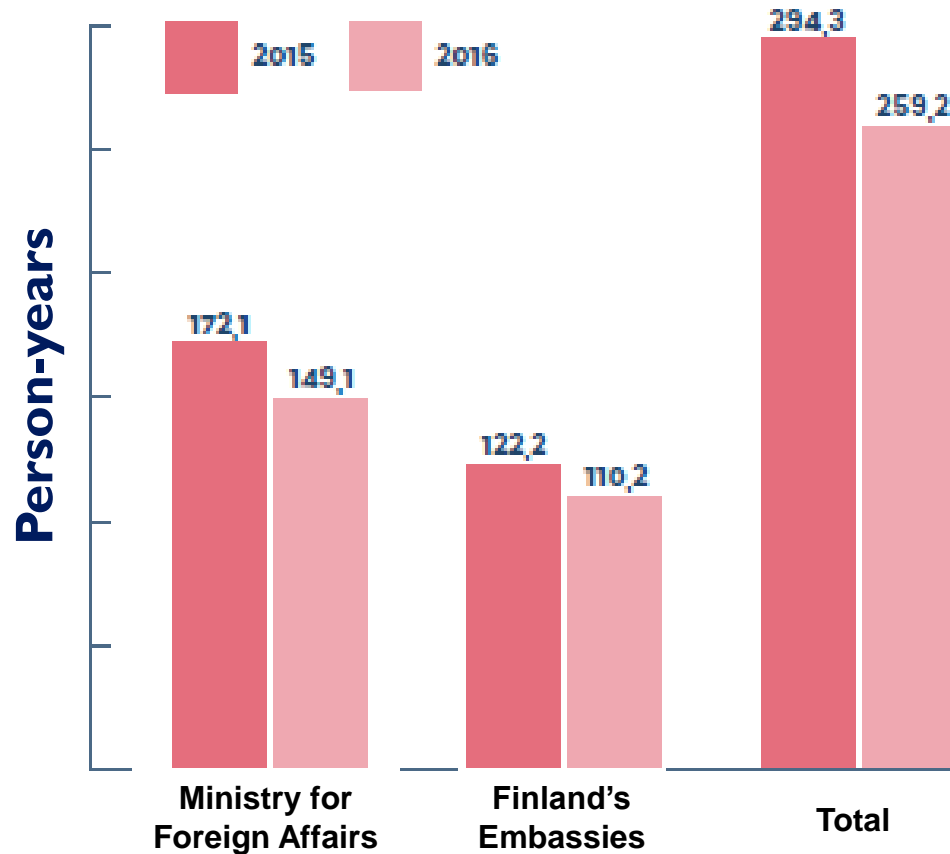
Exclusive ODA budget items (mill.)
  Other ODA disbursements (millions)
  ODA / GNI (%)



MINISTRY FOR FOREIGN  
AFFAIRS OF FINLAND

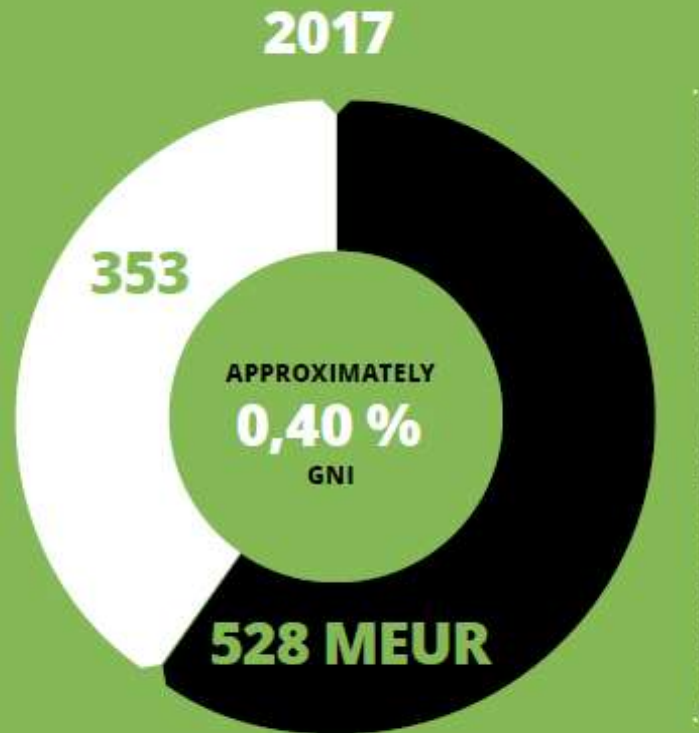
\*) *Four Focus Areas*

# Finland's development aid personnel 2015–2016

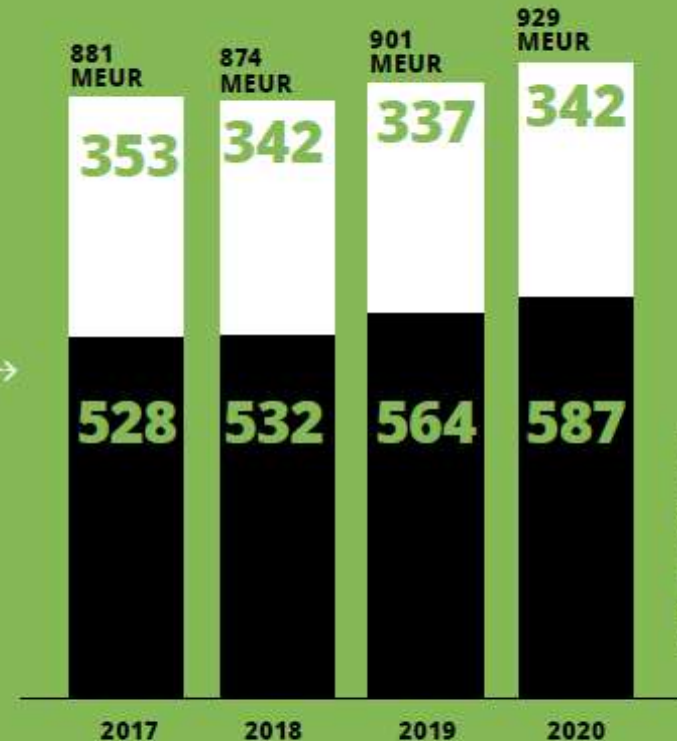


# Finland's development aid 2017–2020

## DEVELOPMENT COOPERATION APPROPRIATIONS



APPROPRIATIONS IN 2017–2020 (EUR MILLION)



The situation under the state budget for 2017 and the central government's spending limit decision for 2018–2020. The proportion of GNI is estimated to be 0.40% in 2017 and 0.39% in 2018–2020.

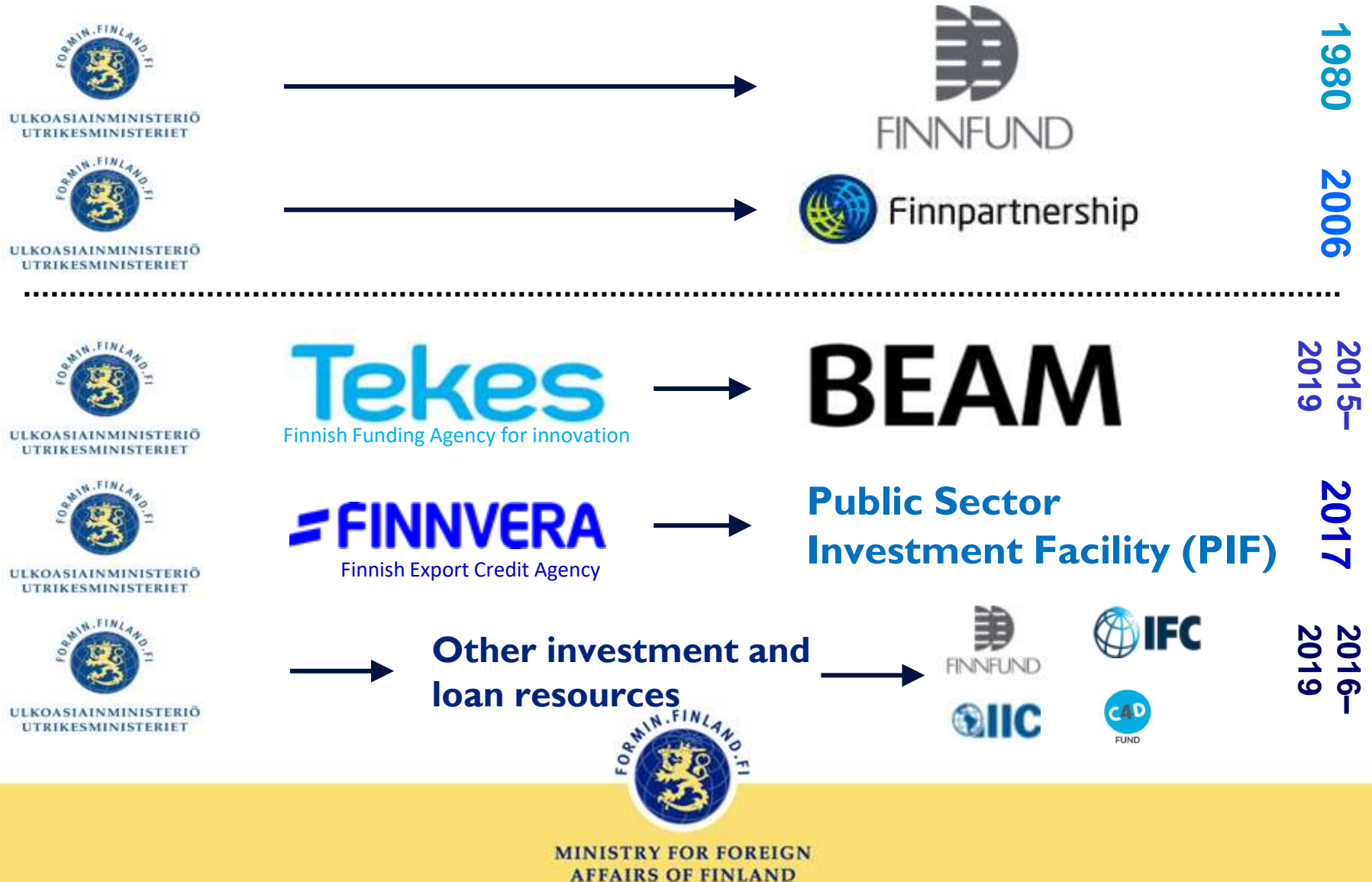
● **ODA ADMINISTERED BY THE FOREIGN MINISTRY**  
Funds that are administered by the Ministry for Foreign Affairs, which are used, for example for bilateral development cooperation, to support work done by the UN agencies, development banks and Finnish CSOs, and to provide humanitarian aid.

● **OTHER DEVELOPMENT COOPERATION SPENDING**  
An estimate of different administrative sectors' expenditure that fall under development cooperation, including part of the expenses arising from the reception of refugees, civilian crisis management expenses, and Finland's contribution to the EU's Development Cooperation Instrument (DCI). This also includes an estimate of the investments made by the Finnish Fund for Industrial Cooperation Finnfund in 2017, which are considered to fall under development cooperation activities.



MINISTRY FOR FOREIGN  
AFFAIRS OF FINLAND

# Stronger emphasis on private sector engagement



# BEAM – Business with Impact Innovations for development program 2015–2019

## Basics

Tekes administers

MFA and Tekes finance 25 million € (both 12.5 million € ) and applicants finance 25 million €

Fixed-term 2015–2019

## Aim

Supports development of innovations, research and knowledge that improves the welfare of low-income people in developing countries and creates new and sustainable business

## Concretely

New products, services, technologies, modes of operations, distribution channels, social innovations

*Development, piloting and commercialization*

**Tekes**

**BEAM**  
[www.tekes.fi/beam](http://www.tekes.fi/beam)

# Long-term investments and finance

## Basics

**Finnfund is a state-owned  
development finance  
company**

**Equity 251 million euros  
Portfolio 355 million euros**

**Self-sustaining (excl.  
“special risk finance”)**

**Capital increases from  
ODA**

## Aim

**Supports economic and  
social development in  
target countries by  
offering long-term risk  
finance for profitable  
sustainable investment  
projects**

## Services

- **Equity investments**
- **Risk loans**
- **Mezzanine finance**
- **(Guarantees)**
- **Advisory services**

**Investments range  
between 1–20 million  
euros**



# Public Sector Investment Facility (PIF)

Funding for developing-country public investments

## Basics

- Mixed export credit instrument
- Tied aid

## Aim

Supports economically viable but commercially non-viable public sector investments in developing countries

## Actors

- Public sector entity
- Finnish enterprise
- MFA
- Finnvera
- Financial institution in EEA

## Countries

- LMICs + LDCs/LICs  
→ **not UMICs**
- Meet principles of sustainable lending
- No HIPC/MIDR
- Finnvera's guarantee

# Other investment and loan resources 2016–2019

## Basics

- EUR 530 million for investments and loans
- Must yield a profit and return one day to Finland
- Several partners

2016

€ 130 million loan →



FINNFUND

€ 10 million equity →



2017

€ 114 million loan →



Finland-IFC Blended Climate Facility

€ 16 million loan →



2018–2019

€ 260 million →

?

*Team*  
**FINLAND**



MINISTRY FOR FOREIGN  
AFFAIRS OF FINLAND



TYÖ- JA ELINKEINOMINISTERIÖ  
ARBETS- OCH NÄRINGSMINISTERIET  
MINISTRY OF EMPLOYMENT AND THE ECONOMY



FINNFUND



Finnpartnership

**Tekes**

**FINNVERA**



Suomen kulttuuri- ja tiedeinstituutit  
Finlands kultur- och vetenskapsinstitut  
The Finnish Cultural and Academic Institutes



INVEST  
IN FINLAND



FINNISH PATENT AND  
REGISTRATION OFFICE



SVKKФРТП  
SUOMALAIS-VENÄLÄINEN KAUPPAKAMARI



EXPORT  
FINLAND



INDUSTRY INVESTMENT



VISIT  
FINLAND



Centre for Economic Development,  
Transport and the Environment

*team.finland.fi*

*Team*  
**FINLAND**

*Suomi*  
*Finland*  
**100**

*Thank you!*

