



International Forum of Sovereign Wealth Funds

Published on *International Forum of Sovereign Wealth Funds* (<https://www.ifswf.org>)

2015-18 Review. Speech from the outgoing chairman

Bienvenu,

It is truly fantastic to be here with old and new friends in such a beautiful place. There are few places in the world as exotic as Marrakesh. I was last here 30 years ago. The best parts remain. The new parts are world class.

I must thank our hosts Ithmar Capital and Tarik Senhaji. You have chosen a fabulous location and venue, and organised our meeting with style, efficiency and generosity.

I also thank our Secretariat - Duncan, Victoria, Carissa and Enrico for working so effectively to have us all here. It is no simple task moving the “big top” of the IFSWF.

During my three years as Chair of IFSWF we have also been to Astana and Auckland – my thanks to our Kazakh friends and my old shop, the New Zealand Super Fund, for their fantastic efforts as hosts too.

We have a strong NZ representation here today, and I want to especially thank Catherine – my previous Chair of the Board – for supporting me, Rishab for making me sound wise, and Matt for holding the fort during my many absences due to IFSWF duties.

Congratulations to Matt for the continuity being chosen as the new CEO of the NZ Super Fund.

I also thank my fellow Board directors for their term in office.

My experience has been that of a well-functioning Board, being supportive and collective, and not afraid to challenge. My whole-hearted appreciation for making my job as Chair easier.

Three years ago, I was thanking our outgoing directors Bader M Al Sa’ad of Kuwait and Jin Liqun of China. Tomorrow we welcome back Jin Liqun in his current role as President of the Asian Infrastructure Investment Bank.

The sovereign wealth fund community may be small, but the importance of what we do gives us widespread relevance. Our alumni network gives us great connections with other elements of the global financial system. I hope to be a useful ongoing connection also.

Investment environment

Three years ago, I think most of us felt that the debate around SWFs – being considered agents of the state executing check cheque book foreign policy – had waned. Not least because of the stabilising role SWFs played during the recent global financial crisis.

Now, that debate could easily reignite – sparked by nation-first trade policies and the ongoing challenge of Brexit. One of the challenges for IFSWF members and the Board will be how SWFs react to the new era.

It may be the time for IFSWF to adopt a broader public profile and counter the protectionist line. This will be a challenge that the next IFSWF Board has to face.

I wish them every success because the promotion of the goals of free capital flows and stable long-term investment, are fundamental to IFSWF's existence.

Santiago Principles

Equally fundamental are the Santiago Principles. The Santiago Principles are now, in my view, more relevant than ever.

The Principles represent the idea that ensuring stable and commercial investment are the twin defining features of sovereign capital. The Principles also act as a practical guide on the institutional governance.

I am delighted that we have a session tomorrow on the Santiago Principles and reunite many of the original actors. At the same time, we are publishing what I think of as the official “history” of the Santiago Principles. My thanks to all those involved in the project.

We need to look to the future but be guided by our past. Ten years on from the creation of the Principles, progress has been varied, but it has moved forward.

Let's Take transparency.

Members march to the beat of different drums. Although the rhythm may vary, the direction is universal.

Let me use Kuwait as an example. Despite the significant restrictions on disclosure placed on KIA by its enabling legislation, KIA's engagement with its stakeholders is both wide and deep. From regular dialogue with the Kuwaiti Parliament all the way through to a significant social media presence.

Our own Ahmad Bastaki is a star of KIA's Instagram feed.

Last year in Astana, I was amazed at the intensity of media interest and tough questioning that faced our hosts Samruk-Kazyna. While this is challenging for us as individuals, the level of interest from our people should be welcomed. It will continue to keep the Santiago Principles as the core guiding force for our institutions.

Now, Collaboration

At the same time as we have kept true to the Santiago Principles, I think that we have also made real strides in delivering IFSWF members more practical assistance to help them manage their funds and invest with better results.

Almost all members now publish their self-assessments. We have also published more practical case studies about implementation.

This is good not just for transparency but for new funds, academia, media, government owners and the interested observer. They have permitted greater scrutiny and more informed opinion.

We have established partnerships with the Fletcher School and Bocconi University which have extended our activities and reach.

In July Bocconi ran its second Sovereign Investment Academy and just next month the Fletcher School is organising a debate on external managers. A collective approach can help benefit all SWFs.

The Fletcher School is also focusing its Building Bridges infrastructure conference one-day conference on investing in US infrastructure – a topic vital for all of us with an international investment mandate.

Technology

The IFSWF has also embraced the digital age. We see that here today, with the meeting app and shortly our electronic voting, but also in the IFSWF website and the now established programme of webinars and online meetings.

We still have a way to go in establishing a more active community but have made great strides.

This year, as we heard about yesterday from Enrico, we also published our first Annual Review.

Creating our own database and providing stakeholders with a cogent, fact-based analysis of SWF investment demonstrates real leadership from IFSWF.

We also heard yesterday about the One Planet Investment Framework for climate change.

Back in 2016 in Auckland, this was one of the themes of the meeting. I am delighted that six SWFs that led the way. As long-term investors, embracing the challenges of climate change is something we need to act on today.

Membership

Looking ahead, our progress can be measured by the health of our membership.

I am delighted to welcome representatives from nascent funds from Egypt, the Philippines, Papua New Guinea, Uganda and representatives from more established funds in Bahrain, Vietnam and Saudi Arabia. I hope you are welcomed fully into our Forum very soon.

On a less-happy note – budget restraints caused both Chile and Alberta to step aside from the Forum. I hope this is temporary.

Moving back to the positives, I am delighted to report that the Board has approved Rwanda's application to join. I would like you all to please congratulate Jack and his team from Agaciro Development Fund.

The Rwanda story is remarkable. The recovery of that country from its civil war is an uplifting story. The creation and success of its sovereign wealth fund is another compelling chapter. Welcome Rwanda.

Conclusion

The challenge for the IFSWF is to keep moving this agenda forward with integrity, keeping the IFSWF relevant, practical and valuable for members and stakeholders alike.

I am confident that under Majed's leadership the IFSWF – our god of the investment forest – will be well-equipped to achieve this.

I wish Majed, the Board, and you all every success. And thank you for your support and friendship that have made my three years as Chair so enjoyable.

Let the next chapter begin.

It has been a true privilege.

Source URL (modified on 2018-09-20 12:12): <https://www.ifswf.org/general-news/2015-18-review-speech-outgoing-chairman>