Scott Mather, CIO speaks at UN ECA’s Africa Business Forum

“Excellencies, Ladies and Gentlemen, it is a great pleasure and honor to be here.

Thank you for the kind invitation to this important Business Forum. It is wonderful to be back in Africa and especially in Ethiopia, which in so many ways captures and reflects the dynamism and potential of this incredible Continent.

I am Scott Mather, and I am a Chief Investment Officer of a U.S.-based but very global investment firm—PIMCO. We manage more than 1.9 trillion U.S. dollars in assets and invest in markets across the world.

In Africa, for example, we are an active investor in 15 countries and see fantastic new opportunities—a point I will return to in a moment.

Please again allow me to thank Vera Songwe and the United Nations Economic Commission for Africa (ECA) for inviting us here to share our perspectives and our hopes for broad partnerships and collaboration across the Continent.

Let me begin by joining the UN ECA and Africa 50 in announcing the ‘SDG 7 Initiative for Africa.’

With today’s announcement and our presence here at the African Union Summit and this Forum, we signal our commitment to collaborate to explore investment opportunities in clean energy across the Continent.

*The Environmental Finance’s Sustainable Investment Awards seek to recognise and highlight the work of asset managers and key players incorporating ESG across all asset classes and winners are selected by an advisory panel consisting of industry experts chosen for their knowledge, objectivity and credibility along with the Environmental Finance editorial team, whom will review the submitted entry material. Judges score each entry individually and any conflict of interest will be removed, the judge’s score will be confidential.
We announce this with two motivations in mind—the first is business-driven, the second is principle-driven.

First, for us, Africa represents a historic business investment and business opportunity—overlooked by many operating in global markets.

As the World Bank notes, six of the top 10 fastest-growing economies are in Africa, and it is calculated that 400 African companies now have annual revenue of over 1 billion U.S. dollars—and are generally more profitable and faster growing than their international peers.

Indeed, the fact that Africa’s GDP overall has grown 40 percent during the past decade speaks to the Continent’s dynamism and its growing attraction to investors, both domestic and international.

Of course, growth is important—but sustainable economic development is arguably more important. We all know that growth that is not inclusive or broad-based in nature sows the seeds of inequality, instability, and discontent, while undermining the employment prospects for women, youth, and so many others.

I will not go into the various challenges and hurdles facing the Continent from a sustainable development perspective—you know these issues far better than I do. But I would like to highlight a key conclusion from a recent UN ECA report. It states:

‘Successful implementation of the SDGs and Agenda 2063 will require an integrated approach that coordinates the efforts of all sectors of government working in collaboration with the private sector and civil society.’

And that is why we are here at this Forum and are a part of today’s announcement—to commit to exploring concrete ways in which our firm, PIMCO, as well as other private-sector actors, can effectively and positively contribute to Africa’s sustainable development vision. And this vision must—I think you will agree—include a revolution in energy provision, with an emphasis on clean energy in keeping with the Sustainable Development Goals, and SDG 7, in particular.

The lack of energy—traditional or renewable—for health care, agriculture, education, and economic diversification remains a critical barrier to overall growth and prosperity on the Continent.
A bold initiative is needed to address this issue—and we applaud UN ECA for taking this courageous step.

The second reason PIMCO is joining this initiative is rooted in our commitment to responsible investing and principle-based investing.

For example, we are signatories of both the UN Global Compact Ten Principles, as well as the UN-supported Principles for Responsible Investment. Sustainability and responsible investing is a firm-wide priority and leadership commitment at PIMCO.

Fundamentally, we are driven by a business and ethical imperative that we repeat again and again, and I will do so again now, so forgive me—Healthy Societies and Healthy Markets Go Hand-in-Hand.

We have an ethical, human imperative to ensure that prosperity, in countries everywhere, is widespread and that no one is left behind.

And here’s the thing—by combatting poverty, advancing gender equality, tackling climate change, and improving governance, we create the very conditions for societies and economies to flourish.

Please allow me a few final reflections on the topic of governance. I do wish to state that we need governments and policy makers, especially at the national level, to create the proper enabling policy spaces and incentives for capital to flow. These could include blended finance and co-investment opportunities, better transparency around needs and priorities, and the sharing of risk in some instances. We also need civil society voices to bring their expertise and also to identify needs and voice any concerns. In other words, we fully appreciate the conclusion of the UN ECA report: this must be a multi-stakeholder endeavor.

Excellencies, Ladies and Gentlemen, All of this is not wishful thinking. It is principle-based pragmatism that, in the words of one great African, Kofi Annan, can give a human face to globalization. It is time we realized that vision by working to achieve the Sustainable Development Goals, and in the case of energy for Africa, SDG 7.

We greatly appreciate the opportunity to share our perspectives and to join hands with you to help advance shared prosperity across Africa—and beyond.

Thank you.”
Socially responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised, by PIMCO will reflect the beliefs or values of any one particular investor. Information regarding responsible practices is obtained through voluntary or third-party reporting, which may not be accurate or complete, and PIMCO is dependent on such information to evaluate a company’s commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. There is no assurance that the socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results.

All investments contain risk and may lose value. Investing in the bond market is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. Investors should consult their investment professional prior to making an investment decision. This material contains the opinions of the manager and such opinions are subject to change without notice. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This is not an offer to any person in any jurisdiction where unlawful or unauthorized. | Pacific Investment Management Company LLC. 650 Newport Center Drive, Newport Beach, CA 92660 is regulated by the United States Securities and Exchange Commission. | PIMCO Investments LLC, distributor, 1633 Broadway, New York, NY 10019, is a company of PIMCO. | PIMCO Europe Ltd (Company No. 2604517) and PIMCO Europe Ltd - Italy (Company No. 07533910969) are authorised and regulated by the Financial Conduct Authority (12 Endeavour Square, London E20 1JN) in the UK. The Italy branch is additionally regulated by the Commissione Nazionale per le Società e la Borsa (CONSOB) in accordance with Article 27 of the Italian Consolidated Financial Act. PIMCO Europe Ltd services are available only to professional clients as defined in the Financial Conduct Authority’s Handbook and are not available to individual investors, who should not rely on this communication. | PIMCO Deutschland GmbH (Company No. 192083, Seidistr. 24-2a, 80335 Munich, Germany), PIMCO Deutschland GmbH Italian Branch (Company No. 10005170963) and PIMCO Deutschland GmbH Spanish Branch (N.I.F. W2765338E) are authorised and regulated by the German Federal Financial Supervisory Authority (BaFin) (Marie-Curie-Str. 24-28, 60439 Frankfurt am Main) in Germany in accordance with Section 32 of the German Banking Act (KWG). The Italian Branch and Spanish Branch are additionally supervised by the Commissione Nazionale per le Società e la Borsa (CONSOB) in accordance with Article 27 of the Italian Consolidated Financial Act and the Comisión Nacional del Mercado de Valores (CNMV) in accordance with obligations stipulated in articles 168 and 203 to 224, as well as obligations contained in Title V, Section I of the Law on the Securities Market (LSM) and in articles 111, 114 and 117 of Royal Decree 217/2008, respectively. The services provided by PIMCO Deutschland GmbH are available only to professional clients as defined in Section 67 para. 2 German Securities Trading Act (WpHG). They are not available to individual investors, who should not rely on this communication. | PIMCO (Schweiz) GmbH (registered in Switzerland, Company No. CH-020.4.038.582-2), Brandschenkstrasse 41, 8002 Zurich, Switzerland, Tel: + 41 44 512 49 10. The services provided by PIMCO (Schweiz) GmbH are not available to individual investors, who should not rely on this communication but contact their financial adviser. | PIMCO Asia Pte Ltd (8 Marina View, #30-01, Asia Square Tower 1, Singapore 018960, Registration No. 199804652K) is regulated by the Monetary Authority of Singapore as a holder of a capital markets services licence and an exempt financial adviser. The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. | PIMCO Asia Limited (Suite 2201, 22nd Floor, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong) is licensed by the Securities and Futures Commission for Types 1, 4 and 9 regulated activities under the Securities and Futures Ordinance. The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. | PIMCO Australia Pty Ltd ABN 54 084 280 508, AFSL 246862. This publication has been prepared without taking into account the objectives, financial situation or needs of investors. Before making an investment decision, investors should obtain professional advice and consider whether the information contained herein is appropriate having regard to their objectives, financial situation and needs. | PIMCO Japan Ltd, Financial Instruments Business Registration Number is Director of Kanto Local Finance Bureau (Financial Instruments Firm) No. 382. PIMCO Japan Ltd is a member of Japan Investment Advisers Association and The Investment Trusts Association, Japan. All investments contain risk. There is no guarantee that the principal amount of the investment will be preserved, or that a certain return will be realized; the investment could suffer a loss. All profits and losses incur to the investor. The amounts, maximum amounts and calculation methodologies of each type of fee and expense and their total amounts will vary depending on the investment strategy, the status of investment performance, period of management and outstanding balance of assets and thus such fees and expenses cannot be set forth herein. | PIMCO Taiwan Limited is managed and operated independently. The reference number of business license of the company approved by the competent authority is (107) FSC SICE Reg. No.001. 40F., No.68, Sec. 5, Zhongxia E. Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.), Tel: +886 2 8729-5500. | PIMCO Canada Corp. (199 Bay Street, Suite 2050, Commerce Court Station, P.O. Box 363, Toronto, ON, M5L 1G2) services and products may only be available in certain provinces or territories of Canada and only through dealers authorized for that purpose. | PIMCO Latin America Av. Brigadeiro Faria Lima 3477, Torre A, 5th andar São Paulo, Brazil 04538-133. | No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America L.P. in the United States and throughout the world. ©2020, PIMCO.

CMR2020-0214-438912