

Swedfund

Swedfund's Technical Assistance FAQ

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This FAQ is aimed to provide external stakeholders with an overview of what Technical Assistance is, and how it can be utilised and administered within Swedfund.

1. What is TA?

Funds for Technical Assistance (TA), is a strategic tool that Swedfund often uses to boost the performance of our investments within the three pillars of our business model, impact on society, sustainability and financial viability, and increase the combined development effects which the activity generates. In practise, TA projects have previously been implemented to improve e.g.,

- Gender equality
- Working conditions
- Business ethics
- Anti-corruption
- Reduced climate impact and environmental footprint
- Environmental and Social Management Systems

See the list of previous TA projects further down, for further insights as to how TA funds may be used.

1.1 Brief TA bullet points

Who can apply for financing for a TA project? Any company that is likely to receive, is currently receiving or has received funding from Swedfund may apply for funds for TA.

Is there a limit to the financial scope of each project? The maximum budget for each TA project is SEK 2 000 000 (approx. USD 190 000).

Are there projects that cannot receive TA funds? Yes, projects falling under one the following categories are not eligible for TA funding:

- Projects funding activities that are deemed to be part of a portfolio company's ongoing operations, such as replacing old equipment or employing key competencies.
- Projects funding activities that are deemed to be a part of Swedfund's ongoing portfolio management, such as funding standard ESG training for fund managers.

2. The TA Project Process

Which steps do I need to take to initiate a TA project?

1. If you think that a TA project is relevant for your company, the first step is to contact your contact person at Swedfund to discuss compatibility with the TA guidelines and feasibility.
2. Unless agreed that Swedfund contacts relevant consultants through its own network, you should identify at minimum two consultants that could carry out the assignment and include quotes in the application. You must involve the Swedfund project manager in the tendering process and choice of consultancy.
3. As a portfolio company representative, request a TA application template from Swedfund and fill in the project details. Be sure to specify expected timeline and budget in detail and clearly show the financial needs for each step in the project.

What happens once a TA application has been completed?

Once all details are in place and agreed upon, your contact person at Swedfund will bring the TA application to the Swedfund's TA committee that will decide on the project.

What happens after a TA application has been approved?

Swedfund's legal team will draft a contract that needs to be agreed and signed by all parties. If it is Swedfund that appoints the consultant, a contract will be signed between these two parties. If it is the portfolio company that appoints the consultant, a payment contract will be signed between Swedfund and the portfolio company.

What happens during the execution of a TA project?

Once the project has commenced, the project manager will require regular updates from the portfolio company on the project development and support if any problems encounter.

What happens after a TA project has been completed?

In cases where the portfolio company contracts an external consultant, the portfolio company also bears the responsibility for ensuring a final report is issued to Swedfund, detailing the results and lessons learned. Exact details of what needs to be reported will be specified in the TA application and contract.

3. Examples of TA Projects

1. **Environmental and social management system:** Development and implementation of environmental and social management systems that meet Swedfund's requirements in portfolio companies.

2. **Women4Growth:** A Swedfund initiative aimed at boosting gender equality and women's empowerment in portfolio companies.
3. **Environment and climate:** Developing a GHG footprint calculation tool, to calculate GHG emissions of a company - and in case of a fund or a financial institution, also the underlying portfolio.
4. **Human rights and decent work:** Human rights due diligences and human rights impact assessments. Decent work risk assessments, such as labour audits, to ensure compliance with good international industry practices.
5. **Business integrity:** Development of a business integrity/anti-corruption management system.
6. **Impact study:** Funding a research study to investigate the results and impacts of Swedfund's direct or indirect investments, for example on a solar farm, to draw learnings for other portfolio companies in similar situation. The purpose of the impact study shall be to strengthen development effects throughout the portfolio.
7. **Consumer protection:** Supporting micro-finance institutions on customer protection, including gap-assessments, improvement of policies and processes and certification against the Client Protection Principles, as applicable.