**Members’ Roundtable with Graham Wrigley, Chair of CDC Group**

**12.00 – 13.30, Wednesday 15th January 2020**

**Mandela Room, Edinburgh City Chambers, 253 High Street, EH1 1YJ**

**ATTENDEES:**

Graham Wrigley, CDC Group

Andrew Palmer, CDC Group

David Hope-Jones, Scotland Malawi Partnership

Jane Salmonson, Scotland’s International Development Alliance

Alan Laverock, Bananabox Trust

Aleksandra Oma Domagalska, Astrosat

Amy Herford

Andrew Cubie

Andrew Heald, Confederation of Forest Industries

Andrew Parker, Imani Development

Aran Eales, University of Strathclyde

Cathy Ratcliff, Thrive Scotland

Craig Docking, Scotland Malawi Partnership

Denis Robson, Fistula Foundation

Dorcas Pratt, Water Witness

Elfreda Whitty, CMB UK

Eoghan Mackie, The Challenges Group

Eve Broadis, Fairtrade Scotland

Prof Heather Cubie, Scotland Malawi Partnership Board

Kevin Simpson, Malawi Fruits

Kirsty Smith, CMB UK

Lindsey Napier, Department for International Development

Lucinda Rivers, UNICEF

Megan Harvey, Scotland Malawi Partnership

Michael James, Treasurer of local Malawian Charity

Dr Peter West, Honorary Consult for Malawi in Scotland

Robert Anderson, African Lakes Company

Russell Salton, Edinburgh Fairtrade City Steering Group

Simon Calvert, Department for International Development

Stuart Brown, Scotland Malawi Partnership

Terence Lillie

Thomas Echlin-Harradine, Whitfield Echlin & Company LLP

**MINUTES:**

On the 15th of January, the [Scotland Malawi Partnership (the SMP)](https://www.scotland-malawipartnership.org/) and [Scotland’s International Development Alliance (the Alliance)](https://www.intdevalliance.scot/) were pleased to co-host a roundtable meeting with [CDC](https://www.cdcgroup.com/en/)’s Chairman, [Graham Wrigley](https://www.cdcgroup.com/en/people/graham-wrigley/), and Head of Global Affairs, [Andrew Palmer.](https://www.cdcgroup.com/en/people/andrew-palmer/)  In attendance were members of both Alliance and the SMP.

Chief Executive of the SMP, David Hope-Jones, introduced the meeting by thanking attendees, CDC and the Lord Provosts of both Edinburgh and Glasgow for providing council spaces for events such as this. He then laid out the agenda, consisting of introductions from the Alliance, SMP and CDC, followed by a roundtable discussion. The purpose of the meeting was to present an opportunity for those with key business, investment, trade and tourism links with Scottish civic society’s international partners, to foreground the importance of significant and sustainable investment, and for CDC to meet with Alliance and SMP Members to understand their development priorities. All attendees were then given a chance to introduce themselves.

Chief Executive of the Alliance, Jane Salmonson, introduced her network as the membership body in Scotland for everyone committed to creating a fairer world, free from poverty, injustice and environmental threats. Originally formed in 2000 as the Network of International Development Organisations in Scotland (NIDOS), the Alliance now has a diverse membership of over 200 organisations and individuals, working in over 100 countries on all 17 of the UN Sustainable Development Goals. Their mission is to engage people and organisations in Scotland with international development and attract their informed support, to help people and organisations in Scotland working for international development to strengthen their support base and improve their impact and to represent their members and the people and communities they serve to local, national and international decision-makers. They empower their members by enabling networking, learn from each other, raise more funds and have more influence. Activities and services they offer include policy and advocacy, effectiveness and learning, fundraising support, networking opportunities and regular news and updates. Jane concluded by emphasising the benefits of allowing members to interact with organisations such as CDC in this type of meeting.

David introduced the SMP as the membership body for people and organisations in Scotland with dignified people-to-people links with Malawi. He then gave some background on the significance and history of Scotland and Malawi’s 160 year old friendship, which began with the warm welcome extended to David Livingstone and his companions when he entered what is now Malawi for the first time. 109,000 Scots and 208,000 Malawians are actively involved in work together at present. 260,000 Scots and 2.9 million Malawians benefit from this activity annually. An estimated 44% of Scots personally know someone with a link to Malawi, and there is an incredible diversity within these links. Distinctive features of this bilateral relationship include priority of the relational, the mobilisation of civic society, government in synergy with its people, and a reciprocal partnership with a focus on development. The SMP has over 1,200 Members, including NGOs, businesses, schools, further and higher education institutions, community/faith groups, 16 local authorities, national/professional agencies and many individuals, a growing number of which are Youth Members (below the age of 25). The SMP also has a sister organisation, the [Malawi Scotland Partnership (MaSP)](http://www.malawiscotlandpartnership.org/), which is entirely Malawian-run and Malawian-owned. Similarly to the SMP, MaSP exists to coordinate, represent and support the many people-to-people and community-to-community links between Malawi and Scotland.

Graham and Andrew then introduced themselves, and Graham gave an overview of the history of CDC and his involvement. He also mentioned that he loved the SMP’s ideology of a “dignified partnership” between two countries, and hoped that this meeting would be the beginning of a repeat engagement. After retraining and achieving a Masters in Economic Development, Graham began work in microfinance, before being offered the role of Chair of CDC in Summer 2013.

CDC is the world’s oldest development finance institution, and was originally established as the Colonial Development Corporation in 1948, with the mission to ‘do good without losing money’. This involves supporting the building of businesses throughout Africa and South Asia, to create jobs and make a lasting difference to people’s lives in some of the world’s poorest places, specifically through investment in the private sector.

Key achievements include the establishment of Zambia’s first cement works in 1949, Chilanga Cement, which provided most of the cement to build the Kariba Dam. In 1964, CDC also helped to establish Kenya’s tea industry, which is now responsible for producing most of the tea drank in the UK. By the 2000s, CDC had become the biggest investor in private investment funds, and many people have benefited from their work.

Graham then took some time to talk about CDC’s [Board](https://www.cdcgroup.com/en/about/our-people/teams/cdcs-board/) and the importance of this being comprised of a diverse range of individuals, from various backgrounds and professions. It is also important that they all have private sector experience and are independently managed, as long-term investment decisions should not be made by politicians. This is also true of the Management Team and CEO, and all other staff at CDC.

Graham then discussed the work CDC is doing in the fight against poverty, and how there are many different aspects to development which can be approached in a number of ways. CDC’s investments feed into the area of economic development, which ultimately feeds into the UN’s Global Goals for Sustainable Development.

Graham was interested to hear from individuals and organisations such as those in attendance, to learn more about commonality of approaches and how they can work together.

In 2004, CDC was reconfigured to operate mainly as a fund investor, but were re-energised in 2012, when their mandate was broadened so that they could once again invest directly. CDC now stands out due to its proud 70 year history, which has earned them respect across Africa and South Asia, and others now look to them on environmental, governance and social issues. They are also focused on the poorest countries, investing more in fragile states. Their innovative new strategy involves taking higher risks, mobilizing more capital for the SDGs and an increased focus on gender, climate, job quality, skills and leadership and strategic priorities.

Andrew then provided some insight into the process behind CDC’s investments. This begins when CDC provides investment and support to grow businesses in Africa and South Asia, which leads to the creation of jobs and then the provision of essential goods and services. The local taxes paid creates a return for CDC, and these returns can then be recycled into new investments. When making these investment decisions, they must closely consider the number of businesses involved, the amount of taxes paid and the amount of capital to invest. Their impact can be seen through metrics such as employment growth, patients treated by CDC-backed healthcare providers, students enrolled by CDC-backed education providers and electricity generated by CDC-backed companies. Examples that can be observed include preventing 1,000 people from losing their jobs through CDC's loan facility with Standard Chartered during the Ebola crisis, reducing energy tariffs in Uganda by 9% and also reducing power outages by 16 hours per month.

Graham then introduced the work that CDC is doing with Malawi, which began in 1949 when they invested in the agricultural sector. Another notable investment was their investment in the National Seed Company of Malawi in 1978. Ongoing initiatives include their investment in [Jacoma Estates Ltd](https://www.cdcgroup.com/en/our-investments/investment/jacoma-estates-limited/), to support inclusive and climate-smart agriculture. The company produces cash crops for export, and has three nucleus farms and a macadamia processing facility, and has established smallholder out-grower schemes for macadamia, chili and paprika. CDC hopes to grow the company through their investment and ultimately enable up 5,000 farmers to reach export markets. Another investment is [Kamponji Enterprises Limited (KEL)](https://www.cdcgroup.com/en/our-investments/investment/kamponji-enterprises-limited/), which is one of Malawi’s leading poultry companies, with the aim to tackle nutrition and micronutrient deficiencies. KEL currently produces 24 million eggs per year. CDC is helping to tackle climate change through their investment in [14Trees](https://www.cdcgroup.com/en/our-investments/investment/14-trees/), a venture aiming to accelerate and scale up the production of Durabric bricks. These bricks are an affordable and environmentally-friendly alternative to the clay burnt bricks that are widely used is sub-Saharan Africa.

An open discussion then took place, where attendees could raise any questions or thoughts they had with Graham and Andrew and find out more about the work that CDC is doing.

**Q. What is CDC doing to strengthen and articulate methods for reaching the poorest and most vulnerable communities and individuals e.g. those with disabilities?**

A. CDC is investing in businesses where the end users are local communities and individuals. Strategies are being worked on to reach those who are more difficult to reach.

**Q. What is CDC’s approach to looking at a whole region, rather than specific countries, and what are the biggest challenges of this?**

A. Graham advised that this can be a challenge, as making a £100,000 investment is just as complex as making a £10,000,000 investment. One approach is to invest in a large organisation e.g. 14Trees and help this to reach other countries as it expands. Every single investment proposition is sent to the Investment Committee, who review four main elements: who will benefit, what is the financial return, additionality and business integrity. All of these elements can cause difficulties.

**Q. Does CDC only do larger investments, or do they also handle smaller ticket investments?**

A. CDC invests in more managers than anyone else in Africa, and first-time fund managers and locally owned and locally managed. CDC’s [Catalyst Strategies](https://www.cdcgroup.com/en/catalyst/) enable higher risk investments.

**Q. Can more details be given on CDC’s interest management project?**

A. CDC is working on consolidating different ways of measuring impact so that they can better improve standards around the world. Graham encouraged those interested to look at CDC’s website, as more information is available there.

**Q. Will CDC prioritise projects relating to climate change?**

A. Under their new strategy, climate change is a key initiative, and CDC will soon be publishing their updated climate strategy. A huge amount of work was carried out last year in this regard, and the upcoming COP26 highlights the importance of this topic. CDC was the largest investor in 9 different solar home systems, which now affect 3 million households across several countries.

**Q. What is CDC’s position on corporate tax?**

A. CDC has a code of responsible investing, follows relevant guidelines and complies with the rules of the OECD.

**Q. Is 5 years long enough for CDC’s investment projects?**

A. Graham felt that 5 years was an appropriate amount of time for their investment projects, and work is being done to build more long-term projects.

In summing up, Jane stated that the meeting had been extremely interesting and useful, and appreciated the information given on the history of CDC. She advised that she will be watching the future of CDC closely, particularly as they develop their new strategy and seeing how this develops, as well as how they will tackle climate change at COP26. She was glad to hear that Graham did not consider this a one-off meeting, and looked forward to similar events in the future. She concluded by commending Graham and Andrew for making the subjects they discussed easy to understand for listeners without knowledge in finance.

David expressed his hope that CDC would continue to increase investments in Malawi, with greater willingness to make smaller investments, proportionate with the scale of the Malawian economy. He also pointed out the Mzuzu coffee, that was being served at the meeting, had received an investment from CDC 41 years ago: so it is immediately obvious the lasting impact CDC can and does thank. He joined Jane in thanking Graham and Andrew.

Graham closed by advertising CDC’s attendance at the African Investment Summit, and stated that he looked forward to continuing this discussion with SMP and Alliance Members in some form. He intends to visit Malawi later this year, and will continue to do what he can to increase investment there.

The meeting was followed by a final round of networking over Mzuzu coffee, tea and refreshments.