

ANNUAL REPORT

2020





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RESILIENCE AND RENEWAL

“No man ever steps into the same river twice, for it will not be the same river and he will not be the same man.”

The Greek philosopher Heraclitus's metaphor of change perfectly sums up 2020. Individuals, business and organisations alike will emerge as new versions after this year.

2020 was a year of unprecedented global challenges as the COVID-19 pandemic caused both human suffering and an economic recession. For NIR, it was also a year filled with grief after NIR's Chair of the Board since 2015, Erik Belfrage, was lost to COVID-19 on 18 April 2020.

Apart from causing individual suffering and societal stress, the COVID-19 crisis highlighted the importance of many issues that are core to our organisation: decent work, sustainable infrastructure and good governance. Rarely has the importance of ESG and multi-stakeholder collaborative engagement in complex markets been as clear as when looked at through the lens of 2020.

In the face of COVID-19, NIR opted for renewal:

- The NIR Strategic Framework (2020-2023) was adopted.
- The Sustainability Impact Accelerator (SIA), an innovative international training programme, was developed and prepared to be launched in January 2021.
- The Swedish Workplace Programme (SWP) was launched and regional hubs established.
- Regional SWP coordinators were recruited in Colombia, South Africa, Kenya and Vietnam.
- Two colleagues with solid corporate background, Tina Wilhelmsson and Evalena Persson, were recruited.
- A strengthened cooperation with Swedish embassies, Business Sweden and Swedfund was established.
- Stable core funding from the members and several externally funded assignments meant that in 2020 NIR could recruit new staff, invest in the conceptualisation of a new programme and in in-house training. The total turnover was SEK 19,5 million.

Despite the unprecedented challenges, NIR staff, members and partners in Sweden and abroad showed resilience and continued to push forward, in some cases with even greater determination.

NIR will step into 2021 with a 60-year old mission to improve business conditions in complex markets and with a new Strategic Framework, Board members, co-workers, partners, programme and Chair.

I am pleased to share our Annual Report of 2020, a condensed version of what NIR achieved through hard work and with strong support from our members.



Christine Bäckström
Christine Bäckström, CEO



“The competitiveness of Swedish companies is close to my heart and I truly believe that they should be present in all corners of the world. It is only through presence that you can serve as a role model, influence, and contribute.”

Annika Berglund,
Chair of the Board of Directors.



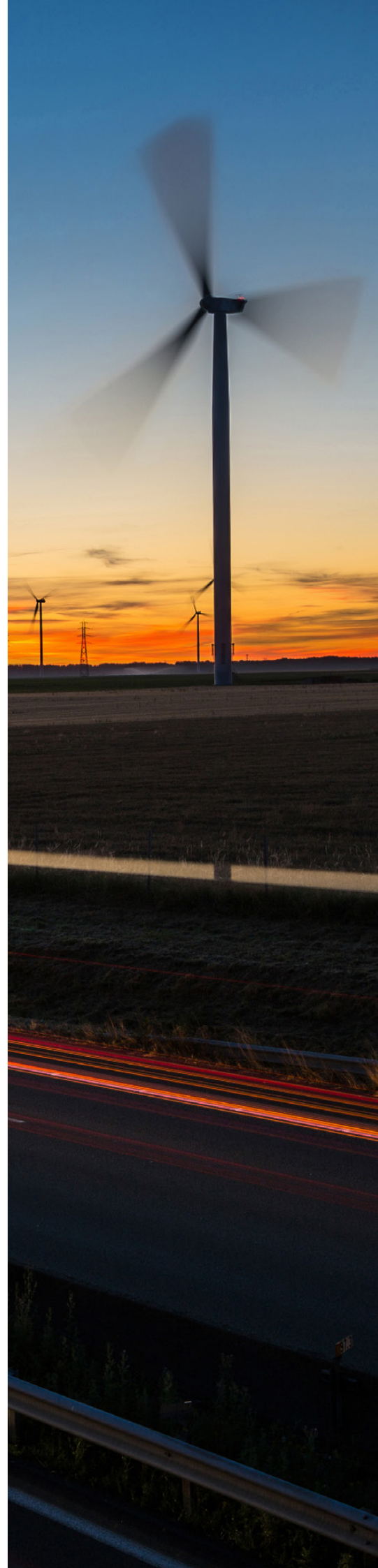
“At Volvo, we are used to doing business in complex markets, including financing solutions. Despite our longstanding experience and our strong brand recognition, I believe Volvo can both contribute to and leverage from the unique possibilities NIR offers to drive further common sustainability issues in complex emerging markets.”

Tony Lindström,
Director Customer Finance & Risk,
Volvo Construction Equipment.



“I believe that the presence of Swedish companies in complex markets can contribute to a positive development. By being a member in NIR, EKN aims to contribute to the common goal of promoting an enabling environment for conducting economically, socially and environmentally sustainable business.”

Marie Aglert, Director Large Corporates
Swedish Export Credit Agency.



NIR QUICKLY ADAPTED TO COVID-19

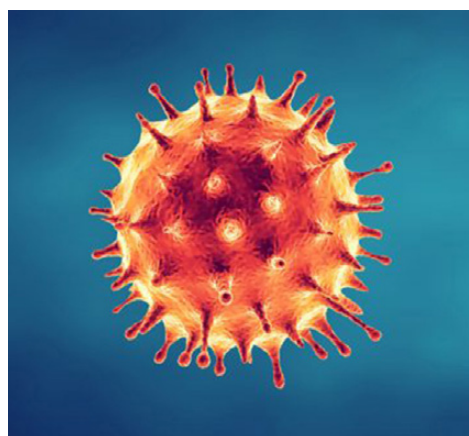
The pandemic and subsequent closures, restrictions in travels, meetings and in some cases lockdowns, had an immediate effect on NIR's operations in 2020.

Since NIR operates in countries that were in different phases of the pandemic and were differently equipped to manage the effects, it became clear from the very beginning that digital solutions were the only way forward to implement ongoing programmes.

With two exceptions, NIR managed to follow established plans with only marginal delays. The exceptions were the Sustainable Bank Management trainings in Cuba and the Private Sector Contribution to Social Dialogue in Colombia, which were necessary to postpone during the spring.

Remote office solutions, meeting - and travel restrictions were applied from 13 March and throughout the year. During the autumn however, following strict COVID-19 protocols, trips were made to the Democratic Republic of Congo, South Africa and Kenya. The four regional coordinators in Bogotá, Hanoi, Johannesburg and Nairobi were able to attend physical meetings when local pandemic rules allowed.

Nonetheless, the need to adapt also opened up new opportunities. Digital solutions allowed more frequent meetings and access to speakers and experts who would have had difficulty freeing up time under normal circumstances. Web-based meetings also enabled greater member engagement in programme activities. Fewer business trips made it possible to increase the emphasis on in-house trainings and member events in favour of the implementation of the new Strategic Framework (2020–2023). Full focus was placed on the development of a completely new programme, the Sustainability Impact



Accelerator (SIA). Thanks to having highly qualified staff on site, the Swedish Workplace Programme was rolled out with marginal delays.

The transition from physical travel and conferences to digital solutions to implement the programme activities resulted in significantly lower costs. Redistributions were made and programme periods extended in some cases. This more cost-effective way of working is likely here to stay.

The basis for international cooperation - travel and meetings - was shaken in 2020. Despite the challenges, NIR managed to adapt and land on its feet. We have continued to work on issues that have become even more pressing during the pandemic, and for that we are grateful.

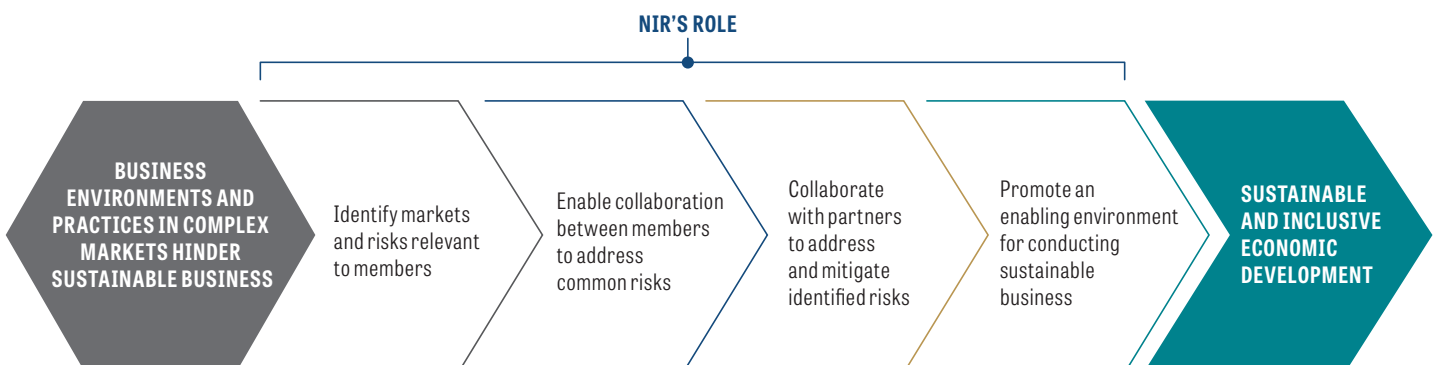
NEW STRATEGIC FRAMEWORK



In 2020, the Board of Directors Working Committee conducted a strategy review. The Working Committee met continuously throughout the spring, the Board of Directors participated in strategy discussions on three occasions during the process and the new NIR Strategic Framework (2020–2023) was adopted by a unanimous Board on 23 September 2020.

Since 1960, NIR has focused on complexities and risks in countries with long-term business potential for Swedish industry. The nature of the challenges has changed over time, and sustainability risks have gradually come to the forefront. We will continue to work in complex markets, but a particular focus on sustainability and ESG-related challenges and opportunities mark the updated strategic direction:

- **ENVIRONMENT** (transformation, climate and energy)
- **SOCIAL** (human rights, working conditions)
- **GOVERNANCE** (rules and regulations, ethics and anti-corruption)





**UNITE
MEMBERS**



**IDENTIFY
CHALLENGES AND
OPPORTUNITIES**



**SHAPE
INITIATIVES**



**PARTNER
WITH OTHERS**



IMPLEMENT

According to the new Strategic Framework, NIR's mission for 2020-2023 is to:

- act as a meeting point;
- identify sustainability risks in selected markets;
- facilitate collaborations between members to manage these risks;
- act as a partner between the private and public sectors;
- collaborate with other stakeholders, with the common goal of improving business conditions in complex markets;
- add value to the Swedish presence in selected markets;
- initiate programmes where several stakeholders come together to promote social, environmental, and economic sustainability.

Corruption, human rights violations and unsustainable management of natural resources are fundamental obstacles to achieving the Sustainable Development Goals. These same obstacles inhibit sustainable business in complex markets. By engaging in NIR and providing a corporate outlook on sustainability challenges and opportunities, members contribute to the common goal of sustainable and inclusive economic development. As part of the Strategic Framework (2020-2023), we welcome companies that share this vision to join NIR.



"NIR has a long and prosperous history in working with business conditions in complex markets in the nexus between industry, governments and civil society. As with any organization you have to change over time in order to stay relevant. With the New Strategic Framework I truly believe we have set a modern framework that will drive NIR's core issues forward and keep NIR relevant for years to come."

Henrik Petersson, Senior Vice President and Head of Corporate Government Relations, Saab AB



Paul Palmstedt, Senior Director, Governmental & External Affairs, AB Electrolux

"The work that NIR does to help improving business conditions in complex markets, also builds trust for Swedish companies and for Sweden as a brand among different local stakeholders. For a company like Electrolux, that trust is key for long term, sustainable growth."



”

“At Epiroc, we experience that NIR serves as an excellent bridge in the collaboration between members

and public actors around sustainability challenges as well as the new business opportunities that are the result of an increased focus on sustainability. NIR is a very good platform for, not only discussing sustainability challenges in complex markets with other companies, but also for identifying solutions.”

Camilla Goldbeck-Löwe, Vice President Corporate Sustainability, Epiroc.

MEETING POINT NIR

Doing business in complex markets often involves challenges beyond rules and regulations. In fact, local business practices and customs can be obstacles to sustainable business. The root causes of social and environmental sustainability risks can be difficult to identify and the line between political and sustainability risks are at times blurred. Regardless of the business model or industry, companies operating in complex markets often face similar challenges. The exchange of knowledge between members is therefore valuable and can serve as a springboard for joint initiatives to promote local sustainability.

NIR facilitates knowledge sharing between members on current trends and challenges as well as opportunities for a positive impact in complex markets. Gathering the members around ESG-related topics and selected markets identified in the Strategic Framework (2020-2023) is also key to creating a dialogue between NIR and its members.

Facilitating opportunities for peer-to-peer exchange on common challenges and opportunities is a cornerstone of NIR's operations. Members are often introduced to new contacts and such exchanges can result in new initiatives, partnerships and programmes.

In 2020, NIR strengthened its role as a chosen meeting point for its members. Due to COVID-19 restrictions, the traditional "NIR Roundtable" was adapted to a new format, "Let's Talk".





Old risks and the new normal: thinking about anti-corruption and business ethics during the coronavirus crisis and beyond.

With international anti-corruption expert José R. Hernandez (to the right), IMM's Secretary-General Natali Engstam Phalén (above).



“LET’S TALK” WEBINARS 2020:

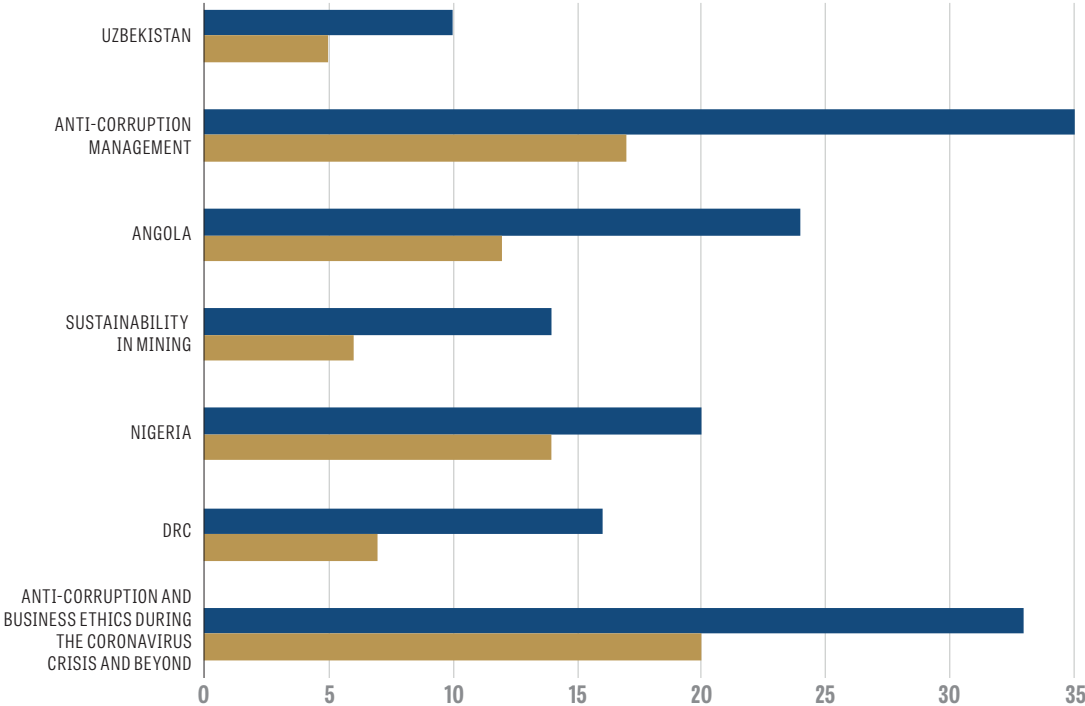
- Old risks and the new normal: thinking about anti-corruption and business ethics during the coronavirus crisis and beyond
- DRC (Democratic Republic of the Congo)
- Nigeria
- Sustainability in Mining
- Angola
- Anti-corruption management
- Uzbekistan

The goals in 2020 were to:

- offer at least six events over a period of twelve months;
- increase the total number of participants;
- reach new target groups within the member companies/ organisations.

LET’S TALK – MEMBER TURNOUT

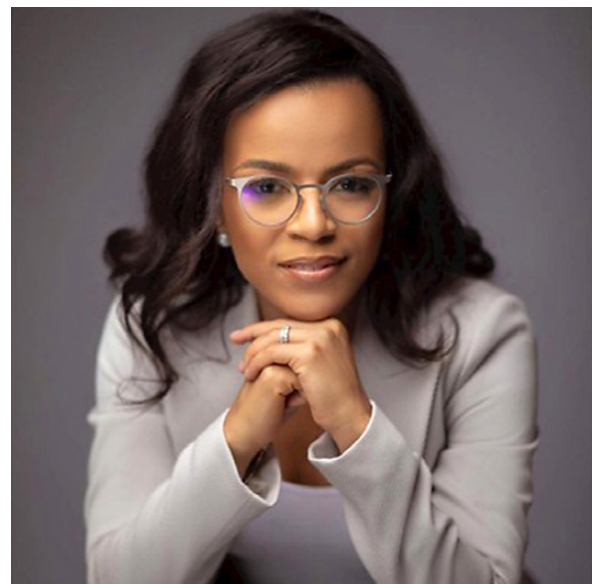
■ New contacts in member companies ■ Total number of participating members





NIR encourages all member companies to invite anyone interested in a specific topic in their global operations to these events.

As part of the process of implementing the new Strategic Framework (2020-2023), new routines were established for member events in 2020, including methods for both quantitative and qualitative follow-up. NIR staff is jointly responsible for the member events, but to ensure continuous improvements of this core pillar in NIR's operations, Karin Åker was designated as the contact point for member activities.



Let's Talk Nigeria with Ambassador Carl Michael Gräns, Embassy of Sweden in Abuja (to the left),

Tariye Gbadegesin, Managing Director & CIO, ARM-Harith Infrastructure Investment Ltd (above),

Anthonia Adenaya Huard, Head of West Africa, Business Sweden (to the left).

INITIATIVE

JOINT SUSTAINABILITY LEVERAGE

The Joint Sustainability Leverage initiative is conducted as a pilot since late 2018 and co-sponsored by the Swedish Ministry for Foreign Affairs (MFA) as it aligns with the Government's ambitions in the Swedish Export Strategy and the Platform for International Sustainable Business.

Working within the framework of the UN Guiding Principles for Business and Human Rights and other applicable guidelines, the Joint Sustainability Leverage initiative seeks to address the risks of local rightsholders, while at the same time improving the conditions for conducting sustainable business.

The root causes of human rights and sustainability risks can be complex. When it comes to addressing the risks, an individual company often has limited ability to mitigate adverse impact through its business relationships. This initiative seeks to address such situations by creating leverage through multi-stakeholder collaborative action and engagement of peer companies, customers, civil society or government actors.

A key objective of this initiative is to establish a toolbox and functioning approaches to strengthen the Swedish preparedness for handling sustainability-related risks in complex markets. Working with companies, EKN (Export Credit Agency), SEK (Swedish Export Credit Corporation), Swedish embassies and partners such as Business Sweden and Swedfund, the initiative contributes to better coordination and procedures for managing risks in complex markets.

The underlying causes of many of the problems identified so far are connected to the rights of local stakeholders and to local development challenges. Achieving long-term positive impact will require alignment with Swedish development cooperation. Such opportunities are actively explored as part of the initiative.

In 2020, the Joint Sustainability Leverage initiative was run as a pilot in the mineral supply sector. Mining is recognised as a sector with a high number of sustainability-related risks and is also a sector with a large global presence by Swedish companies as providers of solutions.

One part of the pilot involves identifying issues and joint approaches in the mining sector in Latin America with a special focus on Peru, working closely with local Swedish representatives and leveraging the Swedish resource base. At the outset of 2020, NIR worked closely with the Swedish Embassy and its members on a development strategy for the mineral sector under a Peruvian-Swedish Memorandum of Understanding (MoU) on sustainable mining.





When a latent political crisis intensified, delays in government-led initiatives followed. The pilot then shifted to work mainly with the national association for mining enterprises. Since the outbreak of COVID-19, two aspects have been in focus: strengthening the Swedish Embassy in its work on sustainability risk and an exchange between the Swedish mining cluster and key private and public sector stakeholders in Peru.

The Democratic Republic of the Congo (DRC) is a vital supplier of important minerals, including those necessary for the climate transformation (electrification). The extraction and supply chains are however connected to a complex set

of issues connected to human rights, environment and conflict. The DRC is shaped by decades of armed conflict and is today one of the world's poorest countries. The Swedish Embassy and Swedish International Development Cooperation Agency (Sida) in Kinshasa are actively engaged in addressing some of the root causes of the conflict, as well as other obstacles to development. In 2020, NIR interacted with its members, participated in an ongoing initiative on cobalt supply chains and established a dialogue with the Swedish Embassy in Kinshasa to get an inclusive view of the situation and prepare for long-term and comprehensive engagement.

2020 IN BRIEF

- Preparation for Swedish-Peruvian exchange on mining sustainability together with the National Mining Association and other key stakeholders.
- Participation in the MFA regional promotor event, "Sustainable Mining for the Americas", and follow-up with embassies and Business Sweden.
- Preparation for a new Swedish mining cluster in Peru together with local companies, Business Sweden and the Swedish Embassy.
- Exploration and preparation for a long-term, comprehensive engagement connected to minerals extraction in the Democratic Republic of the Congo (DRC).
- Mobilisation of Swedish companies and a mining resource base in support of the initiative.
- Dialogue with Sida and the Swedish MFA on the development aspects of sustainability in mining.
- Stakeholder dialogue regarding Sweden's bilateral (DRC) and regional (Latin America) development cooperation strategies.

NIR PROGRAMMES & THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations has coined 2020-2030 the “Decade of Action”. Accelerated action is needed and achieving the Sustainability Development Goals (SDGs) by 2030 will require that actors across public and private sectors work together at scale in a system that achieves results in the three dimensions of sustainable development: economic, social and environmental. The COVID-19 crisis has exposed many global vulnerabilities and implementation of the 2030 Agenda is more crucial than ever as a roadmap for sustainable and just societies.

Corruption, human rights violations and unsustainable management of natural resources are fundamental obstacles to achieving the SDGs. By engaging in NIR and providing a corporate view on sustainability challenges and opportunities for positive impact, members contribute to the common goal of sustainable and inclusive economic development.

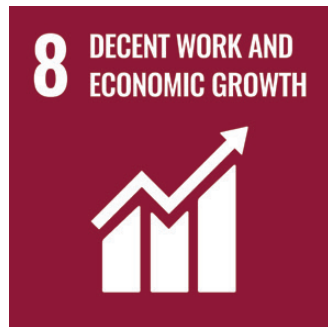
Swedish industry contributes to the SDGs through its global presence and by providing sustainable solutions. NIR designs and implements programmes, funded by Swedish International Development Cooperation Agency (Sida), that build upon private sector input on how to promote sustainable and inclusive economic development. This partnership supports creating conditions for people living in poverty and oppression to improve their living conditions. Through NIR, members impact the SDGs beyond their own business and industry.

NIR



NIR support the Sustainable Development Goals

NIR primarily supports achieving the following SDGs:



“Why has the 2030 Agenda not been achieved on its own?”

One reason is that the private sector, governments and civil society must act together to achieve the three dimensions of sustainable development – the economic, social and environmental.

As a nexus between the public and private sectors, NIR serves as a unique forum that brings stakeholders together to accelerate SDG impact.

CHRISTINE BÄCKSTRÖM, CEO, NIR

PROGRAMME

SUSTAINABILITY IMPACT ACCELERATOR

During 2020, NIR designed and was granted funding for a new programme, the Sustainability Impact Accelerator (SIA). The programme will provide targeted capacity development to institutions in OECD-DAC countries in support of the implementation of sustainable and bankable infrastructure projects that contribute to the local 2030 Agenda.

By strengthening the capacity of institutions to implement infrastructure projects in accordance with international sustainability standards, such as the International Finance Corporation's Performance Standards and the UN Guiding Principles on Business and Human Rights, the programme is designed to accelerate the implementation of sustainable infrastructure projects that can attract funding in the international capital market.

SIA is funded by Sida and implemented in close collaboration with Swedish embassies, Business Sweden, EKN, SEK and Swedfund. This cooperation grants access to a vast network of Swedish expertise. After the pilot phase (2021–2022), which includes six projects, the programme is designed to be scaled up from 2023 and onwards.

The programme supports projects in the following key sectors:

- Clean energy (including biofuels)
- Electrification, grid stability and efficiency
- Sustainable transport
- Railways
- Forestry
- Water and waste

The capacity support is adapted to the project and the local institution's needs. The programme can offer a wide range of capacity support in areas such as:

- policy making
- technical training
- project management
- compliance with international sustainability standards
- sustainability (social, economic and environmental)
- change management and strategic leadership mentoring
- administration
- stakeholder dialogue



SIA contributes to the local achievement of the SDGs by:

- providing targeted capacity development to institutions in OECD-DAC countries;
- strengthening the capacity to implement sustainable projects;
- accelerating implementation of sustainable and bankable projects in key sectors;
- mobilising capital for investments in sustainable projects;
- increasing the number of implemented sustainable projects;
- mobilising and aligning stakeholders;
- promoting best available technology.

PROGRAMME

SWEDISH WORKPLACE PROGRAMME

Swedish Workplace Programme (SWP) contributes to decent work and sustainable business through workplace cooperation. The programme provides a practical tool for workplace dialogue. The programme is funded by Sida and implemented in partnership with the Industrial and Metal Workers' Union, IF Metall during 2019 - 2023.

The programme uses the Swedish model of well-functioning labour market cooperation a tool to promote decent work in OECD-DAC countries. The programme enables stronger workplace cooperation and dialogue between management and employees to jointly address challenges at the workplace. The approach can be used to contribute to companies' work to achieve the 2030 Agenda, predominately the Sustainable Development Goal 8: decent work and economic growth, as well as transforming policy into practice connected to international frameworks, such as Global Compact, OECD Guidelines, and ILO core conventions.

SWP consists of three components:

- Workplace Programmes
- Sustainable Business Platforms
- Global Learning and Sharing

The programme was prepared for launch during the first quarter of 2020. Then, the outbreak of COVID-19 interrupted the plans and the rollout had to be adapted to new realities in the countries of operation. The immediate impacts of the pandemic were delays in recruitment of new staff, difficulties in accessing workplaces due to lockdowns and suspended travels.

In June, four regional programme hubs were set up: in Colombia, Kenya, South Africa, and Vietnam. Regional coordinators were recruited, trained, and based in the offices of Business Sweden in Bogotá, Hanoi, Nairobi and Johannesburg.

While challenges existed on multiple levels, the programme was rapidly adjusted, and new opportunities identified. Stakeholders were engaged through digital meetings and digital solutions for implementation of activities were explored.

The pandemic highlighted the importance of establishing structures for workplace dialogue, such as workplace committees, in times of crisis. Surveys and meetings with companies in the regional hubs showed that workplaces with an existing structure for dialogue between employers, employees, and unions were better equipped to handle the COVID-19 crisis.

Having NIR-staff onsite in the four regional hubs and the affiliation with the Swedish embassies and Business Sweden (local Team Sweden) had the added value of rapid access to Swedish companies and their value chains, locally. The regional coordinators were quickly integrated into the local Team Sweden and the programme was a welcome addition to the bilateral toolbox.

WORKPLACE PROGRAMMES

Setting up workplace programmes and creating favourable conditions for dialogue are core activities in the hubs. During 2020, three workplace programmes were set up in Colombia: Securitas, Atlas Copco and SKF. In Kenya, Shreeji Chemical, a supplier to a company owned by the Swedish DFI Swedfund, was enrolled in the programme.

In these workplaces, the initial steps of the SWP approach commenced building trust with management and committees to create aware-

ness of the SWP approach, conducting baseline assessments, performing gap-analysis and drafting action plans.

The rollout of the programme was adapted to local context. In South Africa and Kenya, it proved important to partner with the labour unions to create the right pre-conditions for constructive workplace dialogues. Strategic union programmes were established, and union shop stewards were trained in the art of workplace dialogue. For example, gaps in soft skills for social dialogue were identified and addressed throughout the training.



SWP Programme Manager Africa, Binta Mutale and SWP Regional Programme Coordinator South Africa, Sena Ramlochan.

SUSTAINABLE BUSINESS PLATFORMS

During 2020, Sustainable Business Platforms were established and gathered companies for peer-to-peer exchange in the regional hubs. These network meetings served to engage companies and other stakeholders in the programme and will continue to serve as a forum to share lessons learned and best practices throughout the programme period.

The Sustainable Business Platforms proved to be an efficient way to introduce the Swedish Workplace Programme in the regional hubs. Decent work and sustainable business practices were highlighted, and context specific sustainability challenges discussed. Prominent among the challenges identified was the impact of COVID-19 and how to maintain business and mitigate the negative effects.

“I think this space, Sustainable Business Platforms, is a very good opportunity to discuss challenges, but also opportunities offered by the business sector for sustainable development, from economic, social and environmental points of view”

HELENA STORM, AMBASSADOR OF SWEDEN, COLOMBIA.



GLOBAL LEARNING AND SHARING

Sharing of best practices and learnings allow for an impact beyond the actual workplaces. The results and impacts achieved throughout the programme will be communicated and this, in turn, will pave the way for implementing the programme in countries and workplaces beyond the hubs.

A portfolio of best practices that will allow for context-specific adaptation of trainings in workplace dialogue and change management is underway. One example during 2020 was the development of a method supporting workplace committees when working with women leadership and gender mainstreaming.

Part of the strategy to increase the programme's impact within the hubs and beyond is the establishment of partnerships with relevant stakeholders such as the ILO and other UN agencies, business organisations and trade unions.

In 2020, the first steps were taken to set up regional reference groups with like-minded partners. In the DRC, SWP partnered up with local stakeholders by establishing a local platform called Nkelo Bantu, facilitating cooperation between employers and employees with the aim to put social dialogue and sustainability on the local agenda.

This partnership created an opportunity for the Swedish Workplace Programme to commence activities in the DRC.



2020 IN BRIEF

- Set-up of a fully operational team in Stockholm, Johannesburg, Bogotá, Nairobi and Hanoi.
- Initiated three Workplace Programmes in Colombia.
- One Workplace Programme initiated in Kenya.
- Establishment of a pipeline of potential companies interested in the programme in all four hubs.
- Launch of union training programmes in Kenya and South Africa.
- Launch of Sustainable Business Platforms in three out of four hubs.
- Establishment of networks and partnerships with companies, unions, local Team Sweden and other organisations in all hubs.
- Establishment of a local platform in the DRC.
- Development of an outcome monitoring system that aggregates observations of behavioural changes and allows for results-based management of the programme.

PROGRAMME

PRIVATE SECTOR CONTRIBUTION TO SOCIAL DIALOGUE IN COLOMBIA

This programme supports dialogue between labour market parties, alternative mechanisms for conflict resolution, mediation and workplace dialogue in post-conflict Colombia.

Development of the labour market is key for the Colombian economy to grow sustainably, to break the current inequalities, to meet the challenges of tomorrow's labour market and to overcome decades of conflict that has fragmented society. This transformation is dependent on a shift in culture and perception, not only in the relationship between employers and the trade unions, but also within these groups and organisations.

The programme promotes enhanced dialogue between actors at different levels of the labour market. This is achieved by building trust and providing access to platforms for collaborative action as well as tools for negotiation. Joint webinars within different sectors and activities such as a course in mediation are ongoing.

With funding from the Swedish International Development Cooperation Agency (Sida) from 2018 to 2021, the programme is carried out in cooperation with local universities, the International Labour Organization (ILO), USAID, the Colombian Ministry of Labour and the Swedish National Mediation Office among others. Local and central unions and organisations, private

and public companies and the National Association of Entrepreneurs of Colombia (ANDI) are other partners.

The year 2020 did not turn out as planned with the pandemic looming for most of the year. In Colombian context, this meant lockdowns, quarantines, and travel bans, resulting in postponed activities for six months. When the lockdown lessened, activities were carried out through digital meetings. The programme has been extended throughout 2021 to compensate for the reduced pace during the majority of 2020.

Physical onsite meetings were carried out in February 2020, prior to the outbreak of COVID-19. NIR met with the main stakeholders and set up activities for innovative conflict resolution together with Colombian universities. The Ministry of Labour had expressed an interest in the programme at an early stage. In February, the Ministry reiterated their active support. A publication on "Labour Mediation and Labour Conflicts in Colombia" was published in the spring and launched in June 2020.



The new initiative, Mecanismos Alternativos de Soluciones de Conflictos (MASC), treating alternative instruments for conflict solutions, was kicked-off in August in collaboration with the Ministry of Labour, CERCOIT, USAID, FMCS, ILO, and the University La Javeriana. Four sectors were selected for participation in separate digital seminars, allowing for an adapted approach: extractives and mining, power, banking and agriculture.

The pandemic highlighted the need for a functioning dialogue between the Employers Association and the Unions to mitigate the effects of the economic crisis as well as to prepare for recovery.

2020 IN BRIEF

- Publication of "Labour Mediation and Labour Conflicts in Colombia".
- Launch of "Labour Mediation and Labour Conflicts in Colombia" in June.
- Initiation of cooperation with the International Labour Organization (ILO), USAID, the Colombian Ministry of Labour and the Swedish National Mediation Office.
- Initiation of digital seminar cycle "MASC - Mecanismos Alternativos de Soluciones de Conflictos" in August.
- Programme prolonged until December 2021.

PROGRAMME

SUSTAINABLE BANK MANAGEMENT (CUBA)

The Sustainable Bank Management Programme provides training for professionals in the financial sector. The overall aim is to strengthen the efficiency of the financial system so that it can drive economic growth and the internationalisation of the Cuban economy. The overall goal is to increase access to banking services, financial services, and insurance. The programme is funded by Sida and contributes to SDG 8 on decent work and economic growth.

The programme is in its second phase (2020-2022). Professionals in the financial sector are offered a six-week full-time training. The curriculum includes a basic course in key areas that are central to an overall understanding of international trade. The various training modules include, risk management, international trade, international banking, credit processes and credit risk management. The lectures are combined with exercises, group discussions and workshops. Participants prepare extensive case studies. To date, these case studies have resulted in the launch of new lending products, new processes, strategies, routines, and financial market propositions. Due to the Cuban COVID-19 shutdown, trainings had to be put on hold from February and onward. The planned study visit to Stockholm by Cuban bank officials was also postponed.



2020 IN BRIEF

- Meetings in February with the Ministry of Foreign Trade, the Central Bank, the Steering Committee, the Swedish Embassy, Volvo Construction Equipment and Elof Hansson International local representatives.
- Completion of one week of training in bank management in Havana in February.
- Reference Group meeting in March with representative from SEB, Swedbank, Nordea, Handelsbanken, Ericsson Trade Finance, Volvo Construction Equipment, the Swedish Export Credit Agency (EKN) and Riksbanken.
- Dialogue with the Central Bank of Cuba on how to resume the programme.
- Recording of lectures for the upcoming digitalised version of the training.

PROGRAMME

INNOVATION FOR SUSTAINABLE DEVELOPMENT (CUBA)

The programme was launched in 2020. It explores how experiences from Sweden can be translated into an OECD-DAC context by introducing the triple helix innovation model. Innovation is crucial to achieving the 2030 Agenda.

By stimulating the exchange between academia, industry, and government, the programme supports the design of a Cuban innovation system and a culture of innovation. A special emphasis is placed on how to create conditions for university innovation impact and on how to create the necessary relational closeness between industry and researchers. Several universities are participating in the programme to build adaptive innovation and management models, including strategy processes, science parks, incubators, triple-helix collaborations, and promotion of entrepreneurship. In July 2020, the Cuban government launched a comprehensive economic reform package aimed at addressing existing structural imbalances in the economy, innovation was identified as critical to the economic transformation as well as to key sector investments:

- Biomedicine
- Agrobusiness
- Renewable energy
- Food safety and nutrition
- Sustainable cities
- Economic and social policy

In June, the Cuban Council of Ministers participated in a digital conference that focused on Swedish experiences of creating a National Innovation Council and the rationale behind a holistic innovation policy. The importance of cross-sectoral cooperation was emphasised and the recommendations from the conference were well received. Another conference, attended by Vice Ministers and representatives from the universities, focused on the legal aspects of innovation.



2020 IN BRIEF

- Participation by an expert on the Swedish system for innovation and a holistic innovation policy at the annual Universidad 2020 congress in Havana (February).
- Meetings in February with Havana University, UNDP and the Ministry of Science, Technology and Environment.
- Development of a comprehensive project proposal in collaboration with Cuban partners and Swedish experts.
- Delivery of video conference equipment to the University of Havana to enable digital meetings.
- Initiation of a series of digital seminars on sectoral innovation starting with Agrobusiness (DeLaval).
- Procurement of Lund University as a technical partner (2021–2022) for support to universities in developing models for innovation management.

INITIATIVES

MINISTRY FOR FOREIGN AFFAIRS (MFA) GRANTS

In 2020 the Swedish Ministry for Foreign Affairs granted funding for two regional initiatives.



PRIVATE SECTOR NETWORKS IN EASTERN EUROPE

The initiative serves to strengthen private sector networks in Eastern Europe. Funding is granted by the Ministry for Foreign Affairs and contributes to promotion of business environment reform in the EU's Eastern Neighbourhood. Since 2018, a network of business associations in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine has been established. The initiative promotes private sector advocacy for business environment reform and fosters alignment with EU economic policies. Findings are channeled into the Swedish Government's policies on business environment reform in the EU's Eastern Neighbourhood. In 2020, the network of business associations was maintained online. The second half of the year was characterised by post-election protests in Belarus resulting in a split even within some institutions and business associations and uncertainties regarding investments and future reforms. The six weeks of open war in and around Nagorno-Karabakh in the autumn rendered any direct exchange between of business associations in Armenia and Azerbaijan unrealistic. However, the agreement, brokered by Russia, could in the longer term bring new opportunities, including infrastructure connectivity across the region between Russia, Iran and Turkey.



ECONOMIC DEVELOPMENT ON THE KOREAN PENINSULA

The long-term objective of this initiative is to contribute to the internationalisation and economic development in the Democratic People's Republic of Korea (North Korea), in support of the country's socio-economic development and regional integration. The initiative is part of the Swedish engagement for a peaceful resolution of the conflict on the Korean peninsula and is undertaken in close coordination with the Swedish Ministry for Foreign Affairs. In 2020 North Korea closed its borders due to COVID-19, making any international exchange impossible for the remainder of the year. The pandemic contributed to further isolation and restrictions. Despite the rhetoric of self-reliance, reengagement with the world has been confirmed as a vital priority, once circumstances permit.

UNITE FORCES AROUND COMPLEX MARKETS

Regardless of business model or industry, companies operating in complex markets often face similar challenges. By working together for improved business conditions and a sustainable market development, the way is paved for more, larger and secure business as well as increased demand for sustainable solutions.

In NIR, members have a platform for discussions on sustainability challenges in complex markets with some of Sweden's most successful global companies. In NIR, members also come together to identify possible solutions. Through NIR, members have access to public actors in Sweden and in complex markets. NIR can develop joint initiatives to promote local sustainability with the aim to improve business conditions.

NIR BRINGS members together to identify common challenges and opportunities in complex markets.

THROUGH NIR, Swedish business collaborate with other stakeholders with the common goal of promoting and enabling environment for conducting economically, socially and environmentally sustainable business.

NIR functions as an interface for Swedish companies to collaborate with the Swedish International Development Cooperation Agency (Sida) and enables partnership programmes.

By engaging in NIR and contributing with companies' views on sustainability challenges and insights into the possibilities for improved sustainability, the members influence the SDGs beyond their own operations and industry.

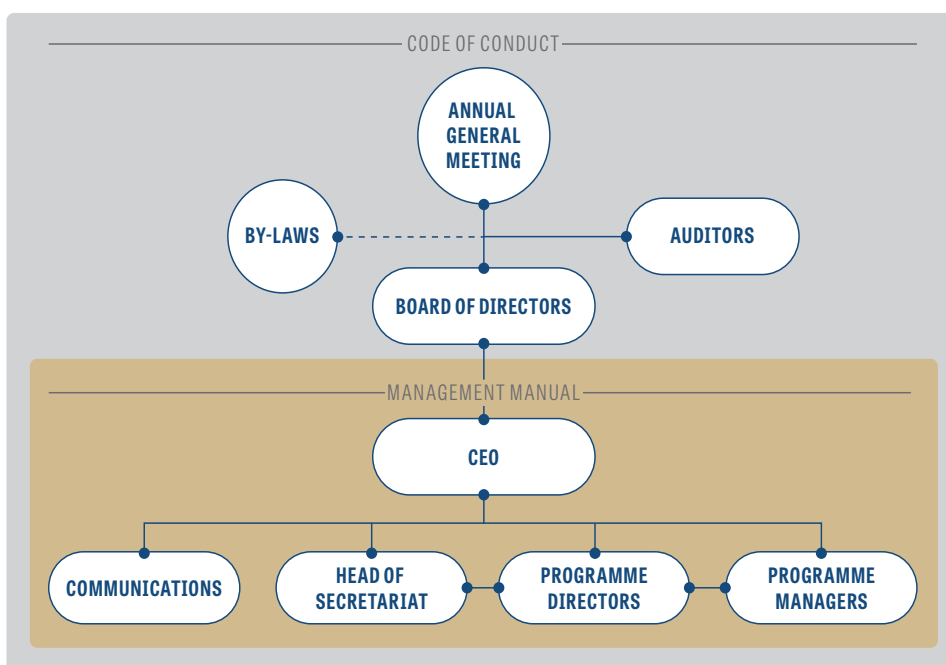


MEMBERSHIP GIVES ACCESS TO

- Improved opportunities to do sustainable business by mitigation of risk (corruption, Human Rights issues, etc.).
- Exchange with colleagues on how to act and mitigate risks in complex markets.
- Cooperation between members.
- Training and exchange on management in complex business environments.
- Programmes that can link the company's sustainability goals to local context.
- Workplace programmes applicable in local value chains.
- A door opener function and local network.
- An agile organisation that can act as a support.
- Support in contacts with the Ministry for Foreign Affairs or embassies.
- A host organisation for incoming delegations.

GOVERNANCE AND FINANCIAL REPORT

NIR is a member-based non-profit organisation that brings its members together to improve business conditions in complex markets. NIR's members are some of Sweden's largest exporting companies, SEB, the Export Credit Agency (EKN) and the Swedish Export Credit Corporation (SEK). This membership provides NIR with direct access to a vast network of knowledge and expertise in the private and public sector. For 60 years, NIR has functioned as a link between development aid and trade by collaborating with different stakeholders, ranging from governments, authorities and academia to non-governmental organisations and companies, both in Sweden and in partner countries. For more than a decade, NIR has collaborated with Swedish trade unions and trade unions in partner countries. Insights from the private sector on challenges and opportunities lay the foundation for the design and implementation of NIR's capacity development programmes in OECD-DAC countries. NIR's external programmes are funded by grants from Sweden's government agency for development cooperation (Sida) and the Swedish Ministry for Foreign Affairs. As a non-profit organisation, NIR is a neutral partner, which contributes to its credibility in partnerships and activities in programme countries.



Members and by-laws

In 2020, the Swedish Export Credit Corporation (SEK) was co-opted as a NIR member. As of 31 December 2020, NIR had twelve members representing some of Sweden's largest exporting

companies and the financial sector. During 2020, the Board of Directors initiated a revision of the by-laws.

The revised by-laws will be adopted in 2021.

Code of Conduct

During 2020, NIR began the process of revising its Code of Conduct to further emphasise its policy of zero tolerance for any form of bribery or corruption at all levels of its operations. NIR's anti-corruption work and Code of Conduct revision are guided by the Swedish Institute Against Bribery's (IMM) new 'Code Against Corruption in Business', which was published in August 2020. As part of the revision process, NIR worked with an expert consultant on anti-corruption and risk management (Magnus Lindberg, Edge Development AB) in November and December 2020. NIR will continue to work with expert consultants throughout 2021 to strengthen its internal and external processes surrounding anti-corruption and risk management. The new Code of Conduct will be proposed for adoption at NIR's 2021 Annual General Meeting.

Annual General Meeting

The Annual General Meeting is held no later than 31 May, at a time and place decided by the Board. Written notice of the Annual General Meeting is sent to members no later than two weeks before the meeting that:

- Adopts the income statement and balance sheet.
- Adopts the annual report and auditor's report for the financial year.
- Releases the Board of Directors and CEO from liability.
- Elects the Board of Directors, Chair of the Board and auditors.
- Elects members to the Nominations Committee.
- Confirms the membership.
- Adopts amendments to the by-laws.

Annual General Meeting 2020

Due to the sudden and tragic passing of Chair Erik Belfrage in April 2020, the Board of Directors held an advanced Annual General Meeting on 29 April 2020. Annika Berglund, a former Atlas Copco executive and previous NIR Board member (2014–2017), was re-elected as a Board member and as the new Chair of the Board. Erik Belfrage had announced his wish to hand over the Chair position in February 2019, and the process of nominating a new Chair had already begun in 2019. Ulf Pehrsson (convener), Camilla Goldbeck-Löwe, Sofia Svingby and Stefan Karlsson, of the Swedish Export Credit Agency (EKN), former member of the Board of Directors, were elected to the Nominations Committee. Mazars SET was re-elected as auditor by the Annual General Meeting, with Håkan Sten as the lead auditor. In addition, the Annual General Meeting adopted the income statement and balance sheet and released the Board of Directors and the CEO from liability for the 2019 financial year.

Board of Directors

According to NIR's by-laws, the Board of Directors is comprised of a Chair and representatives from all fully paying member companies and organisations. The Board may co-opt representatives that are considered valuable to NIR. The Board's responsibilities include establishing NIR's strategic framework and long-term goals, as well as ensuring that resources are efficiently managed and that independent financial audits are routinely conducted. During 2020, a Board Working Committee undertook a review of NIR's strategy, which resulted in the Board of Directors adopting a new three-year Strategic Framework on 23 September 2020. The new Strategic Framework will be implemented from 2020 to 2023.

The Annual General Meeting elects the Board of Directors and the Chair of the Board. As of 31 December 2020, the Board of Directors consisted of the following thirteen members:

Board member	Member company	Comment
Annika Berglund, Chair	–	Replaced Erik Belfrage in May 2020
Camilla Goldbeck-Löwe	Epiroc AB	Nominations Committee and Board Working Committee
Dag Klackenber	Consultant	
Daniel Lundgren	Siemens Energy AB	
Henrik Petersson, Vice Chair	Saab AB	Board Working Committee
Juliette Xue Lascoux	SEB Merchant Banking	
Jörgen Haglind	Tetra Laval Group	By-law Committee
Marie Aglert	Swedish Export Credit Agency (EKN)	Replaced Stefan Karlsson in January 2020
Paul Palmstedt	AB Electrolux	Board Working Committee
Sofia Svingby	Atlas Copco AB	Nominations Committee
Tony Lindström	Volvo Group	Replaced Malin Ripa in September 2020
Ulf Pehrsson	Telefon AB LM Ericsson	Nomination Committee
Åsa Pettersson	Scania AB	Board Working Committee

The Annual General Meeting and all Board of Directors meetings were held digitally during 2020, due to the ongoing COVID-19 pandemic. The following key issues were addressed by the Board of Directors in 2020:

<p>March</p> <ul style="list-style-type: none"> • Board of Directors meeting #1 on 28 March • Board Working Committee presented draft strategy review/ country mapping • Attendance 8/13 Board members 	<p>April</p> <ul style="list-style-type: none"> • Annual General Meeting on 29 April • Election of Board of Directors members and Chair of the Board • Election of Nominations Committee and Auditors • Adoption of Annual Report and Financial Report • Attendance 12/13 Board members 	<p>May</p> <ul style="list-style-type: none"> • Board of Directors Meeting #2 on 28 May • Election of Board Vice Chair (within itself) • Board Working Committee presented draft NIR – Strategic Framework (2020-2023) • Attendance 13/13 Board members 	<p>September</p> <ul style="list-style-type: none"> • Board of Directors meeting #3 on 23 September • Adoption of Strategic Framework 2020-2023 • Attendance 13/13 Board members 	<p>December</p> <ul style="list-style-type: none"> • Board of Directors meeting #4 on 16 December • Draft member event list 2021 presented • Communications strategy endorsed • Attendance 13/13 Board members
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Chair of the Board

The Chair of the Board of Directors is responsible for leading the work of the Board and maintaining its members informed of NIR's activities, partnering with the CEO to monitor the organisation's development, ensuring that Board members are able to support NIR and make informed decisions regarding its operations, consulting with the CEO on strategic issues, preparing the agenda for Board meetings, convening and

chairing Board meetings and ensuring that NIR's operations are executed in accordance with any applicable agreements and the by-laws. Prior to her new role as Chair of the Board of Directors, Annika Berglund was Senior Vice President of Corporate Communication at Atlas Copco. During her forty years at Atlas Copco, she held various positions in marketing and sales. From 2015 to 2019, she was a Board Member of the Peter Wallenberg Water for All Foundation.



Chief Executive Officer

The CEO is responsible for the management and coordination of NIR's operations in accordance with applicable legislation, the articles of association and the CEO's instructions, as well as directives by the Board of Directors. The CEO is also responsible for the management of NIR's adopted budget. Prior to her role as CEO of NIR (appointed since 2019), Christine Bäckström served in the Swedish Ministry for Foreign Affairs for 22 years.

Auditors

NIR's auditors at Mazars SET, are accountable to the Board of Directors and submit the annual financial report to the Board.

Staff

NIR's headquarters is located at Sturegatan 11 in Stockholm, Sweden. Four coordinators are located in Bogotá, Hanoi, Johannesburg and Nairobi. As of 31 December 2020, NIR had the following staff:

- Christine Bäckström, Chief Executive Officer
- Mimmi Bergström, Head of Secretariat
- Nancy Biwott, Regional Coordinator (Kenya)
- Maria Castilla, Regional Coordinator (Colombia)
- Alessandra Cornale, Programme Director
- Kaveh Hagi, Programme Manager
- Henrik Hallgren, Programme Manager
- Binta N Mutale, Programme Manager
- Thu Hien Nguyen, Regional Coordinator (Vietnam)
- Evalena Persson, Programme Manager
- Sena Ramlochan, Regional Coordinator (South Africa)
- Maria Rindeskär, Programme Manager
- Petter Sjöblom, Programme Manager
- Tina Wilhelmsson, Communication Manager
- Karin Åker, Programme Manager

Financial Management

Lugnet Ekonomi AB manages NIR's accounting services, reporting directly to the Head of Secretariat, Mimmi Bergström. The appointment of external auditors is carried out by the Annual General Meeting in accordance with NIR's by-laws. The external auditors perform a yearly systems-audit and a year-end review/final audit. NIR's externally funded programmes are audited annually through a separate revision. NIR adheres to the Swedish International Development Cooperation Agency's (Sida) 'Procurement Provisions for use by Non-Governmental Organisations (NGOs) in the context of Sida-financed Projects/Core Activities'. NIR's externally funded programmes are implemented in accordance with the signed agreement with the funding partner and NIR's Management Manual.

Monitoring and evaluation system

NIR utilises a Results-Based Management approach in designing, implementing, monitoring, evaluating and reporting on its programmatic work. By applying this approach, NIR aims to ensure that its activities contribute to the achievement of desired results and the approach is integrated into all levels of the organisation to enhance the quality and effectiveness of NIR's operations.

Funding

NIR's core funding is provided by annual membership fees. NIR also receives grants for programmes and projects from Sida and the Swedish Ministry for Foreign Affairs. NIR's Sida-funded programmes in 2020 included: the Swedish Workplace Programme; the Sustainable Bank Management Programme; the Innovation for Sustainable Development programme and the Private Sector Contribution to Social Dialogue in Colombia. Three smaller grants, equalling one full-time staff member, were provided by the Swedish Ministry for Foreign Affairs: the Joint Sustainability Leverage, Private Sector Networks in Eastern Europe and Economic Development on the Korean Peninsula.

BALANCE SHEET as of 31 December 2020

Short balance sheet in KSEK

	2020	2019
Current assets	44	61
Accounts receivable	1 940	949
Cash and bank balances	47 862	26 465
TOTAL ASSETS	49 846	27 475
Equity	4 271	3 198
Received unused grants	39 065	19 169
Short-term liabilities	6 510	5 108
TOTAL	49 846	27 475
Cash and bank balances*	47 862	26 465
Received unused grants	-39 065	-19 169
	8 797	7 296

*Cash and bank balances include funds granted from donors for activities during the programme period.

LIST OF ABBREVIATIONS

ANDI – The National Business Association of Colombia. The main private sector association in Colombia with more than 1.200 members, representing around 40 - 50 % of the national GDP.

BANKABLE PROJECT – A bankable project involves a solid financial, economic, and technical plan, with a risk allocation scheme appropriate for the nature of the project.

CERCOIT – Special Committee for treatment of conflicts before the ILO.

DAC – The OECD Development Assistance Committee, an international forum of many of the largest providers of development aid, including 30 members. The DAC List of ODA Recipients shows all countries and territories eligible to receive official development assistance (ODA). These consist of all low- and middle-income countries based on gross national income.

DFI SWEDFUND – the Development Finance Institution of the Swedish state.

DRC – the Democratic Republic of the Congo.

EKN – The Swedish Export Credit Agency.

ESG – Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.

FMCS – Federal Mediation and Conciliation Service.

ILO – International Labour Organization, an international organization that is part of the United Nations and whose aim is to protect the rights and improve the working conditions of employees all over the world.

IMM – The Swedish Anti-Corruption Institute, a non-profit organization.

LMIC – Countries with low-income or middle-income economies according to the Organisation for Economic Co-operation and Development (OECD).

MFA – Ministry for Foreign Affairs.

OECD/DAC – The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to build better policies for better lives. The Development Co-operation Directorate (DCD) supports the Development Assistance Committee (DAC).

RBM – Results Based Management; a tool for monitoring and managing the implementation of strategy, commonly used by organisations linked to the United Nations.

SDG – The Sustainable Development Goals, adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

SEK – Swedish Export Credit Corporation is a state-owned company that finances Swedish exporters, their subsidiaries, and foreign customers.

SIA – Sustainability Impact Accelerator. NIR programme, funded by Sida.

SIDA – the Swedish International Development Cooperation Agency.

SWP – The Swedish Workplace Programme. NIR programme in partnership with IF Metall, funded by Sida.

TEAM SWEDEN – Team Sweden is a network of government authorities, agencies and companies that all work to promote Swedish exports abroad.

TRIPLE HELIX – The triple helix model of innovation refers to a set of interactions between academia (the university), industry and government, to foster economic and social development, as described in concepts such as the knowledge economy and knowledge society.

UNDP – United Nations Development Programme.

USAID – US Agency for International Development.

IN MEMORIAM



ERIK BELFRAGE

In 2020, the International Council of Swedish Industry lost its highly esteemed Chair of the Board, and Sweden lost a tireless advocate for internationalism, free trade and the value of knowledge and dialogue, Erik Belfrage, Chair of the Board (2005-2020), Board Member (1997-2020) and a dear friend.

“Within the private sector, we have always been able to build on the fact that we all speak the same language. We have the same desire to develop our enterprises.

The private sector has an ability to spearhead dialogue and build relations across borders, and to find practical solutions.

Business needs stability to flourish.
More than stability – it needs equality.

Free trade should be based on equal opportunities and free choices of who you want to trade with.

Free movement of people, goods and financial transactions.”

MR. ERIK BELFRAGE



IMPROVING BUSINESS CONDITIONS IN COMPLEX MARKETS