

# Impact Investing Innovations to Support Sustainable Food Production

AK Food Policy Council Conference 2016

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# Agenda

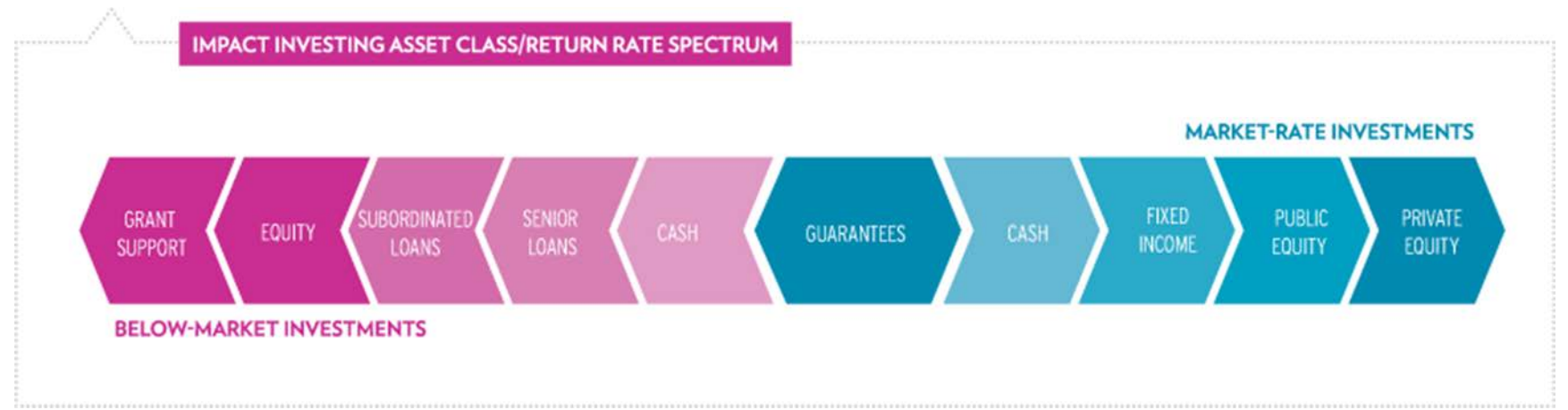
- What is Impact Investing?
- How does Impact Investing relate to food production?
- Fish 2.0
  - Case study – Alaska Marine Conservation Council's Alaska Community Seafood Hub
- Questions
- An idea for your feedback
- Resources (handout)

# What do all these ventures have in common?

- Stonyfield Farms (organic yogurt)
- Zipcar (environmentally friendly car-sharing)
- Honest Tea (responsible supply chain for iced tea)
- RecycleBank (curbside recycling meets couponing)
- Grameen Bank (microfinance pioneer)
- Iriquois Valley Farms (young farmer land access)
- Husk Power Systems (rural electrification)
- A to Z Textile Mills (anti-malarial bednets)
- Goldman Sachs Social Impact Bonds (early childhood education)
- Liberty and Justice (women-owned manufacturing)
- Catalyst AgTech (reducing agrochemical products)
- LifeSpring (low-cost maternity hospitals)
- Karenegera Coffee - KZ Noir

# What is Impact Investing?

- Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return.
- Provides capital to address the pressing challenges in sectors such as sustainable agriculture, fisheries, clean technology, microfinance, and affordable and accessible basic services including housing, healthcare, and education.

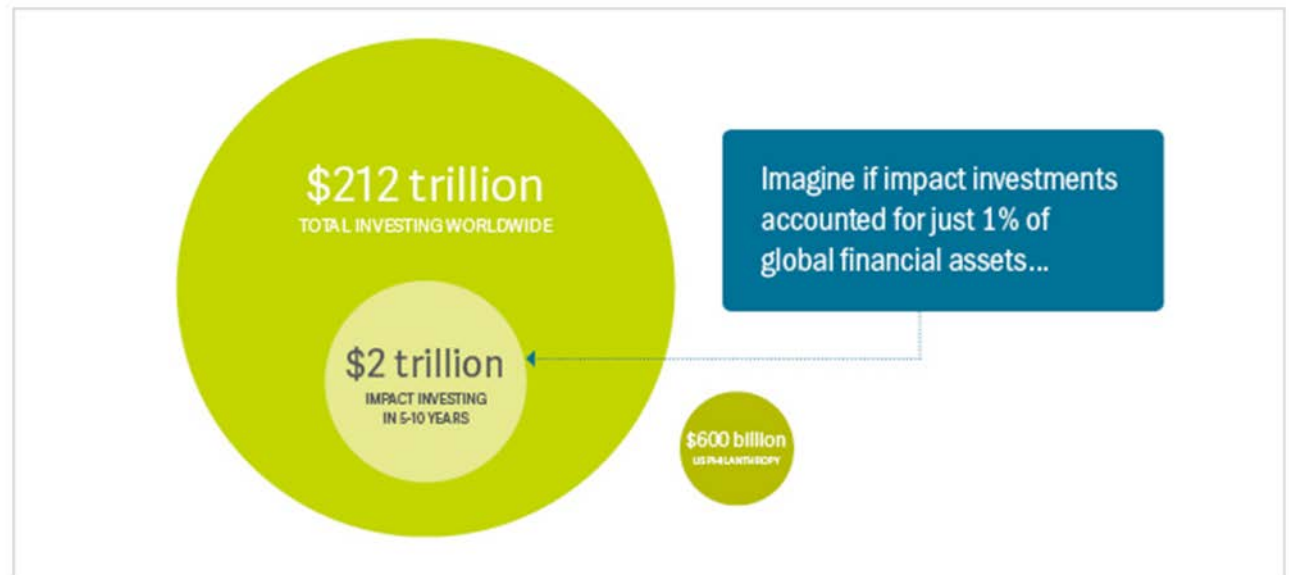


# Who Makes Impact Investments?

- Diversified financial institutions
- Pension funds
- **Private foundations** (making program and/or mission-related investments)
- Insurance companies
- Development finance institutions
- Specialized financial institutions
- Large-scale family offices
- Fund managers
- **Individual investors**

# What is current scale and potential?

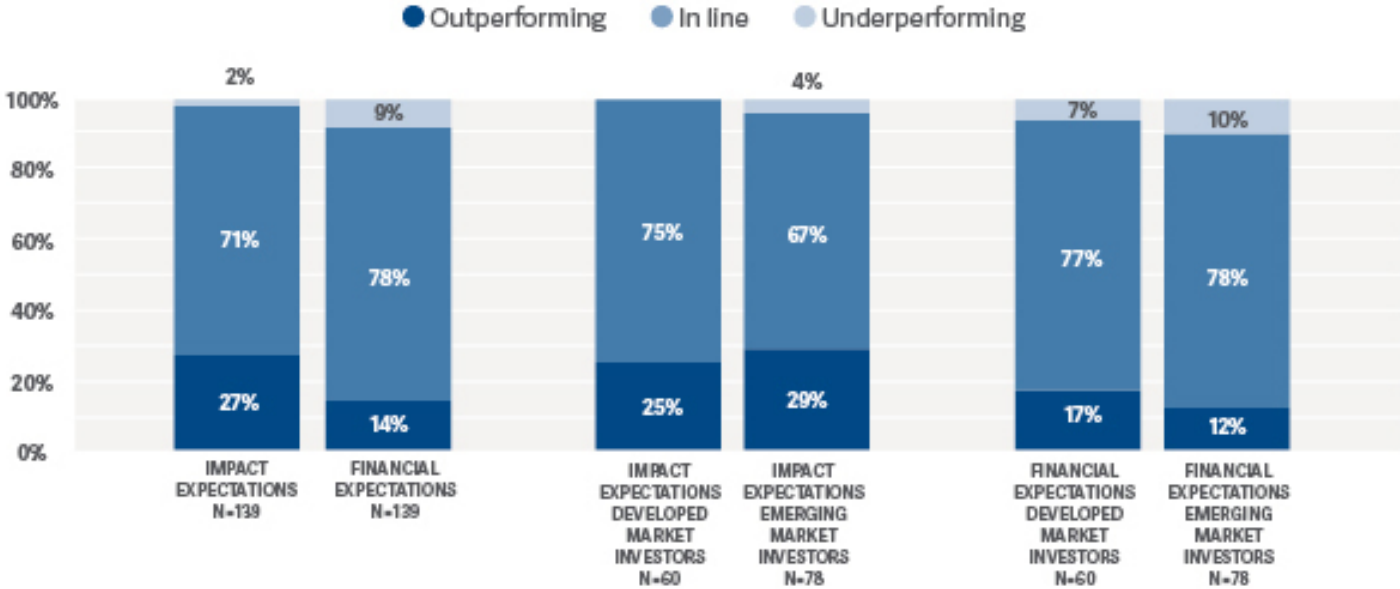
- Estimated that \$60Bn was invested via impact investment funds globally in 2015 (c.f. \$54Bn by US private foundations in 2014)
- Major Focii of Impact Funds:
  - Housing (27% )
  - Energy (10%)
  - Healthcare (5%)
  - Food and Agriculture (5%)



# How Are Impact Investments Performing?

## RESPONDENTS' PORTFOLIO PERFORMANCE RELATIVE TO THEIR EXPECTATIONS

Number of respondents is shown under each category; some respondents chose "not sure" and their responses are not considered here.



# Challenges

## CHALLENGES TO THE GROWTH OF THE IMPACT INVESTING INDUSTRY TODAY (N= 146; RESPONDENTS RANKED TOP THREE)

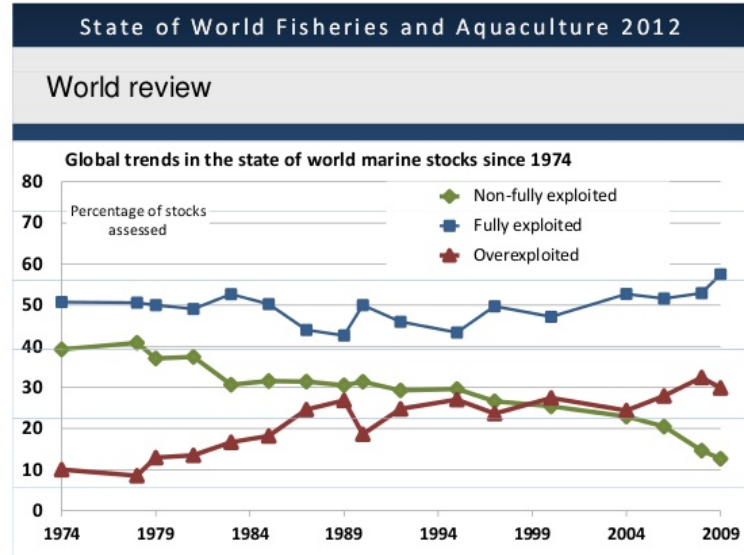
### RANK SCORE

RANK	SCORE	
1	193	Lack of appropriate capital across the risk/return spectrum
2	174	Shortage of high quality investment opportunities with track record
3	115	Difficulty exiting Investments
4	97	Lack of common way to talk about impact investing
5	87	Lack of innovative deal/fund structures to accomodate investors' or portfolio companies' needs
6	76	Lack of research and data on products and performance
7	67	Inadequate impact measurement practice
8	57	Lack of investment professionals with relevant skill sets

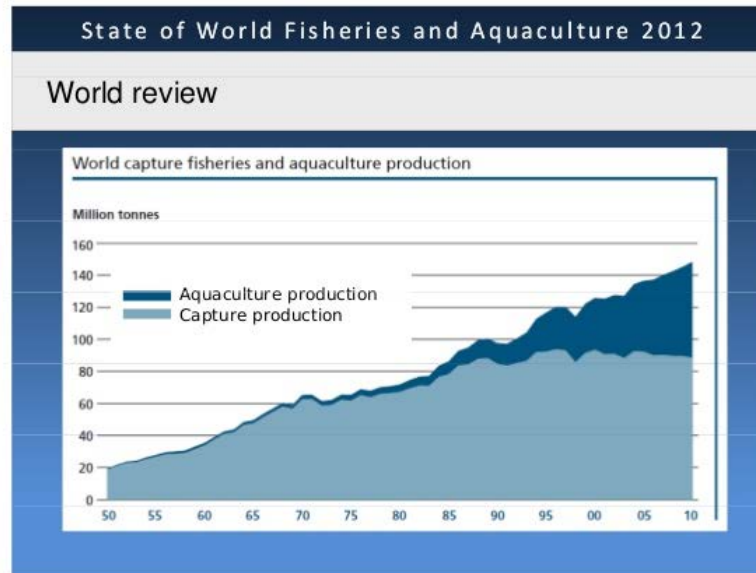
Source note: GIIN, J.P. Morgan, "Eyes on the Horizon," 2015.



# Fish 2.0 Context

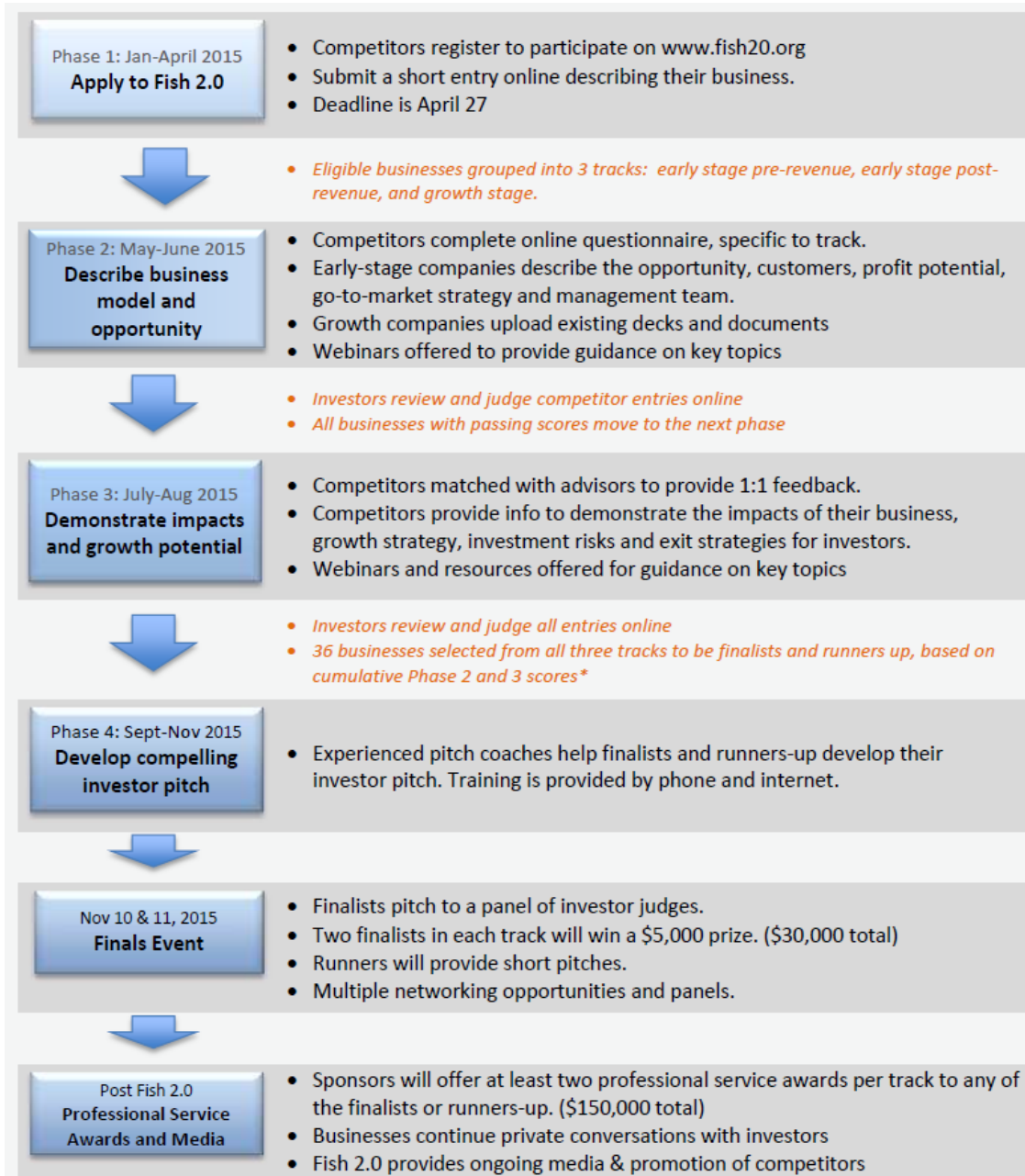


- **Current global fisheries management regimes not working:**
  - inadequate market incentives to support sustainable wild fisheries
  - Inadequate mechanisms to expand sustainable aquaculture



- **How to incentivize change in the way we produce fish?**
  - Profitable
  - Enhance beneficial social impacts
  - Reduce negative environmental impacts

# Fish 2.0 Process



# Fish 2.0 2015 Winners



- **TRACK A - Pre-Revenue Business - Cash Prize Winners:**
  - Kampachi Farms Mexico - Strongest Market Potential
  - The RiverBox, by SabrTech, Canada - Greatest potential for social and environmental impact
- **TRACK B - Early Stage Businesses- Cash Prize Winners:**
  - Salty Girl Seafood, USA - Strongest Market Potential
  - Bureo, Chile and USA - Greatest potential for social and environmental impact
- **TRACK C - Growth Stage Businesses - Cash Prize Winners\***
  - *Alaska Community Seafood Hub, USA - Greatest potential for social and environmental impact*
  - ALFA Fishing. Vanuatu - Greatest potential for social and environmental impact



**8,500:** Commercial Fishing Vessels Homeported in Alaska



**1 in 7:** Alaska residents are employed by the seafood industry





**Community-Based  
Fishermen**



Alaska Marine Conservation Council



CELEBRATING 20 YEARS

**Connector!**



**Restaurants**



**Alaskan Consumers**

# Seafood Mongering with a Mission

- **15** local fishermen
- **53,000 lbs.** of traceable, low-impact seafood
- **\$25,000** in bonuses paid back to fishermen
- **700** loyal subscribers
- **Growing base of advocates** for healthy fisheries & thriving coastal communities



Questions?



# AK Food 2.0?

- **Concept**
  - innovation contest (modelled on Fish 2.0)
  - designed to promote impact investments in AK Food System
- **Timing**
  - 2017 AK Food Policy Council Conference presentation
- **Need:**
  - Sponsor(s)
  - Mentors
  - Applicants
  - Judges
- **Reaction/Thoughts?**



# Impact Investing Resources

To learn more contact:

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- Global Impact Investors Network - <https://thegiin.org>
- GIIN Metrics Database (IRIS) - <https://iris.thegiin.org/metrics>
- GIIN Cambridge Benchmark study - [https://thegiin.org/assets/documents/pub/Introducing\\_the\\_Impact\\_Investing\\_Benchmark.pdf](https://thegiin.org/assets/documents/pub/Introducing_the_Impact_Investing_Benchmark.pdf)
- GIIN Deal Database - <http://www.impactbase.org>
- Rockefeller Foundation - <https://www.rockefellerfoundation.org/our-work/initiatives/innovative-finance/>
- Case Foundation - <http://casefoundation.org/program/impact-investing>
- Mission Investors (private foundations) - <https://www.missioninvestors.org>
- ImpactAlpha – <http://impactalpha.com/category/impact-investing>
- Calvert Foundation’s community investment note – a vehicle for “crowd funding” through partnerships with community development organizations – see <https://www.vested.org>
- Case Foundation - <http://casefoundation.org/program/impact-investing>
- MaxImpact – agriculture and agribusiness deals – <http://maximpactblog.com/cultivating-change-why-agriculture-needs-impact-investing>
- Stanford Social Innovation Review (SSIR) - [http://ssir.org/topics/category/impact\\_investing](http://ssir.org/topics/category/impact_investing)
- Omidyar Network - <https://www.omidyar.com>
- Fish 2.0 - <http://www.fish2o.org>
- Encourage Capital - <http://encouragecapital.com/solutions-strategies/sustainable-seafood> & <http://investinvibrantocceans.org>
- Statewide Impact Investing - <https://www.missioninvestors.org/events/colorado-impact-day>
- Local AK Opportunity - <http://www.akacceleratorfund.com/about>