

Finance and sustainability crash course - session 4

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1 Financial innovations for sustainability

Speakers: Per Olsson, Mauricio Portillo Relevant background reading on [A Theory of Transformative Agency in Linked Social-Ecological Systems](#)

1.1 Innovations in the global financial system - transformation, scaling, agency

[The global financial system - e-journal USA](#), issue of [e-journal USA](#)

- Institutional investors
- Private investors
- Banking
- Financial accounts
- Bond market
- **Do social innovations relating to financial sustainability initiatives contribute to large-scale transformations or do they reinforce the existing (*flawed*) paradigm?**

1.2 Scaling processes in finance for sustainability

- **Conservation Finance** - *Moving beyond donor funding toward an investor-driven approach* - report by WWF, Credit Suisse, McKinsey & Company.

Investors/funds -> (financial investments) -> Investment structures -> (Conservation investment) -> Activation of cash flow -> (Conservation impact) -> Ecosystem with conservation needs -> (Impact reporting to investors)

- **Developmental Evaluation**: - Michael Quinn Patton
- **Build a better understanding of large-scale systemic changes and fundamental redirections in people-planet relationships that can have an impact at the scales that match the Anthropocene?**

Transformative trends in business and the economy

Global clusters of innovation - Jerome S. Engel

1.3 Types of impact investors - by Mauricio

Types of investments: Cash, Senior debt, Mezzanine/Quasi equity, Public equity, Alternative instruments: Venture capital, Private/Growth equity, Real estate, Other real assets, absolute return (hedge funds).

Types of investors:

- **Finance First investors**
- **Impact First investors**

Types of impact of investments

Interesting figure from [Open Capital](#)

1.3.1 Case study 1 - Acumen fund investment in Indian power plants

1.3.2 Case study 2 - Aqua Spark investment in Aquaculture

1.3.3 Case study 3 - Fish 2.0

1.4 Social inclusive businesses

Social benefits vs. economic benefits

1.4.1 J.P Morgan impact investment report

[Resources relating to the report](#)

“Impact Investing” : Theory, Meet Practice

[JP Morgan's - Spotlight on the Market - The Impact Investor Survey](#)

1.4.2 Note for real-world-economics piece

Impact investments and the sustainability transitions What is the potential role of impact investors and other types of sustainability oriented investments in driving social transformations?

2 REFERENCES

The following literature was cited