SuSteinable Impact Fund – SiF

## Impact Pathway

Using our expertise in the climate economy, SiF will focus on renewable agricultural investments that increase the quality, quantity, and transparency of farm-to-table production, with the maximization of positive impact for people and planet as our most mission critical criteria for success. The agricultural sector today is inundated with opportunities to source cheaply from developing countries, with the true cost being borne by local communities and ecosystems. This phenomenon can also be seen as an opportunity, for example with the cocoa sector, only 27% of the world’s cocoa production aligned with voluntary sustainability standards (VSS), despite that cocoa also being able to sell for 30% greater value on the global market[[1]](#footnote-1).

Investments in the agricultural have the potential to transform the local farmer livelihood, concentrating benefits locally and magnifying impact upwards throughout the supply chain. By concentrating renewable agricultural investments on the ground level SiF will be able to buffer against the pressure on farmers to deforest more land and avoid exploitative land use practices that impact the entire ecosystem.

## Impact Measurement

|  |  |  |
| --- | --- | --- |
| **Impact Type** | **IRIS+ Metric** | **Reasoning for Selection** |
| Biodiversity, Land, Climate Health (SDG15) | Area of Land Reforested, Forest Management Plan, Ecological Restoration Management Area ([PI4907](https://iris.thegiin.org/metric/5.3a/pi4907/), [OI2622](https://iris.thegiin.org/metric/5.3a/oi2622/), [PI9556](https://iris.thegiin.org/metric/5.3a/pi9556/)) | Relevant to product, easy to measure, underscores additionality |
| Agriculture, Dignified Employment  (SDG 8, 10, 12) | Average Client, Supplier Agriculture Yield: Smallholder ([PI9421](https://iris.thegiin.org/metric/5.3a/pi9421/), [PI1405](https://iris.thegiin.org/metric/5.3a/pi1405/) combined) | Relevant to mission of elevating local communities, measurable with standard business practices, helps assess baseline vs. additionality |
| Water Supply, Water Quality, Ecosystem Management  (SDG 6, 15) | Climate Resilient Water Management Practices, Level of Water Stress, Climate Vulnerability Status ([OI2340](https://iris.thegiin.org/metric/5.3a/oi2340/), [OI2799](https://iris.thegiin.org/metric/5.3a/oi2799/), [PI1002](https://iris.thegiin.org/metric/5.3a/pi1002/)) | *i.e. are our efforts not creating additional harm? Water is one of the easier ways to measure this* |
| Emissions Reductions, Responsible Consumption (SDG 13, 12) | Greenhouse Gas Emissions of Product Replaced, Percent Recycled Materials ([PD2243](https://iris.thegiin.org/metric/5.3a/pd2243/), [PD9364](https://iris.thegiin.org/metric/5.3a/pd9364/)) | *i.e. is our product actually reducing emissions?* |
| Decent Work, Reducing Inequalities (SDG 8,10) | EBITDA, Earnings of Distributor Individuals  ([FP1657](https://iris.thegiin.org/metric/5.3a/fp1657/), [PI4881](https://iris.thegiin.org/metric/5.3a/pi4881/)) | Because if we track distributor sales we can understand transparency in profit sharing |
| Poverty Alleviation, Decent Work, Reducing Inequalities (SDG 1,8,10) | Client Income, Indigenous Rights and Stewardship Practices, Microfinance Delivery Method ([PI9409](https://iris.thegiin.org/metric/5.3a/pi9409/), OI6482, [PD7356](https://iris.thegiin.org/metric/5.3a/pd7356/)) | *i.e. are we doing right by the local community?* |

## Geography

This fund will target investment in developing countries with high agricultural production, particularly in products like cocoa and coffee that are grown only under certain climatic conditions. Beginning with Ghana, Côte d'Ivoire, Togo, and Benin in Western Africa, this fund aims to expand in future years as our pilot programs progress.

## Asset Class

This fund will work with private equities in our target countries for two key reasons: first, private equity investments in Africa tend to be smaller, community-rooted corporations, thus aligning our asset class with our community impact targets; second, the public equity sector is simply not robust enough in our target countries at this time.

## Investment Type

This fund will be directly investing in companies that improve and implement renewable agricultural practices, which given the nature of the landscape of Africa, where ~70% of land is held by smallholder farmers[[2]](#footnote-2), this direct investment will be dispersed indirectly through these local corporations and agricultural cooperatives.

## Financial Performance

We anticipate below market returns for the early years of the fund, especially with tree-based agricultural production, where it may take 3-5 years for harvests to begin, however the long term financial performance is anticipated to match global market rate retuns.

## Investor Base

This fund aims to target Foundations for contributions since they have a long-range return window and would accept a modest degree of financial loss. Additionally, Corporations active in the ag sector, such as Nestlè, could be investors as these improved supply chains and renewable agricultural products stand to improve their own business models and partnership could supplement their Scope 3 emissions reduction efforts, however they currently suffer from a lack of trusted partners in many of the aforementioned target countries.

1. Bermudez, Steffany, Vivek Voora, Cristina Larrea, and Erika Luna. 2022. “Global Market Report: Cocoa Prices and Sustainability.” Global Market Report. <https://www.iisd.org/system/files/2022-11/2022-global-market-report-cocoa.pdf>. [↑](#footnote-ref-1)
2. Nyoni, Rejoice S., Guillaume Bruelle, Regis Chikowo, and Nadine Andrieu. 2024. “Targeting Smallholder Farmers for Climate Information Services Adoption in Africa: A Systematic Literature Review.” *Climate Services* 34 (April):100450. <https://doi.org/10.1016/j.cliser.2024.100450>. [↑](#footnote-ref-2)