

# Tikanga-led Impact Investment

# 01

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Moving closer  
to a Māori  
world view

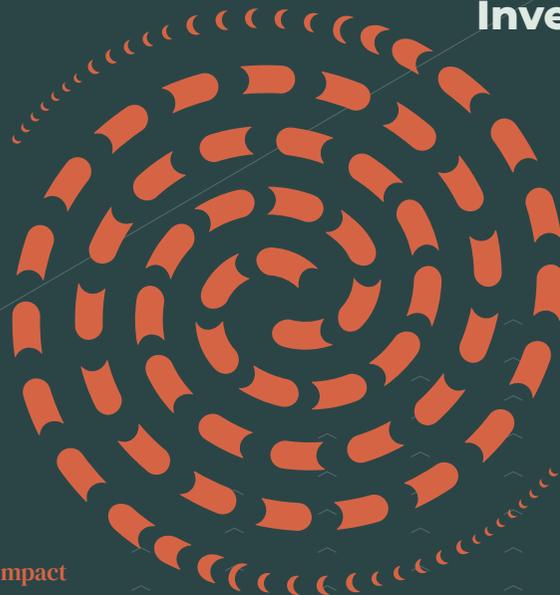


01

Moving closer to a Māori world view



Tikanga-led Impact Investment



04

Creating a culture of impact

02

Understanding connections

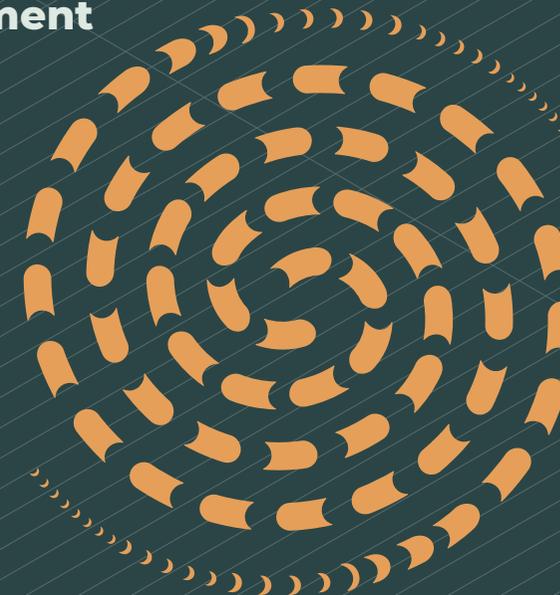


We acknowledge the significant role of Taitokerau Iwi (that own Amokura Iwi Consortium Ltd) and Te Pai Roa Tika o Te Taitokerau in providing a rich learning environment for these guides to be developed and shared. In recognition of that whakapapa, we have used the word tikanga throughout this document as they understand and apply it, knowing that other Iwi would use the word kaupapa.

Each Iwi holds their mana to decide what works for them.

03

Delivering on your vision



Each one of these four guides is designed to give an overview of one aspect of tikanga-led impact investment. Together, they provide a complete picture.

E rua e rua te pūtea  
me te kūmara: kaore  
he hua ōna i tua atu  
i te whāngai tangata

»»»

“Money is like a kumara;  
its only value lies in the  
ability to feed people”

*Wetini Mītai Ngātai*



*The world of finance  
is moving closer to a  
Māori worldview.*



# Tikanga-led investing for impact is about deploying capital to create a version of “good” that is defined by Māori and for Māori.

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For success as Māori, tikanga and kaupapa are very important. These are the lenses through which Māori engage with and look at the world – past, present and future.

The world of finance is moving closer to a Māori worldview. This presents significant opportunity for Māori and Iwi organisations, to access cheaper, more enduring, values-aligned capital and resources to help your ventures realize success, by your own definition.



*All investments have impact,  
whether intentional or not.*



## What do we mean by impact?

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Impact, in this context, is broadly defined as the long term economic, social, environmental, cultural or political changes that arise from actions by individuals or groups in society.

The deployment of capital by investors has long had an influence on the way society is structured, the conditions within which we operate and how we express our values.

If any group knows of the power of this “influence” it is indigenous nations – who have experienced first hand the impacts of colonisation.

Over the last two decades some investors have begun to invest intentionally in activities and interventions designed to bring about meaningful social and environmental change. In this way, they are investing in values that enable regenerative and caring outcomes – more aligned with a Te Ao Māori worldview.

These are called impact investors.

*Positive,  
measurable social  
& environmental  
impacts*



*Financial  
return*

# What is impact investing?

**Impact investments** are **investments** made with the intention to generate positive, measurable social and environmental **impact** alongside a financial return.

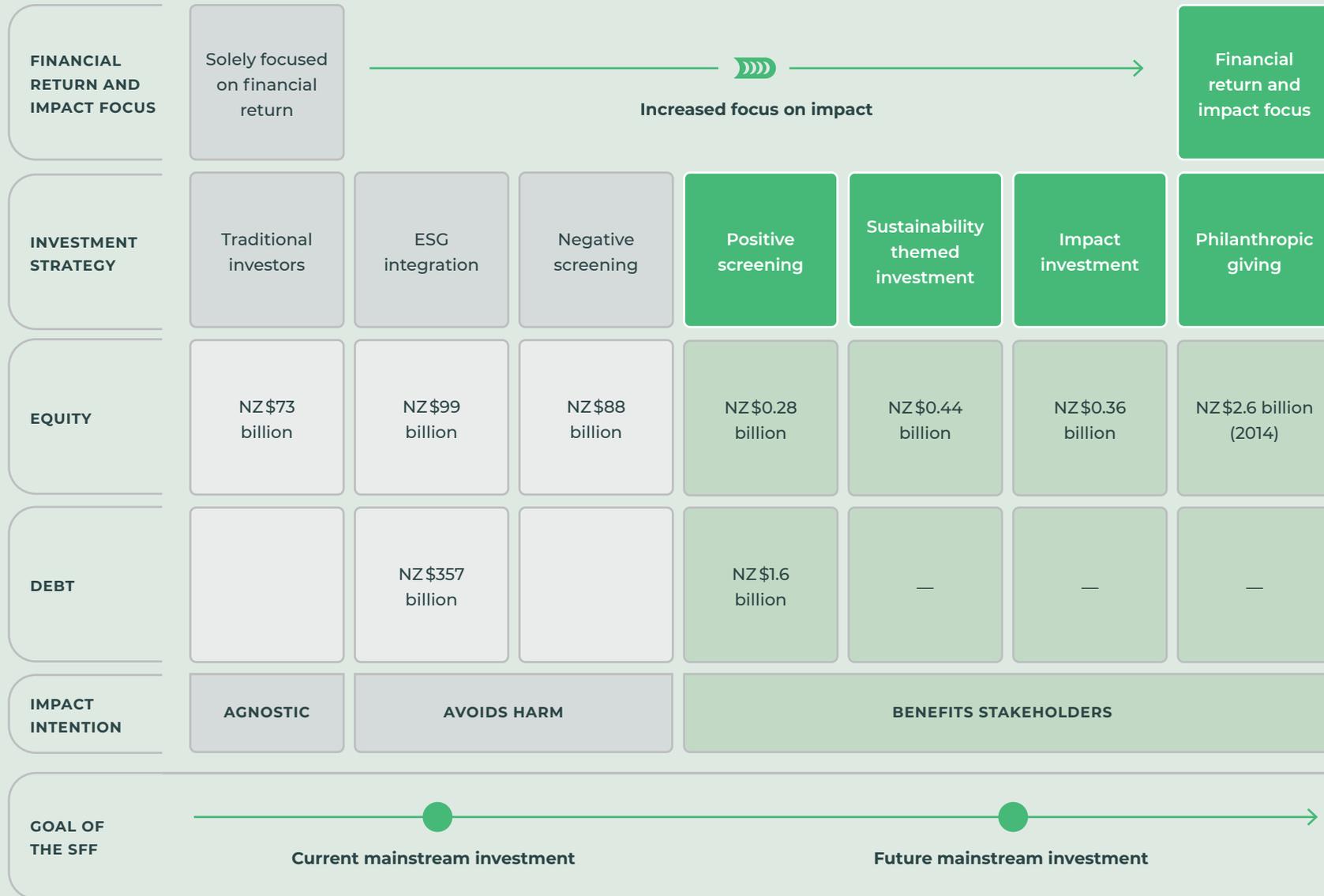
For Māori, this intention is nothing new. Understanding and using financial capital as an energy source to create living economies is obvious, when your fundamental values and principles align to tikanga. As Māori see it, financial capital is in service of expressing values and principles, not the other way around and certainly not an end in itself.

Among investors, philanthropists, development organisations and others, the notion of using every available financial mechanism to drive social equity, environmental regeneration and positive change is gaining momentum.

Impact Investment is commonly understood as one point on a spectrum of investment types and return expectations. Globally, the [GIIN](#) (Global Impact Investor Network) estimates a total impact investment market size of \$USD715 billion and growing. [Impact Investor Insights Aotearoa New Zealand 2019](#) reveals that investors anticipate allocating a total of \$5.9 billion to impact investing in the medium term (5+ years).

The Aotearoa impact investment market is being developed by a small number of Māori organisations, funds and philanthropic organisations, with some engagement from institutional investors.

## SUSTAINABLE INVESTMENT SPECTRUM



Source: The Aotearoa Circle's Sustainable Finance Forum Interim Roadmap – 2019

# Why is this important for Māori?



## MANA MOTUHAKE – SELF DETERMINATION

Impact investment is the world of finance moving closer to a Māori worldview, where finance is in service of restoring the equilibrium between the planet and humanity. When that balance of power has been restored then the ability of communities to be self determining and ecosystems to be self sustaining re-emerge.

## NGĀ WHAI-PAINGA ME NGĀ WHANONGA PONO – VALUES AND PRINCIPLES

When Māori explicitly choose to engage in positive change, the “how” of deploying resources to high impact interventions and activities is more likely to come from alignment of the investment portfolio with a set of tikanga outcomes, than from a technical understanding of fund management or the mechanics of capital markets. Technical skills can be purchased or acquired, but the tikanga comes from within.



#### STANDARD INVESTMENT

- › Focus primarily on the financial success of the investment in isolation
- › **Positive benefits are limited, causing harm in some areas**

#### STANDARD IMPACT INVESTMENT

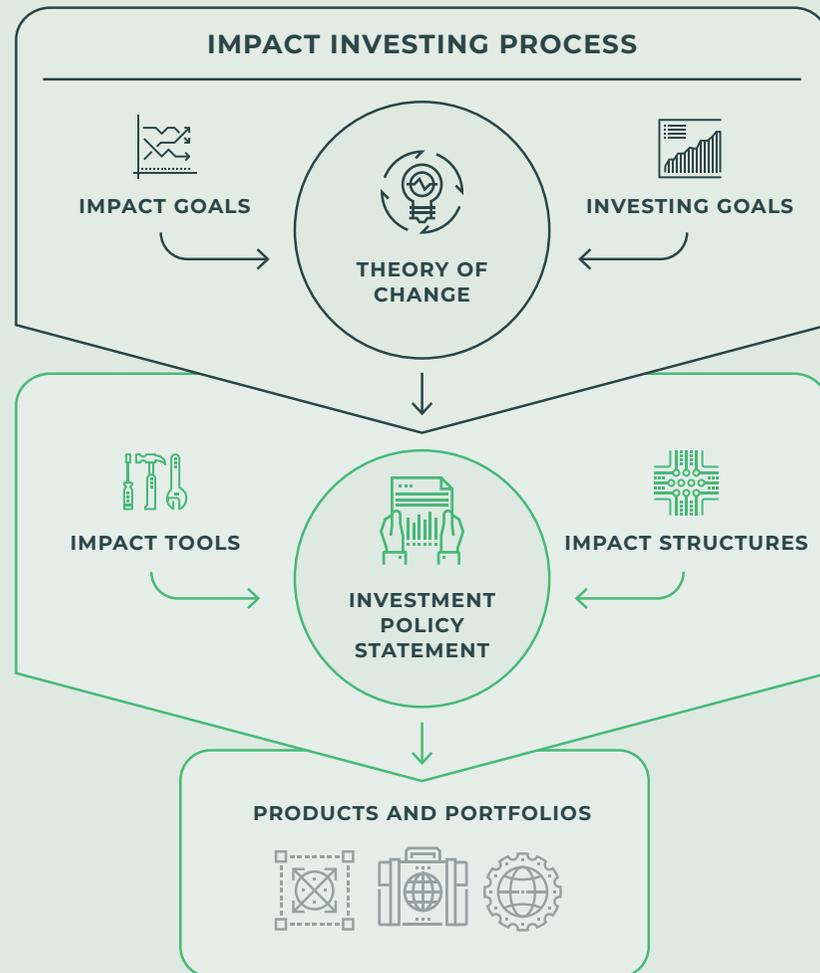
- › Seeks to maximise a specific impact
- › Seeks to mitigate negative impacts
- › Difficult to align with other projects and entities
- › **Impact delivered, but narrow and negative impacts in other areas likely**

#### TIKANGA-LED IMPACT INVESTMENT

- › Investment developed based on greatest opportunity to deliver systems-level, regenerative value
- › Alignment with related projects and entities is essential
- › ROI is high due to improved understanding of project interdependencies, both positive and negative
- › **Impact is long term and self-sustained**

# Getting Started

At a high level, a standard impact investment approach looks like:



Source: [Impact Investing Handbook](#), Rockefeller Philanthropy Advisors

# A tikanga Māori approach builds on this

An understanding that everything is interconnected, nothing exists of itself – we call this collective self intelligence.

Understanding that everything is connected is key to identifying and changing the fundamental building blocks of the systems and structures within which Māori operate. An understanding that everything is interconnected means that an investment will:

- a) focus on the right areas
- b) support existing programmes and structures

Tikanga-led impact investment is not about frameworks, analysis and checklists, although these are all important components of what it takes to get things done. It's about questions, observations, informed decisions and stepping into a place of confidence in the wisdom of your ancestors to find the answers that will shift the dial.

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## MANA ENHANCING RELATIONSHIPS

The principle of mana at the centre of a living relationship regulates expectations, roles and responsibilities of the partners in working towards common goals. The balance of power between the investee and the investor is more equal than in traditional investment. A collaborative approach to structuring an investment makes the most of what the parties can bring to the table while ensuring they each receive what they need. The impact investment movement in Aotearoa NZ is small but growing fast with a community of practice who can take the journey with you, on your terms, learning together as you go.



### *The real challenge...*

Is not securing the investment, it is shaping solutions to influence the conditions that enable and unlock the culture, enterprise and potential of Māori for generations to come. An example of this is the activation of tikanga on marae as a means of upholding values and principles in the rituals of engagement when going onto marae – from karanga, whaikorero, hariru, kai etc.

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## CONDITIONS FOR THE RIGHT BEHAVIOURS TO EMERGE

A tikanga Māori approach measures relational behaviours (whanaungatanga) and connectivity (aroha) plus the connections between people and people with the environment. Thus calibrating the business for greater and more meaningful impact/wellbeing (oranga).

Enhancing key behaviours within a company, community or wider system is a primary objective of tikanga-led impact investment. It's helpful to understand how an investment supports the growth of values aligned behaviours and where, if not done well, it could restrict these behaviours.

This could be as simple as ensuring that some of the outcomes measured and reported to investors are changes in behaviours, such as Utu – tō Mauri (reciprocity), or Whakarongo – tō Hiwa (balanced).

It could include investment vehicles where Māori, as minority investors, control the entity with co-investors also providing knowledge to accelerate local capacity building.

# The other guides in this series

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## 02

### **GUIDE 2: UNDERSTANDING INTERDEPENDENCIES**

Tikanga upholds the symbiotic regenerative relationship between humanity and the environment. Working within a tikanga-led framework uses Māori systems thinking for determining where you are going, and how you want to get there.

## 03

### **GUIDE 3: DELIVERING ON YOUR VISION**

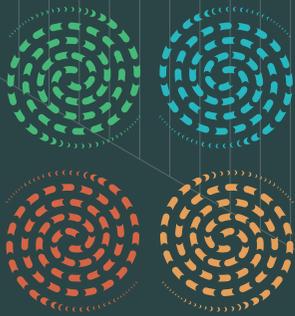
Once you are clear about your level of ambition and where you want to go, it's important to take the time to develop shared understanding with the people who will get you there.

As with any strategy, you have greater likelihood of success if you are intentional about designing your organisation to deliver the behaviours and results that are aligned to your vision and values.

## 04

### **GUIDE 4: CREATING A CULTURE OF IMPACT**

Investors, owners and project teams want to know how investments and activities are having the intended effects that will lead to the outcomes sought. Through transparency, balance and curiosity about what's actually happening through your investments, you gain the strategic insight needed to increase the value they generate.



## Tikanga-led Impact Investment

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THE **CONNECTIVE**

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The insights in this set of four guides to Tikanga-led Impact Investment are prepared by The Connective, drawing from the work of Māori organisations, philanthropists and fund managers in Aotearoa New Zealand, and the global community of impact investing practitioners.

We acknowledge and appreciate the input, experience and guidance of:

- › Te Pai Roa Tika O Te Taitokerau
- › Amokura Iwi Consortium
- › Te Kahu o Taonui
- › He Tangata, He Whenua, He Oranga
- › Temuera Hall, Tahito
- › Te Puoho Katene, NZTE
- › Jamie Newth, Soul Capital
- › Wakatū Incorporation
- › Johnson McKay, Fly

As well as the publications and initiatives referenced in these guides:

- › [Global Impact Investor Network \(GIIN\)](#)
- › [He Ara Waiora /A Pathway Towards Wellbeing](#)
- › [Global Reporting Initiative](#)
- › [Impact Management Project](#)
- › [Impact Investor Insights Aotearoa New Zealand 2019](#)
- › [IFC's Operating Principles for Impact Management](#)
- › [IRIS+](#)
- › [Rockefeller Philanthropy Advisors Impact Investing Handbook](#)
- › [The Aotearoa Circle's Sustainable Finance Forum](#)
- › [The Ministry for the Environment's Cultural Health Index](#)