

# Tikanga-led Impact Investment

# 03



Delivering on  
your vision

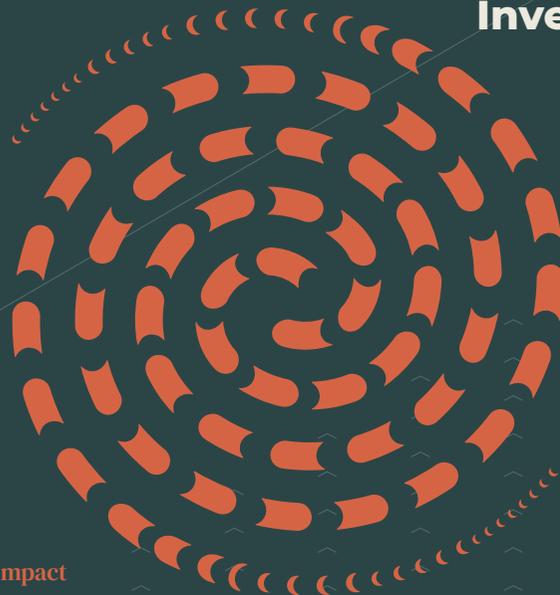


01

Moving closer to a Māori world view



### Tikanga-led Impact Investment



04

Creating a culture of impact

02

Understanding connections

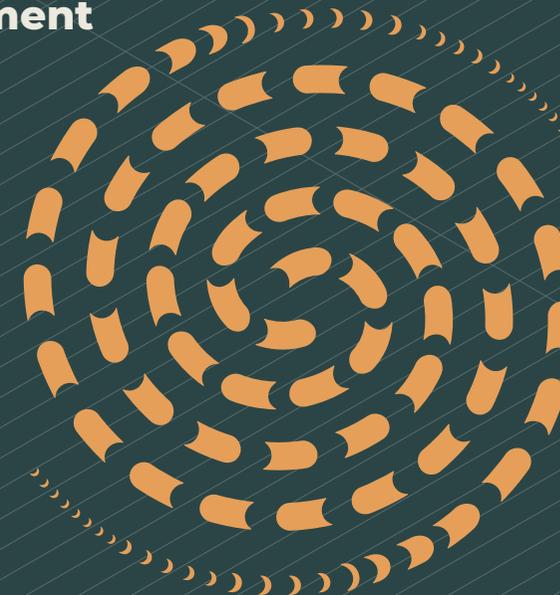


We acknowledge the significant role of Taitokerau Iwi (that own Amokura Iwi Consortium Ltd) and Te Pai Roa Tika o Te Taitokerau in providing a rich learning environment for these guides to be developed and shared. In recognition of that whakapapa, we have used the word tikanga throughout this document 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 kore e hekeheke, he kākano rangatira



A noble heritage  
will never perish

# Connecting your future to your now

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The knowledge that sits inside your tikanga framework helps you better understand how things are connected, and what influences the outcomes you seek.

Realising optimal social, environmental, cultural and economic returns will require discipline, diligence and alignment to tikanga in everyday investment and organisational decisions. An outcomes framework gives your people, and those you collaborate with, a north star from which to navigate.

Now you need to put in place the tools and practices that ensure organisational behaviours and investment decision making directly deliver against your tikanga framework.

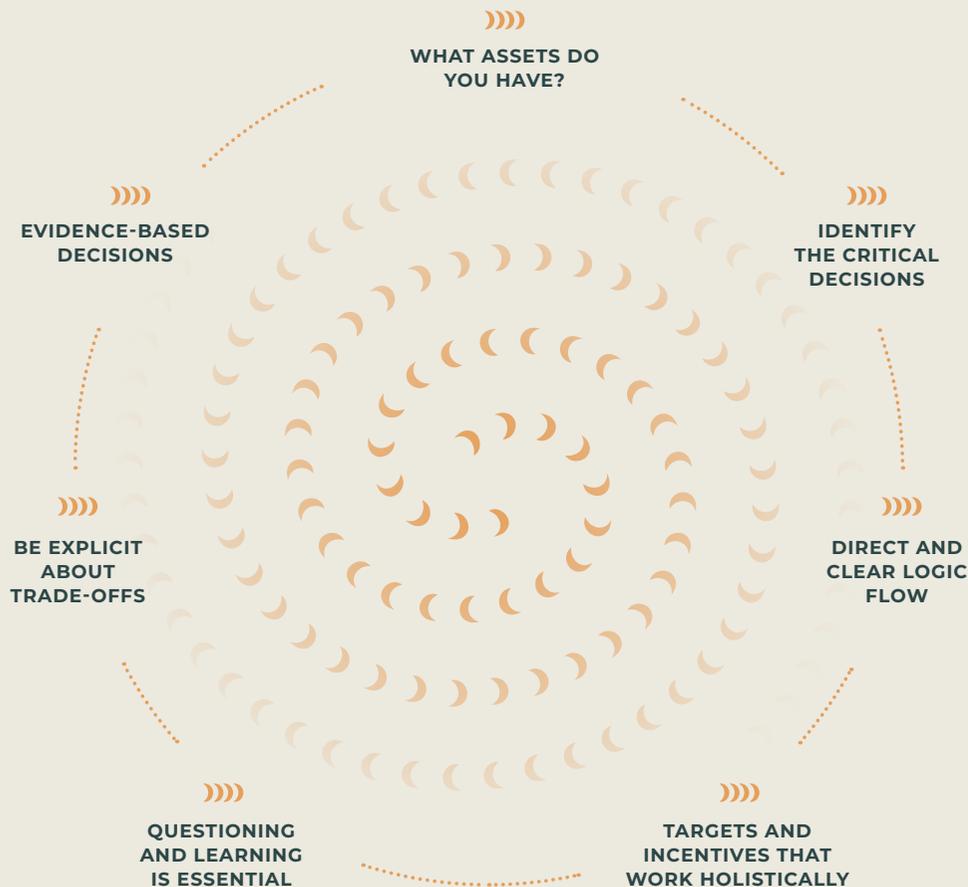
# Applying Tikanga Mahi – Māori Best Practice

Many organisations with great strategies under-deliver because of a big gap between the high level objectives and the criteria used for decision making.

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.

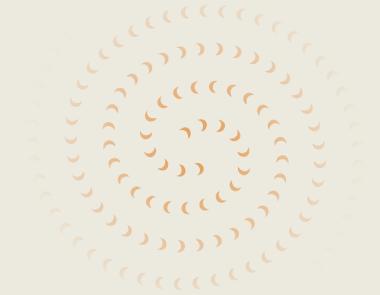
As with any strategy, you have greater likelihood of success if you are intentional about designing your organisation to deliver the behaviours and results that are aligned to your vision and values.

Your team needs the tools to understand, and act on, the relative priorities of the many things they will have to navigate in their day to day decisions. Where clarity and commitment to the bigger picture doesn't exist, actions taken on the ground won't translate into the right kind of return from your investment.



# He Kai Kei Aku Ringa

## Food by my own hands



**What assets do you have?** Take a broad view of investment when considering what you can bring to deliver on your tikanga framework. For example, consider how you invest time, resources, influence, energy and capital.



**Identify the critical decisions.** Target those types of decisions that have the most influence on delivering the outcomes sought. These are likely to be a mix of strategic decisions e.g. where to focus investment, and tactical e.g. how best to deploy investment in these areas.



**Direct and clear logic flow.** There is no point having a great strategy or set of target outcomes if these do not flow directly into decision making. What do decision makers need to weigh up when considering where to invest?



**Targets and incentives that work holistically.** Take time to create the right suite of metrics and incentives that help ensure a specific investment is successful in a way that also maximises contribution to the whole.



**Questioning and learning is essential.** Supporting a culture of learning and curiosity will help ensure better understanding and ownership of approaches taken and will encourage continual improvement over time.



**Be explicit about trade-offs.** All investment decisions have inherent trade-offs. Tikanga-led decision making seeks to achieve a balance across many areas. Ensuring the trade-offs are identified and understood leads to better investments.



**Evidence based decisions.** Investment decisions should be based on relevant evidence, including your own wisdom and experience. What is working elsewhere? What does the research say? Who can we learn from?

# ~~Less bad~~ More good

## *Impact investment will learn from Tikanga-led investment*

Impact investment offers Māori organisations a great opportunity to access cheaper, more culturally aligned capital and approaches that help embed and grow impact. It has some way to go before it realizes the full potential benefits hidden within Tikanga-led approaches.

Most sustainability and impact frameworks still focus on providing guidance on doing 'less bad' across a set of siloed issues and are not very helpful when it comes to doing 'more good' across a complex system.

So it is important for Māori organisations to take what is useful from current best practice but not be dictated by it. "Eat the meat but throw away the bone". The most progressive impact investors in NZ and internationally will be looking to evolve their practice in line with Te Ao Māori.

## Example approaches to Tikanga-led decision making

For investment to contribute meaningfully to your vision of success, take the time to consider:



### STRATEGIC DECISION MAKING

Which sectors, industries and intervention points to focus your efforts and investment for greatest social, environmental, cultural and financial return on investment.



### INVESTMENT DECISION MAKING

How to identify and develop ventures with the values and behaviours in place to enable greater impact across the whole range of outcomes.



## STRATEGIC DECISION MAKING

**Focus** your efforts and investment in areas that are most likely to deliver on your priorities.

### TIKANGA FRAMEWORK

- › Vision
- › Values and principles
- › Prioritized outcomes
- › High level goals

### UNDERSTAND CONNECTIONS

- › Sphere of influence
- › Enablers and obstacles
- › Evidence
- › Experience
- › How things might change over time

### FOCUS ON HIGHEST IMPACT AREAS

- › Sphere of impact
- › Industries, sectors, intervention points



## INVESTMENT DECISION MAKING

**Identify and develop** investment opportunities with high potential return on investment.

### WHAT DOES THE PROJECT/ VENTURE DO?

- › Purpose
- › Who does it benefit – directly and indirectly?
- › Where might it be causing harm?
- › Values and principles

### HOW DOES IT DO IT?

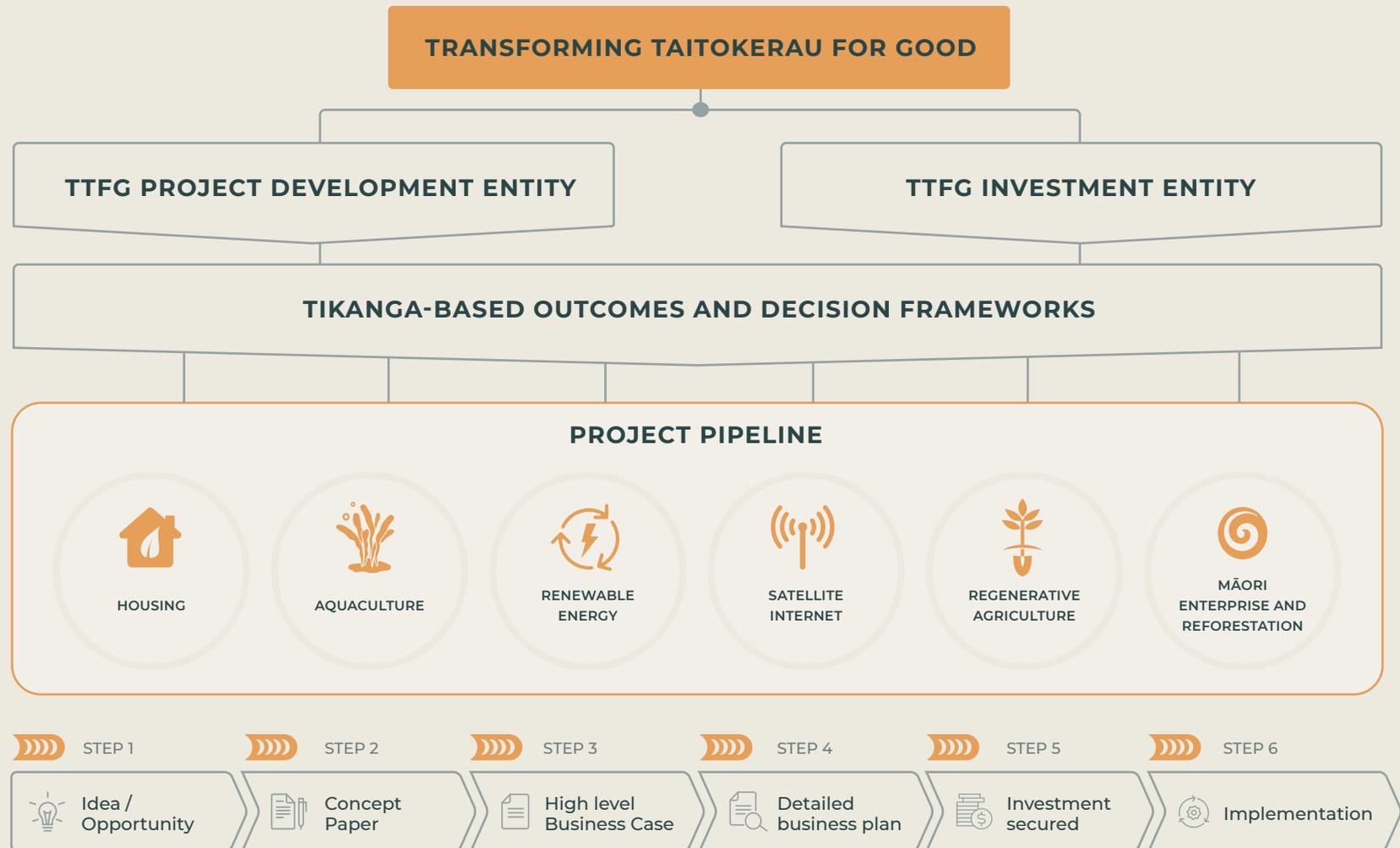
- › Experience and capability
- › Behaviours, practices, policies, procedures
- › Impact management
- › Culture
- › Governance
- › Ownership
- › Business model

### WHAT WILL MAKE IT BETTER?

- › What does it depend on?
- › What might block or prevent it from working?
- › What connections or changes might increase the value created?
- › How does it help create the conditions for Tikanga outcomes to emerge?

## EXAMPLE: TE PAI ROA TIKA O TE TAITOKERAU

The board of Te Pai Roa Tika O Te Taitokerau identified the types of projects that would have direct and indirect influence on the achievement of their priority outcomes. Projects and ventures are identified and developed in accordance with the Tikanga framework. This reduces the risk of unintended consequences and improves the likelihood the ventures will contribute to multiple positive outcomes.



# The other guides in this series

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## 01

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### **GUIDE 1: MOVING CLOSER TO A MĀORI WORLD VIEW**

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.



## 02

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### **GUIDE 2: UNDERSTANDING CONNECTIONS**

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.

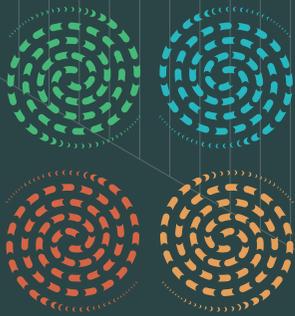


## 04

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### **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:

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- › 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](#)