

Tikanga-led Impact Investment

04



Creating
a culture
of impact



01

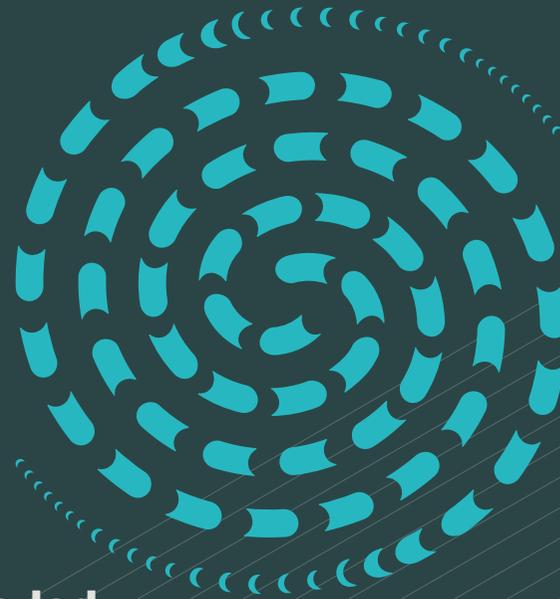
Moving closer to a Māori world view



Tikanga-led Impact Investment

02

Understanding connections



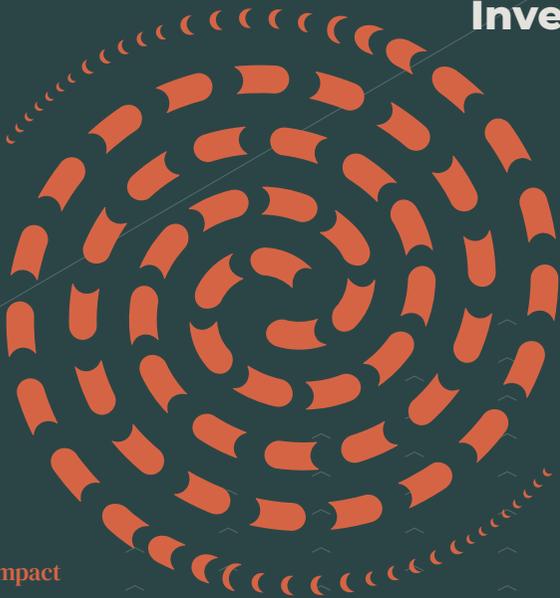
We acknowledge the significant role of Taitokerau Iwi (that own Amokura Iwi Consortium Ltd) and Te Pai Roa Tika o Te Taitokerau in providing a rich learning environment for these guides to be developed and shared. In recognition of that whakapapa, we have used the word tikanga throughout this document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

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.

04

Creating a culture of impact



03

Delivering on your vision



Mahia i runga i te rangimarie me te ngākau māhaki.



With a peaceful mind
and respectful heart,
we will always get
the best results

Creating a culture of impact

Impact management is the ongoing practice of measuring and improving our impacts, so that we can reduce the negative and increase the positive.

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Impact management is relevant for enterprises and investors who manage environmental, social and governance risks, as well as those who also want to contribute positively to outcomes for planet and people.

Investors, owners and project teams want to know how investments and activities are having the intended effects that will lead to the outcomes sought.

Having transparency, balance and curiosity about what's actually happening with your investments, gives you the strategic insight needed to increase the value they generate.

Sharing what you learn, and what's working, creates trust and confidence with communities, owners and investors. Telling your story encourages others to share theirs.

Why is this important for Māori?



Guide the identification of priority activities and investment areas



Help ensure that the entity or project is “impact ready” as well as “investment ready”



IMPACT MANAGEMENT IS A STRATEGIC TOOL



Monitor how the entity or project is tracking on delivering the impact, in case changes need to be made



Report progress to key stakeholders, including impact investors

Applying a robust approach to impact management means that an organisation is much more likely to achieve the outcomes sought. It provides a discipline that forces a healthy conversation up front on what an investment or action will deliver, how progress will be measured and what mechanisms will be in place to understand where changes are needed to improve the impact.

Many impact investors require that investees demonstrate disciplined understanding of how their activities contribute to their intended outcomes, and that they have in place a process for understanding progress. There is also a growing body of evidence linking effective impact management to positive financial returns. Increasingly, investors are demanding similar rigour is applied to understanding impact as would be applied to understanding financial performance.

In order to access capital that is aligned to your values and intentions, you need to demonstrate that you have in place the process and practices to adequately understand, and achieve, the outcomes you receive investment for.

When you are investing on behalf of others, strategic insight, decision making, trust and confidence are all improved through disciplined impact management.



*If you intentionally
create a culture of
impact management
your team will be
empowered to ask the
right questions.*



What are investors looking for?

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If you intentionally create a culture of impact management your team will be empowered to ask the right questions. You will learn what's working and not working at the front lines and, ultimately, make better decisions about where to invest your time, energy and money for improved performance.

The Impact Management Project (IMP), which has been instrumental in defining impact management, is a network of standard-setting organisations that are coordinating efforts to provide complete standards for impact measurement, management and reporting.

While not the only definition in use, IMP has quickly become the norm that is accepted and deployed by the global impact investment community. Their approach encompasses and supplements common approaches to sustainability reporting like the Global Reporting Initiative (GRI), which underpins most business sustainability and Environmental, Social and Governance (ESG) reporting and metrics in New Zealand.

The International Finance Corporation (IFC) Operating Principles for Impact Management (the Principles), shown on the next page, also align to the Impact Management Project (IMP).

THE IFC OPERATING PRINCIPLES FOR IMPACT MANAGEMENT





Your tikanga outcomes framework sets up where you want to go. Your decision frameworks guide selection of the investments that will get you there.



What role does impact management play in Tikanga-led impact investment?

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Fundamentally, the usefulness of impact management is determined by your appetite for understanding how your investments and activities are tracking.

There is obvious value in understanding what you are doing well, what isn't working, and whether or not you're having the impact you intend to have. Even so, for most organisations it is confronting to take a balanced and complete view of the positive and negative effects of your activities.

Impact management enables you to understand how your investments are feeding into target outcomes.

It provides a process for tracking and improving investments through their life. If you take a practical approach, impact management enables the insights, mindset, organisational culture and accountability to understand when, and how, you're making progress and/or having unintended consequences.



SET THE SOLID FOUNDATIONS FOR IMPACT MANAGEMENT

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01

Start by getting alignment on the impact management definition and convention you will use

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02

Clearly define outcomes and create a logic model underpinning how each of your investments (money, time, resources) contributes to achieving them

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03

Design strong links between your impact management practices and how you make investment decisions, learn, set incentives and define success in your team

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04

Work with whānau to design your own principles and processes for appropriately collecting, governing, managing and using their data

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05

Work with whānau to develop appropriate goals and feedback mechanisms so your goals are realistic, responsive and informed by what's working for people

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06

Work with co-investors and whānau to determine the right balance of internationally understood and culturally relevant indicators

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07

Commit to balanced, transparent reporting and sharing what is, and isn't, working

What are the foundations for tikanga-led impact management?

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Global approaches and indicators provide a useful foundation and common language among global and non-Māori investors. Māori organisations can understand and reference these to build impact management approaches and indicators that are culturally resonant and appropriate – for Māori owners and investors.



The world of finance is moving closer to a Māori worldview but is still some way off where it needs to be.

Many leading impact investment and impact management practitioners are looking to Māori, and indigenous wisdom more widely, to help guide where investment is heading.

Tikanga-led impact management is the future

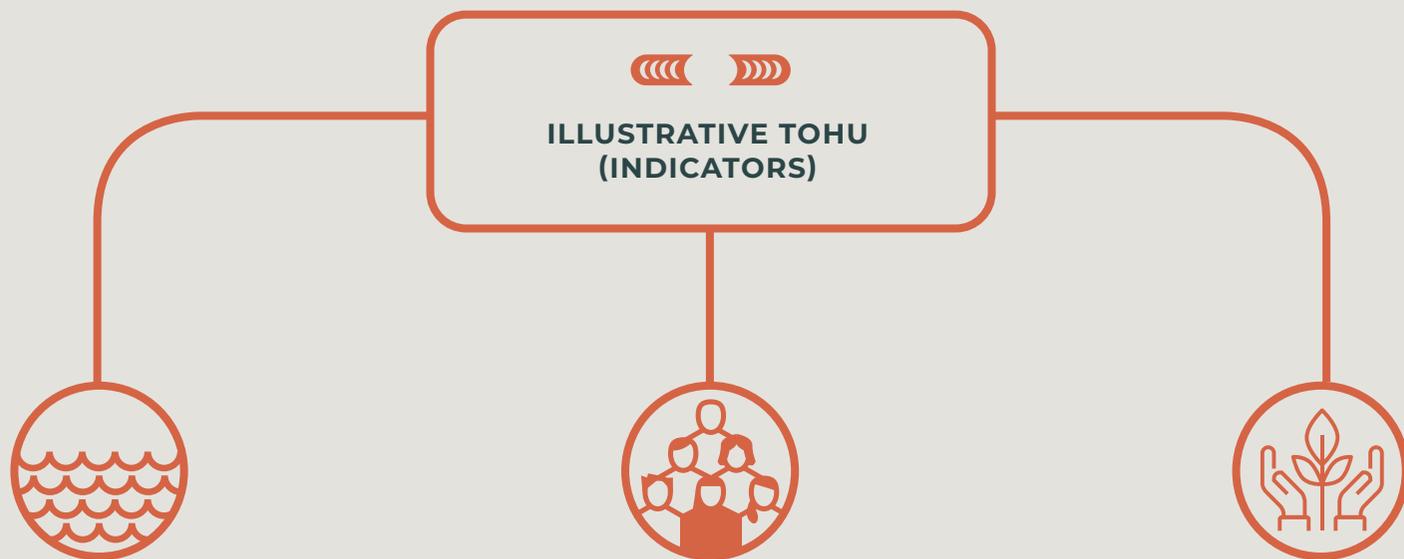
Understanding impact is much more complex than understanding and quantifying financial performance. There are many more KPIs to choose from and a measurement challenge that doesn't exist when you are primarily looking at changes in your balance sheet.

Culturally relevant indicators are missing from the impact vocabulary.

Catalogues like [IRIS+](#) are a useful resource for KPIs. For Māori they will not be sufficient. In this new industry, the metrics and indicators used to understand progress are still not reflective of the many, diverse cultures and experiences of the people being impacted.

When you are designing your outcomes framework or developing projects, collaborate to identify and design indicators that are resonant. Don't lose sight of what is happening at the global level, but don't be afraid to measure your progress using measures that are right for you.

Remember that there is no right or wrong at this stage of the game. Through collaboration and curiosity, you will likely end up with some combination of international metrics, local ones and your own ones.



- › Would you eat fish?
- › Would you go fishing?
- › Would you taste the water?
- › Would you swim?

- › Feel/trust that their whānau/family is treated fairly
- › Feel their whānau are able to live as Māori
- › Feel their whānau/family has satisfactory access to all necessary services
- › Believe they have gained the skills and knowledge needed to contribute to their whānau/family
- › Have access to involvement in environmental regeneration and climate change mitigation processes
- › Are satisfied with their access to physical environment

- › Availability of Māori centred education, skills and training opportunities.
- › Awareness of asset utilisation opportunities.
- › Participation in iwi and hapū based events.

The other guides in this series



01

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

GUIDE 2: UNDERSTANDING CONNECTIONS

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

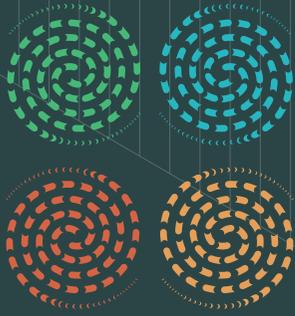


03

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.



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.

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- › Amokura Iwi Consortium
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- › 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](#)