

# FOOD TRAILS

## IMPACT INVESTORS LIVING LAB

---

This project has received funding from the European Union's Horizon 2020 research and innovation programme under Grant Agreement n. 101000812



**Capstone Meeting**  
23 March 2023

**Discussion Draft v 0.4**

---

# **Roadmap for Scaling Impact Investment in Urban Food Systems**

---

**Report from the Food Trails Impact Investors  
Living Lab, February 2022 - April 2023**

# **Key Messages**

**Recognize unique challenges.**

**Coordinate to scale.**

**Develop a suite of tools.**

**Inclusion is critical.**

**Urban food systems present unique challenges, including the complexities of local food culture and how food environments are shaped and valued.**

**Investing for impact can best reach scale when there is coordination (informal or formal) between key actors across policy, finance, and value chains.**

**The suite of tools for expanding and mobilizing impact investment in urban food systems needs to include policy, finance, and business practice innovation.**

**Inclusion is critical—to support small-scale food systems innovators with enabling policies and impact investment, and to ensure accessibility and affordability.**

Areas of focus / chapter headings

## **Impact**

What is it, who works toward it, and how?

## **Ambition**

Shaping goals, strategies, and purpose-driven business models

## **Data**

Tracking and informing decision making

## **Policy**

Tools that enable purpose-driven investment

## **Products**

Financial services and consumer products, shaping value chain

## **Scaling**

Translating local successes into sustained innovation beyond local actors

## **Capacity**

Across the value chain, across cities but also support for community-level actors

## **Community**

Functionally improve food systems on consumer level



# Impact

A critical step in developing the landscape for attracting major new pools of investment for impact is defining the areas of impact to be pursued. Actionable goals and the ensuing benefits are key to attracting outside investment. Investment for impact is not limited to one kind of investor.

Municipalities, other public authorities, commercial banks, entrepreneurs and ad-hoc institutions like incubators and accelerators can all play an impact investing role.

# Ambition

Just as impact goes beyond monetary return on investment, ambition should include intended non-monetary benefits. An ambitious idea that can disrupt the market and improve on the status quo is a driver of impact. Ambition can be expressed in terms of targets and timelines, and can also be expressed in terms of specific improved outcomes for people and communities. In the work of transforming urban food systems, we must consider both the discrete, enterprise-level ambition and the wider ambition of achieving sustained non-financial benefits for the whole population.

# Data

As soon as we begin seeking wider non-financial benefits through impact investing, we need to connect data systems that deliver insights on environmental and social outcomes to more conventional financial data systems. There is a critical role for policy to play in rewarding information-sharing and technology and enterprise innovation that make integrated datasets more readily available to smaller start-ups and new entrants into a market where investment for impact is creating new opportunity.

# Policy

Policy-makers can create an enabling environment. Policy attuned to emerging opportunities for impact can catalyze the flow of new investment. In the Lab, we have looked at policy opportunities that create incentives, facilitate new financial instruments, shape or invite new dynamics in the local or regional economy, and which allow municipalities to focus their overall mission and strategy for public service on specific areas of impact related to food systems, including through targeted and impact-aligned procurement practices.

# Products

Scaling up impact investment into urban food systems requires more than money, metrics, and policy; it requires products and services that act as tools for investment. New tools that enable innovative business practices, new modes of performance tracking, including through multifaceted integrated data systems, and a more organized system-wide generation of non-financial benefits, can be produced or inserted at different points across the value chain.

# Scaling

Sequencing of enabling actions and consistent parallel support measures is important when considering opportunities to scale solutions that work in a particular community context. Which action should happen at what point in the flow of resources—financial, intellectual, material, political—through a specific food system transformation effort? New technologies, like digital wallet technologies, can be crucial for connecting actors across local food systems—retailers, consumers, and the producers, distributors, investors, and policy-makers that shape food environments.

# Capacity

The Lab has identified technical capacity as a key ingredient for the mobilization of food systems finance. Capacity to manage investments, to operate in new and innovative ways, and to deliver intended outcomes—traceable at the community level, the level of policy, which includes national policy, and against planetary boundaries. Even where insights are understood and at work, operationalizing the wider impact tracking will require specialized business models.

# Community

Communities are where food systems ultimately succeed or fail. Communities surround investment and enterprise with culture, capability, and worldviews that welcome or ignore endeavors aimed at specific positive impacts. Meeting community-level needs and priorities will make any intervention more viable at the local level, and more durable and scalable at or beyond the city level.



# Additional challenges

1. Integrated, multilevel policy approaches
2. Cooperative de-risking and incentives
3. Transforming culture, practice, and availability of finance

# Today's questions

1. What examples of innovation and transformation would you like to see included in the Roadmap?
2. What experiences can you share that might help others?
3. Do any of the focus areas stand out as needing more attention early on, to scale up new investment into healthy, sustainable urban food systems?

# FOOD TRAILS

## IMPACT INVESTORS LIVING LAB

---

This project has received funding from the European Union's Horizon 2020 research and innovation programme under Grant Agreement n. 101000812



## **Lab Overview**

[good.ctzn.works/impact](https://good.ctzn.works/impact)