



Summary Brief

Meeting of the Impact Investors Living Lab – 27 October 2022

This Brief summarizes discussions held in the October 2022 Food Trails Investors Lab meeting, as well as a look ahead to the next meetings and outcomes from the Lab.

The October 2022 meeting of the Food Trails Impact Investors Living Lab focused on the question of: **How can investors develop products to align with a city-specific or city-region food strategy** – detailing potential financial and intermediary services, and enterprise outputs that fit into a food system value chain, improving outcomes in specific local or regional contexts.

Groningen Food Wallet presentation & Key Takeaways

Renske Stumpel from Groningen Municipality, and Adri Wischmann from BlockchainLab Drenthe, presented plans for the [Groningen](#) Food Wallet project. The initiative is in early stages of development and will focus on deprived neighbourhoods, in support of a city goal of sustainable protein transition. Through a Living Lab, the city is experimenting with existing institutions around food system innovation, working to integrate across health, poverty-reduction, circularity, and other areas of impact.

The idea for the “Food Wallet” is based on a successful “[Energy Wallet](#)”: a blockchain application with which residents earn points by answering questions about their home and energy use, can then be redeemed at local hardware stores to receive energy saving boxes there. The shopkeepers then get paid for the delivery of those boxes by the municipality. The aim is for the Food Wallet to be developed in 2023.

The project includes a [cookbook with recipes](#), with a focus on skill building and affordability, so food system innovations take root and become part of the fabric of everyday life. The Food Wallet is aimed at facilitating this integrated approach. Funds go to citizens to make better purchases and reward users for building out the system.

A key to the future success of the Food Wallet is its improvement of budgetary efficiency: it will allow for more direct delivery of public funds to impact. Instead of spending tens of thousands of euros on postage for static information on printed flyers, that same funding can go directly into the Food Wallet system and support behaviour change.

The technology that makes the Food Wallet work also allows user-aligned tracking through distributed ledgers (“blockchain”). This makes it possible to track activity, and to optimize the flow of resources toward, multiple parallel and overlapping goals.

Groningen Municipality is focusing the design of the Food Wallet on three core goals:

- distribute earmarked money;
- improve awareness;

- stimulate local economy.

The system allows for embedding of rules in money. For example, coins can be set aside exclusively for buying healthy food, or to pay for a cooking course. Use of the coins for the intended social good or capacity building can be rewarded with more coins.

An important aspect of the Food Wallet system is its integration across a diverse range of intended social good impacts. Tools that provide resources for implementation, while also providing independent or tamper-proof means of monitoring and evaluation, can have significant value to nations, and to investors.

At the COP27 United Nations Climate Change negotiations in Egypt, Parties engaged repeatedly around the “integrated and holistic” standard for economy-wide climate-related transformation, and for transformation of related areas of finance and trade. Part of this discussion focused on assessing progress (the Global Stocktake process, which some argue should involve non-Party stakeholders, including cities, communities, and local organizations).

Discussion addressed, highlighted, or opened the following critical questions and insights:

- How effective is such a multifaceted tool for delivering policy goals, expanding municipal control over patterns of economic development and closing the pricing gap that prevents many from purchasing healthy food?
- Can the blockchain method of payment and purchase tracking lead to more reliable revenue to participating businesses, while also ensuring people in the community live healthier lives?
- Should the Food Wallet provide opportunities for exchange of knowledge and services, including volunteer time, mentoring, small business incubation services?
- Can allocation of credits be diversified, segmented, and reworked over time, as the system, or the people managing it, learn from consumer behaviour?
- How can policy and process designers solve the problem of not only inviting, but securing sensible offers of goods and services, that fit into the desired areas of impact for the communities in question?
- Can the wallet serve as an effective local advertising platform for small businesses, while also incentivizing new investment in the supply of healthier and more sustainable foods?

Each of these questions, along with lessons learned from the Food Wallet and similar projects, helps to answer key questions for the emerging *Roadmap for Scaling Up Impact Investment in Urban Food Systems* (details below). The Food Wallet also provides an example of an intervention that works locally and lends itself to scaling—both across local businesses and intended social good outcomes, and by providing a platform that can potentially elicit new inputs of funding and new outlets for spending, across a wider geographical area.

The Groningen Food Wallet is an example of an innovative intervention that connects distinct segments of the value chain in ways that can lead to cascading change. The responsive nature of the tool to consumer needs and behaviours at the community level can ensure positive change takes root and becomes more commercially viable over time.

Some of the key benefits suggested by meeting participants include:

- Promotion of healthy eating habits;
- Enhanced transparency;
- Budgetary efficiency;
- Rebalancing of agency in local economies;
- Opportunity for wider direct investment in policy aims and outcomes;
- Direct impact on improving affordability and access to healthy food.

Next Meeting of the Food Trails Impact Investors Living Lab

Webinar: Thursday, December 1, 2022 – 15:00-16:00 CET

The December 2022 meeting of the Food Trails Impact Investors Living Lab will be an open webinar and will focus on:

Impact investing for urban food policy actors and stakeholders

This webinar will explore—from city and investor perspectives—the following questions:

1. How do you define “investment for impact”, broadly?
2. How do mainstream finance and business practices, or standard public policies, act as structural barriers to investing for impact?
3. Where can cities and investors team up to facilitate breakthroughs in the improvement of urban food systems and related business opportunity?

We will also explore insights on the 8 areas of the emerging Roadmap for Impact Investing in Urban Food Systems, to be produced as an outcome of the Food Trails Impact Investors Living Lab (further details below).

Agenda

- 15:00-15:05 – Joe Robertson (moderator): Welcome and Opening Remarks
- 15:05-15:20 – Presentation by Helena Wright, Policy Director at the FAIRR Initiative, in dialogue with Mauricio Benitez, Food Systems Specialist at responsAbility
- 15:20-15:25 – Moderator’s Questions
- 15:25-15:35 – Presentation by Andrea Magarini, Director of Food Policy, Milan
- 15:35-15:40 – Moderator’s Questions
- 15:40-15:55 – Q&A from audience and moderated discussion
- 15:55-16:00 – Conclusion and next steps

Event information and registration: <https://foodtrails.milanurbanfoodpolicypact.org/event/impact-investor-living-lab-financial-literacy-for-food-policy-actors-and-stakeholders-webinar>

Please send responses, ideas you wish to table or discuss, or suggested presentation topics to the Lab coordinating team at investorslab@eatforum.org.

Emerging outcome of the Food Trails Impact Investors Lab: Toward a roadmap for impact investment in urban food systems

Through thematic monthly meetings with investment actors and municipalities, the Food Trails Impact Investors Living Lab is working towards the development of a *Roadmap for Scaling Up Impact Investment in Urban Food Systems*.

The Roadmap will be structured around eight practical areas of concern:

1. **Impact** – How municipalities define project impacts shapes the appeal to investors in acting on opportunities to drive positive outcomes.
2. **Ambition** – Cities, communities, investors, and other actors, may all set levels of ambition that relate to intended positive outcomes from investment for impact; the shared culture of ambition arises when one or more of these actors shows leadership by translating ambition into goals and needs that align with the others. Ambition can also represent a future return on impact investments.
3. **Data** – Data systems are structured around existing standards; they need to evolve, connect, and integrate new kinds of information, to better reflect the new intended areas of food systems impact as well as revealing investment needs.
4. **Policy** – Policy actions shape the environment in which investment for impact will operate; policies need to recognize the forces that block innovators, and shift incentives to welcome better practices that serve the intended public good.
5. **Products** – Products, tools and services (in the commercial sense and for the delivery of new modes of finance) can facilitate the flow of new investment for impact – providing a key step in facilitating the investment and process readiness.
6. **Scaling** – Investability is often a question of scalability; the more potential clients a service can reach, the more revenue it can generate. Scaling strategies that allow local and community-level actors to reach a wider market can be incubated and supported with policy and incentives, to give investors a clear pathway to higher financial return on specific impact investment interventions.
7. **Capacity** – The better attuned a small business or local development initiative is to the details of financial decision-making, the better prepared they will be to absorb new investment and turn that investment into a real-world transformation.
8. **Community** – Ultimately, food systems live in our homes and communities; an optimal investment trajectory for improved urban food systems must operate through effective evolution of everyday practice in communities.

The emerging *Roadmap for Scaling Up Impact Investment in Urban Food Systems* will connect these eight areas of action to experiences and insights from interactions between participants in the Lab and its monthly meetings. For example, the September Lab on ‘integrating healthy food and food waste reductions into business, entrepreneurship and financing models’ produced insights, in line with the elements described above. You can find the notes on: <https://ctzn.earth/impactlab>

The Invests Living Lab team will share plans and development of the Roadmap in 2023. Please reach out if you are interested and would like to take part in the process.

About the Food Trails Impact Investors Lab:

In 2022, Food Trails invited impact investors to participate in the project's [Investors Living Lab](#), together with municipalities. The Investors Lab has served as a monthly opportunity to exchange on and shape the impact investment environment in urban food systems. You can find the upcoming Impact Investor Living Lab meeting schedule, as well as previous meeting topics and notes on: <https://ctzn.earth/impactlab>

To take part in future Investors Lab meetings, get in touch with the coordinating team at investorslab@eatforum.org

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