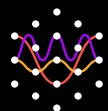


23 Jan 2024

The Emerging Practice of Systemic Investing

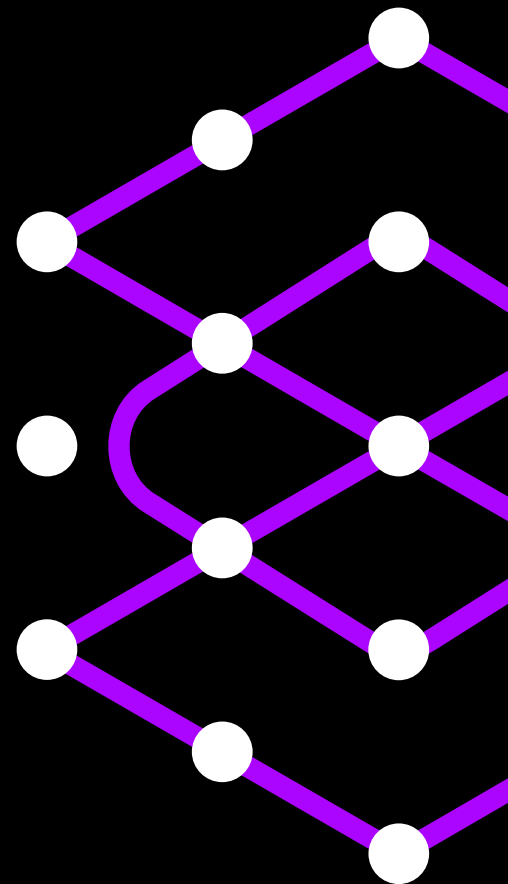
Dominic Hofstetter, Executive Director

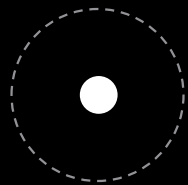
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Systemic Investing for Sustainability







Fossil-fuel cars



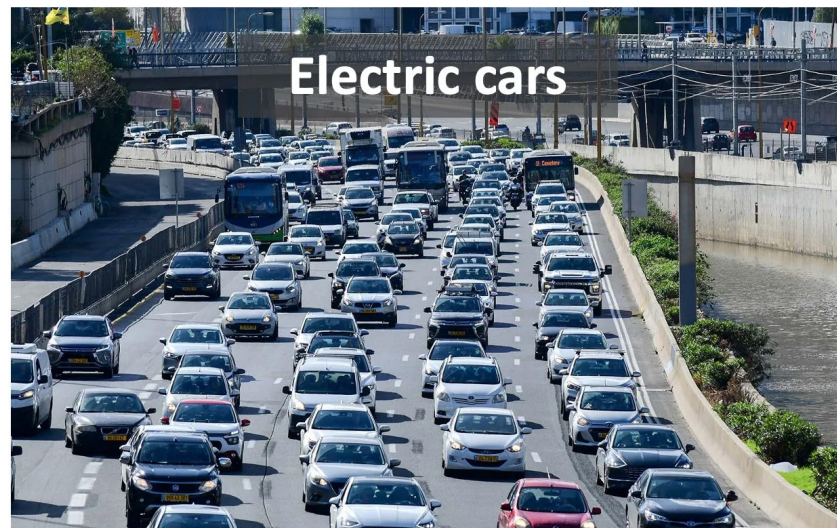
E-fuel cars



Hydrogen cars



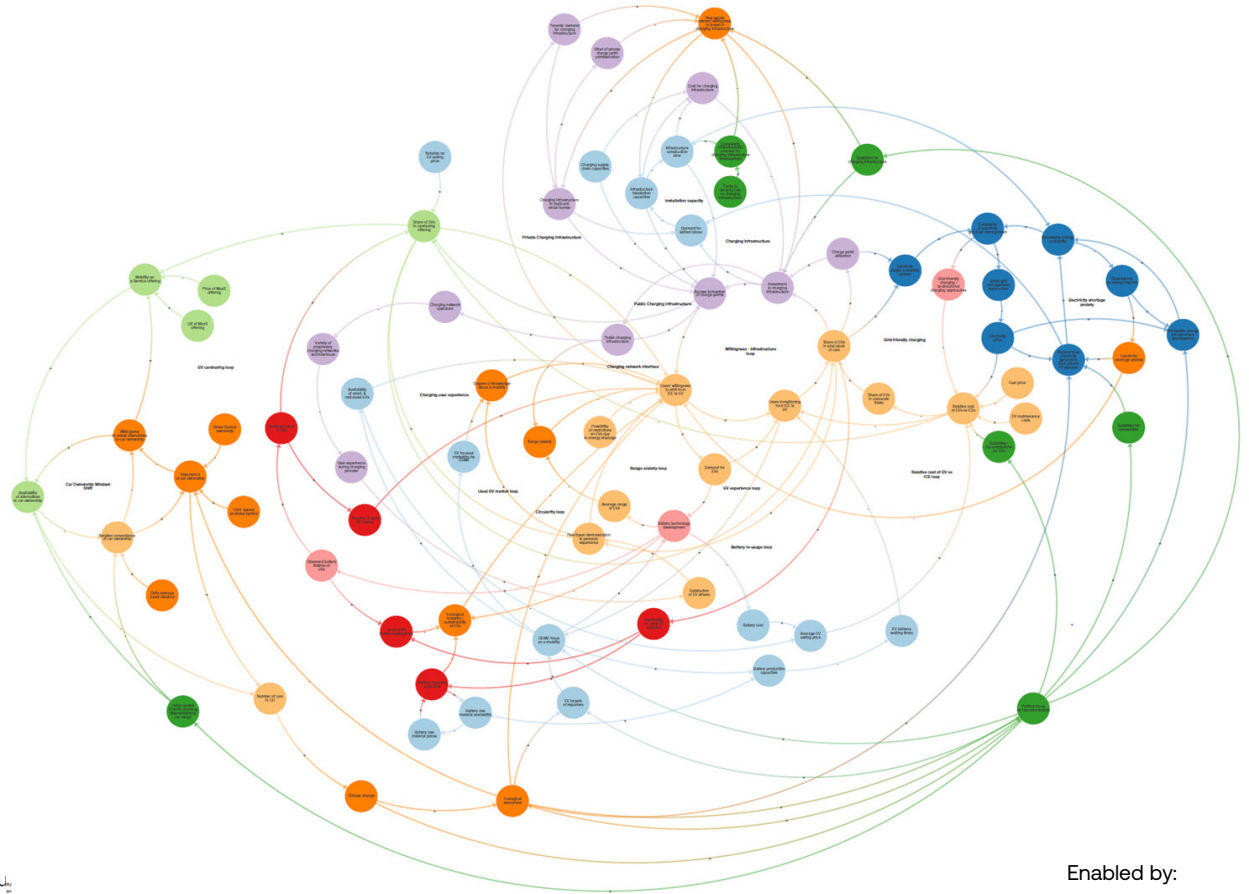
Electric cars



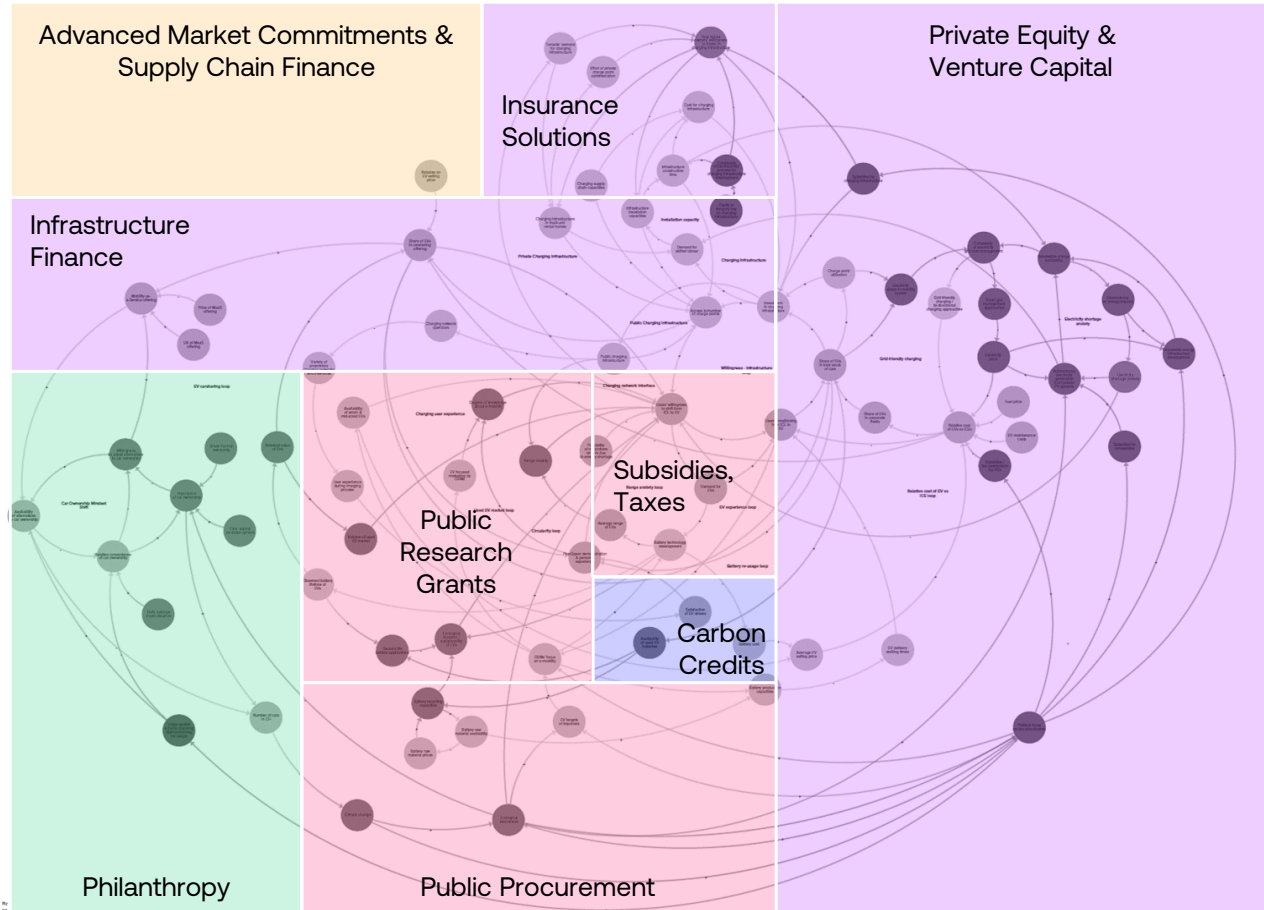
Example: Personal Mobility in Switzerland

Legend

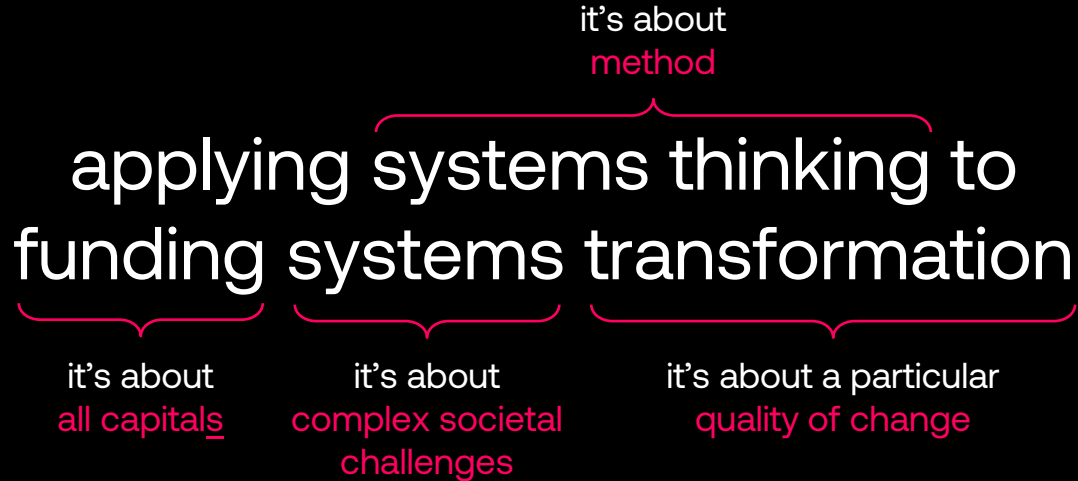
- Opposite
- Supply Chain
- Energy System
- Alternative Mobility
- Policy & Regulation
- Technology
- EV Post-Usage
- EV Usage
- Civil Society
- Charging Infrastructure



Example: Personal Mobility in Switzerland



What is systemic investing?



Key concepts of systemic investing



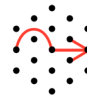
**System
Boundaries**



**Transformative
Intent Setting**



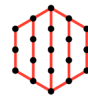
**Systems
Analysis**



**Theory of
Change**



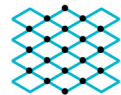
**Leverage
Points**



**Funding
Architecture**



**Investment
Program
Design**



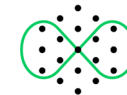
**Strategic
Investment
Portfolios**



**Combinatorial
Effects**



Nesting



**Learning &
Sensemaking**



**Systemic
Impact
Measurement**

Dimensions of Relevance

Capital Types

- Market-Rate Investment Capital
- Concessionary Capital
- Philanthropic Grants
- Public Research Funding
- Public-Sector Direct Investment
- Public-Sector Indirect Investment
- Contingent Capital (Insurance)

Socio-Economic Context

- Developed Economies
- Middle/Low-Income Countries
- Least-Developed Countries
- [Conflict Zones]

Investor Type

- High Net-Worth Individuals
- Pension Funds
- Sovereign Wealth Funds
- National, Regional, and Municipal Governments
- Foundations
- Development Finance Institutions
- Asset Managers
- Corporations
- Banks

System Scales

- Global/Multilateral
- National/Regional
- Municipal/Local
- Hyperlocal

Levers of Change

- Technology, Industrial Processes
- Business Models
- Education, Consumer Awareness
- Policy, Regulation
- Social Norms & Values
- Collaboration & Partnerships
- Governance & Institutions
- Narrative, Storytelling

Issue Areas

- GHG Emissions
- Climate Vulnerability, Food Insecurity
- Biodiversity Loss
- Malnutrition
- Mental illness
- Poverty
- Racism, Social Injustice
- Water Resource Depletion
- Air Pollution, Waste Accumulation

System Types

- Cities
- Landscapes, Forests, Aquatic Systems
- Industrial Supply Chains
- Food & Agriculture
- Oceanic Systems & Coastal Zones
- Energy
- Transportation
- Built Environment
- Education

State of the Field



Systemic Investing to Tackle the US Food Waste Challenge - The Fink Family and ReFED

MIT Sloan Research Paper No. 6956-23

19 Pages • Posted: 30 Oct 2023 • Last revised: 19 Dec 2023

[Alban Yau](#)

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[Jason Jay](#)

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Date Written: October 27, 2023

Abstract

This case study presents an example of a systemic investing approach, charting the Fink family's and ReFED's transformative journey in US food waste reduction. It commences with the Finks' establishment of Millstone Farm, initial philanthropic grants, and private investments as they probe into the complex food system in the United States. It documents how the mantra of "big tent" - building an inclusive ecosystem around an ignored issue - helped weave the necessary social fabric for the change to evolve. ReFED, a backbone organization armed with data infrastructure, emerged as a critical player in empowering the stakeholders, including investors, to take action. The mobilization of human capital and financial capital changed the food waste landscape significantly. This case highlights different levels of capital allocation with a systems lens, showcasing the many roles an investor can play to facilitate systems change.

Keywords: Systemic Investing, Investing for Systems Change, Systems Capital, Food Waste, Backbone Organization, Funder Collaborative, Impact Investing, Sustainable Finance

Suggested Citation:

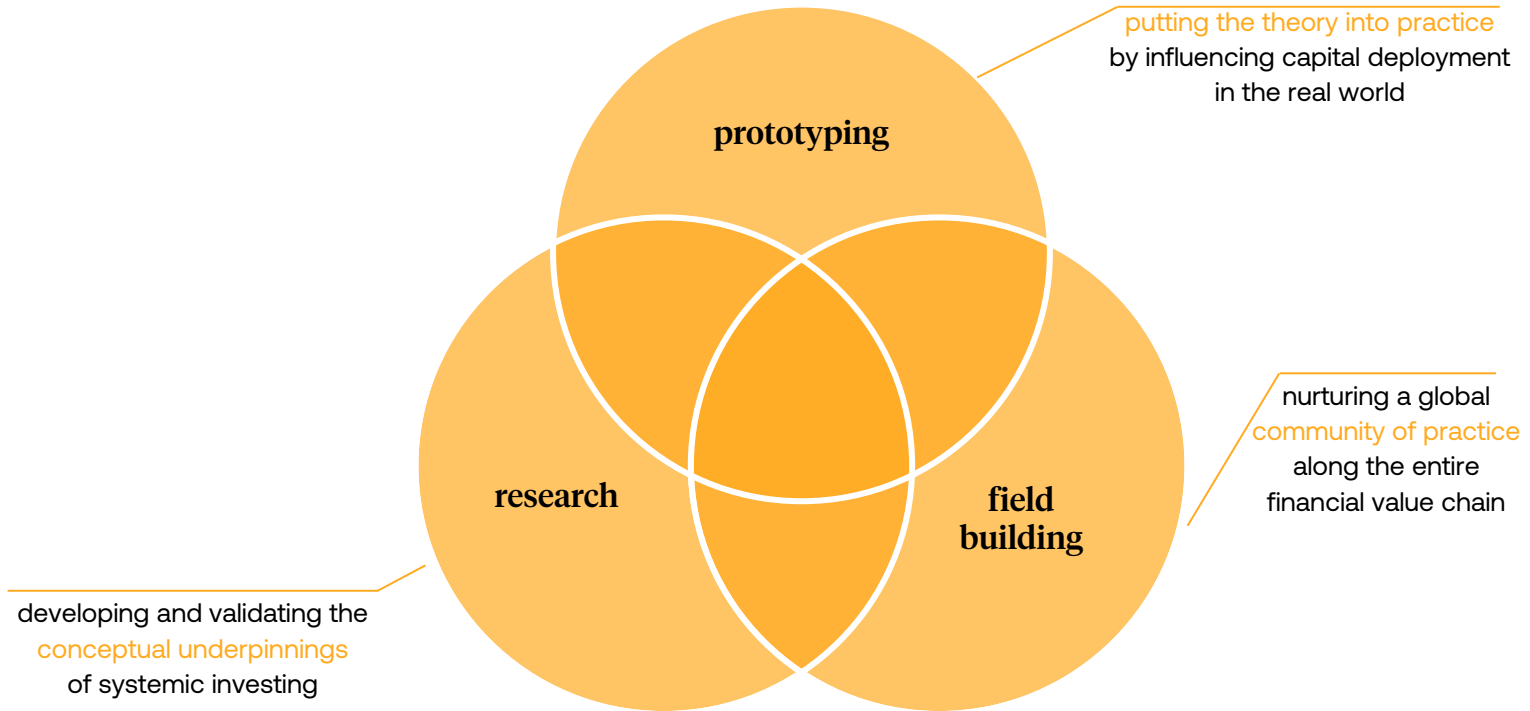
Strategic Capital Intermediation

Many systems need a coordination mechanism to strategically orchestrate different kinds of capital from different sources under a shared theory of change.

National Center of Competence for Funding Systems Transformation

- Translates political visions into theories of change and intervention programs based on rigorous systems analysis
- Develops funding architecture by identifying "anatomy" and quantitative framework and mapping existing financial flows
- Mobilizes and coordinates funder coalitions from across public sector (all levels of government), private sector, and philanthropy
- Supports design, simulation, structuring, capitalization, and management of funding programs and their sub-components
- Orchestrates systemic learning and impact measurement infrastructure to track changes in target system and generate insights for informing follow-on investment

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prototyping



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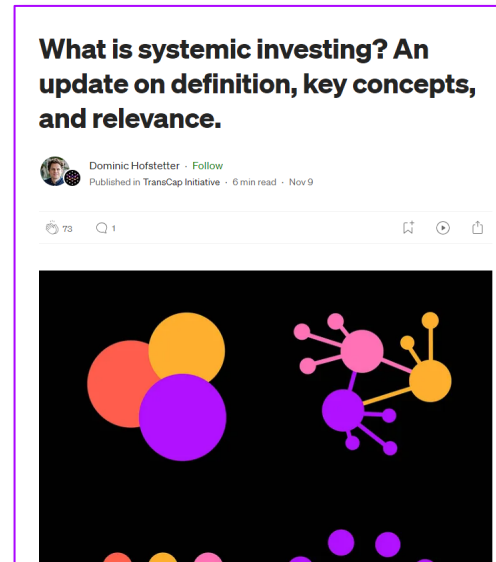
Resources



→ read our [white paper](#) to delve deeper into systemic investing



→ a comprehensive [primer](#) on systemic investing published in SSIR



→ a concise [primer](#) on systemic investing with definitions and key concepts

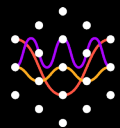
May 26-28, 2024

Training program for wealth owners, family office staff, and foundation executives in Oslo, ahead of Katapult Future Fest



Center for Sustainable Finance & Private Wealth





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