

Food Fight Podcast_ EVPA Investment Ep V2.mp3

Speaker 1 [00:00:06] Profit and growth. Two words which have been central goals of traditional business culture throughout time. But as the social and environmental challenges facing our planet continue to mount up, we're now at the point where businesses are being asked to step up and change their ideals to become part of the solution. And here we are talking about profit with purpose. EIT Food, of course, is here to support the transformation of the food system, and this needs to happen everywhere small scale, local and regional scale, global scale. And that's why today we are broadening out our discussions to talk about how investing money for impact and purpose can help change the world for the better. I'm Matt Eastland and this is the Food Fight podcast. Joining me on this episode are two impact experts who are doing exciting things in the philanthropy space. First of all, we're joined by Lisa Jordan, who is a speaker, author and managing director of the Draper Richards Kaplan Foundation. The DOC Foundation is a global venture philanthropy firm supporting early stage high impact social enterprises. Lisa is a senior philanthropic executive with a 20 year career focussed on impact and systemic change and plays a lead role in sourcing new investments and working with leadership teams to help them reach maximum impact. Lisa, thank you for joining us.

Speaker 2 [00:01:27] Nice to be here. Matt. Thanks a lot.

Speaker 1 [00:01:30] I'm also joined by Stefan Vilhelm, who's a social impact associate director for Public Affairs, Science and Sustainability at the Bio Foundation. The Bio Foundation Catalyses Science and Social Innovation to create a world focussed on health without Hunger. Stefan has worked with many organisations successfully sharing their projects by building and expanding partnerships and networks in the social impact field. Thanks also for coming on the show, Stefan.

Speaker 3 [00:01:56] Thanks for having me.

Speaker 1 [00:01:58] Great to have you both on the show. Today, we're talking about the themes of philanthropy, investing for impact, profits for purpose. But for our listeners, perhaps you could both explain to us what this all means in reality. Maybe if you can take us through what you do that will help enlighten us. So, Stefan, if we can start with you and the work you're doing at Baia on your website, it says Health for all and hunger for none. That's all very purposeful. How are you making that possible? What does that actually mean?

Speaker 3 [00:02:33] So our foundation is the corporate foundation of of Bayer as a company. And the company obviously is active in and nutrition, agriculture and health care. And we basically as a foundation mirror the sustainability overall sustainability strategy and SDG goals of the company through our programs. What that means is that we are active in the intersection between access to health, specifically at the last mile, sustainable agriculture in the smallholder field particularly, and enhanced nutrition and the nexus that all of this has with the environment, because all of these areas, specifically in the global South, are very intimately connected. And this is what we try to do in a catalytic way.

Speaker 1 [00:03:17] And what is it you yourself do? And within all of that amazing stuff.

Speaker 3 [00:03:21] So we are more or less a classic philanthropic organisation under German law. So we are a not for profit foundation and we give away grants, but we try to

do that through a variety of programs such as a Start-Up Academy that we run with a number of universities, a Women Empowerment award, which just launched again. So you can, if you have amazing women out there from the Global South in agriculture and health care, send them our way to apply. And we have a larger grant vehicle that is the Social Innovation Ecosystem Fund that then funds ecosystems and particularly scalable and scaling mature solutions that tackle these issues. I can go into a lot of detail, but I'll leave it at that for now.

Speaker 1 [00:04:07] Fantastic. Sounds amazing. And you yourself, I mean, how did you get into this space?

Speaker 3 [00:04:12] Serendipity, I would say, as it happens. So I don't have a long history with the company. I have a background actually in social innovation, so I only worked for social innovators on my way and actually also for a development bank in Latin America on my way to buy a foundation and just to give one idea. So before this, I was engaged with discovering hands, discovering hands as a social innovation. START-UP Not so much a Start-Up anymore, but back in the day it was that uses the extraordinary tactile sense of blind and visually impaired women to enhance early breast cancer detection because they find 50% more and 30% smaller lumps in the tissue. So that's the type of innovation I am engaged with. That's what leads my thought process. And this is what I get up for every morning. And that's the kind of stuff that we're looking for at best. Foundation as well.

Speaker 1 [00:05:07] Amazing. That is incredible. And Lisa, over to you. So Doc has a very clear goal of supporting early stage high impact social enterprises. And I was reading about the fund that you've launched, which is \$65 million dedicated, supporting the next generation of 100 social entrepreneurs who will change the world, which again, sounds incredible. So can you talk to us about some of the work that you're doing and also how that intersects with the food sector?

Speaker 2 [00:05:36] Sure. So the ARC is a really unique organisation in even in the philanthropic world that is a philanthropic venture firm. It provides grants and equity to early stage social entrepreneurs who have big ideas that can scale and are extraordinary leaders. So we have a portfolio now of 211 social entrepreneurs, social enterprises, if you will, all of which we have financed either with equity or with grants at the beginning stages, right after they've proven that there's a model that can be scaled. And what we do is spend 300,000. Now it's at parity. So U.S. dollars or euros and three years of operating support from a team of about 40 people worldwide, growing the impact of those social enterprises. And what makes us very unique is that we sit somewhere between an impact investor and a philanthropy. So philanthropy is generally our only funding projects, whether that's an investment or a grant. And impact investors are generally only funding organisational growth. What we're funding is the impact of those organisations. So we're really looking for the social impact and the model that we bring to the philanthropic world has been a very powerful one because we have a goal of making sure that every organisation we support within the first 3 to 5 years can impact 10,000 people or more. And because we have such a simple measurement of 10,000 people or more, we can track over time how this growth or the growth of the impact actually works. We're addressing inequities all over the world, and one of the greatest inequities derives from the way in which we both produce and consume food. Who gets it? Who doesn't? This is an area with tremendous market failure, unfortunately. And so there are three reasons why DRK is involved in addressing food from the farm all the way to the fork. And those are obesity, hunger and sustainability, all three of which you see all over the world in Africa, India, the United States and Europe.

Speaker 1 [00:08:08] Amazing. Thank you, Lisa. And there's a couple of things that you mentioned there about measurement and also the challenges within the food sector and how philanthropy is supporting that, which I'd love to dig into a little bit more. And in terms of yourself, Lisa, so it's very clear you've got years of experience in creating really positive change. So how did you get into this space and what led you to work for Doc? Is it because it's that uniqueness that you mentioned?

Speaker 2 [00:08:35] It actually is. It's also the effectiveness of this particular model of philanthropy. I have worked for three different philanthropic organisations prior to working with the ARC, and I started my own social enterprise before that and I did a lot of work in public policy before that. So I've always been engaged in inequity in one way or another in trying to address inequities. But our case model shows a very clear impact on people's lives within the first three years of an organisation being in development. It's a very efficient model. So every dollar or every euro that we raise or that comes into the philanthropy goes out to social entrepreneurs in a very rapid way. And you can see that the younger generation of social entrepreneurs are really interested in using market mechanisms to address inequity. And so the energy of our youngest social activists is moving into the market space. And that's where I want to be with that energy moving a lot.

Speaker 1 [00:09:47] Amazing. God, I am already inspired and I've been recording for about 5 minutes, so I thank you both. That is super clear and it's really sort of helped unpack a little bit about what I know is a very, very complex area. So thank you. So now that we know what you both do and your organisations. Can I ask you just to cast your mind back to I think it was November last year when you were both involved in the 2022 eve conference in Brussels. So a whole host of global philanthropic thought leaders, including your good selves, all got together over those days. Can I ask you, what was the main purpose of that conference and what were you hoping to achieve and why do you need these sorts of conferences?

Speaker 2 [00:10:32] So for us, the conferences are an opportunity to learn from others. So what are they doing? Everybody remember that philanthropy. It's part of our civic space. So it's not the market and it's not government. So it really fits in that civic space. And philanthropy is risk capital more than any other capital that's on the planet. Philanthropy is risk capital. And so if you're working with a philanthropy, you have the opportunity to take a risk to try and solve a big social problem in a way that government or markets really can't. They can't. You know, these risks are often too much for governments to take. They're often long term risks, so they require a lot of patient capital. So when we come together in a conference like the FCPA conference, it's an opportunity for us to share learnings with each other and to share our understandings of the problems that we are trying to address with the capital that we have and with our own knowledge and other kinds of resources. But philanthropy is really understood as bringing capital to bear on big social problems. And the conferences like the EPA conference really do give us an opportunity both to learn from one another, not to repeat mistakes that are being made by others, to collaborate, to join one another in ways in which to resolve particular types of social problems, like the sustainability problem that's associated with the way that we're farming right now. Hunger for obesity. How do we deal with disrupted global supply chains, which happened during Corona in the food system? So it's a way for us to learn from one another, to borrow ideas, and to figure out if we can actually pool our capital to and co-invest in and solutions.

Speaker 1 [00:12:15] Thank you, Lisa and Stephane, I can see you. You've been nodding whilst Lisa was talking. There is was that the ambition and the purpose for you while you were there?

Speaker 3 [00:12:24] Well, yeah. I mean, I couldn't agree more. You said a couple of buzzwords there, Lisa, that really resonate also with her reasoning why we are there and why this particular sector is so interesting to us. I mean, of course we are more of a classic philanthropy, but we are active in the venture philanthropy field. That means we want to be catalytic in the way that we fund enterprises. We only want to fund also market based solutions that are self-sustaining also going into the future. So we do not do classic charity. And this is the environment in which the venture philanthropy scene is operating, and that is really, on the one hand inspiring. On the other hand, the networking and the connection is super important to us to kind of find a home to operate from and collaboration. I mean, of course that's the buzzword that's kind of in an inflationary use as of late. I have a feeling because everybody kind of sits in their silo and waves the collaboration flag out the top and nobody really breaks down those silos. But that is why we are there and that is what we are doing. So one of the things that was from our work that was featured during the EPA Impact Week in Brussels was the community of practice. It's a working title, but that we built through the EVP with a variety of players from the sector that co-invest, but not only in terms of capital, but also in terms of non-financial support and everything else, because it's not always only about the money, right? But for us, what we realised on this journey with even almost direct competitors in the field was that we have the exact same pipelines and we even give money to the exact same organisations. And then chatting with a colleague actually from another company about this we realised, okay, why are we making these people report three times on the same thing, We want the same thing, we have different mechanisms. US, for example, we give grants, but these grants can be a bridge grants to make a social enterprise investment ready so that somebody like DSK can come in and invest in them through equity with the philanthropy or even an impact investor to come around. And then you have the whole scaling mechanism around it, and this is what we did. So now we actually have our first joint deal from last year that we that we pulled through an amazing social enterprise called Lucid that works in the intersection between health care and agriculture in the smallholder space. I could talk a lot more about that, but maybe we can come back to it later. Yeah. And so this is really the reason. The reason is to be effect more effective through meeting like minded organisations and individuals to then enable real collaboration that actually propels things forward and is not just talk.

Speaker 1 [00:15:00] Perfect. Thank you. That's very useful. And just at least so you. You mentioned this previously, but maybe, Stefan, we can we can stay with you for a second. So philanthropy and impact investing in the food sector. Can I ask, Stefan, why do you think that the food system itself needs philanthropic investment? You know, is there something inherently broken here that is needing to be fixed?

Speaker 3 [00:15:24] Well, there's so many things that are broken. I mean, I don't even know where to start, but maybe I can give one concrete example from our portfolio that explains how and why. Also, this philanthropic engagement makes sense. One of the large portfolio engagements that we have is run through Mercy Corps, the large NGO that you might be familiar with, and it's called Agrifood. Agustin is a 140 company, an organisation ecosystem that works on the digitisation of smallholder products and services in Africa. So specifically for now, in sub-Saharan Africa, East Africa, and we funded together with the Gates Foundation, actually the Digital Farmer two program that they run. And this involves a variety of actors in the field that go from smallholder crop insurance, for example, to a

tropical weather forecasting, mobile banking services and the like, because there are so many smallholders. I mean, they produce 80% of the food that's consumed in sub-Saharan Africa, but they only have a percent and a half or whatever of GDP. I mean, these people are really at the base of the economic pyramid, and we need approaches to change that, to enable them to have better yields, to earn more money so that, you know, they can participate in the marketplace. And I can tell you stuff like micro crop insurance pool advisors runs from that portfolio. This stuff, I mean, you can't produce enough of it. There aren't even enough products for these people to buy because there's nothing out there. And that's unimaginable. If I talk to colleagues at Bayer, for example, for them, I mean, the normality is, of course, that every farmer has insurance in the vast majority of cases, because the vast majority of farmers are smallholders, they don't have insurance. What happens if you don't get a harvest? You have no money and no food, right? So then we have the farm to market issues and so on. And so I could go on forever. But just to say, funding ecosystems is super important and that is something that you cannot get a return on, right? I mean, you give we give a money to a platform that houses all of these players that goes from Google X and Nasr, who are in there to Karl Rove in Kenya, or these social enterprises like Pula, for example, or did you farm? That is a Safaricom spinoff. So there are a lot of examples here and that is just necessary. You need to give money for free, in inverted commas, to create these platforms that then spin off these digital solutions that actually help a lot of people. And just for the record, I think last month we were at around about 2.6 million reach in that ecosystem. And this is documented because it's people who have insurance, who have a bank account now, who get regular weather information, updates on their phones through SMS services and all of these kinds of services, you know, so you can really track and see that that is something that is actually happening and improving somebody's life.

Speaker 1 [00:18:12] Thanks. Stefan and Lisa are investing in ecosystems a big focus for you as well? And you see that that's a big part of the solution.

Speaker 2 [00:18:19] Developing a strong ecosystem is super important. It is not the focal point of demarcate. We're really looking at how to scale organisations within that ecosystem and across those ecosystems to create the pillars within the ecosystem that can actually serve smallholder farmers, for example. So this is something where fire and dark are interested in the same vulnerable population. That's about 2 billion people on earth who are farming less than a hectare. And so our portfolio has a variety of organisations in it that are responding to that vulnerable population, which is now even more vulnerable because of climate change and pestilence and locust swarms, which we saw in East Africa last year, rust blight, which is devastating the coffee crops. So whatever we do in agriculture, whatever we've done in the past is not what we're going to be doing in the future and moving those very vulnerable to billion on this planet who are farming less than a hectare towards a more regenerative practice is absolutely critical. And so that's the kind of thing that DARPA is focusing on, what organisations have, the tools, the technology, the wraparound services to actually be able to help those small farmers, one, make that change and to bring a regenerative product into the marketplace. And I can also give you some examples, as Stephan has given examples around this. We have one acre fund in. Our portfolio, which has been in our portfolio for a very long time, which has brought about 60 million U.S. dollars and new profits for over almost 2 million, 1.8 million small farmers just in 2021 alone. Wow. We have a call, Masa, which is also an African organisation which has planted 8000 hectares of new commercial forests there also for the same group of smallholder farmers. And we can go on like this. So this is one area where the kind of work that Stephane is doing to build the bigger ecosystem and then the focus three years unrestricted to support, to carry these organisations through what's called the

Valley of Death in the investment world is critical. So we are working the same problem from two different focal points.

Speaker 1 [00:21:00] Got it. And I'm interested from, you know, from both of your perspectives because obviously like you've got huge pedigree in this space. I mean, how do you encourage philanthropy in the food system? You know, what is it about the food system that makes it a very exciting prospect for impact investing? Lisa, maybe you can carry on.

Speaker 2 [00:21:20] Well, I think, you know, impact investors, many investors are really interested in technology and there is a variety of technologies, both software and hardware today, that can be brought to bear on creating new markets, on addressing climate change, on supporting and strengthening the smallholder farmer, on redistributing food, protecting food, and trying to get rid of food waste, which is a very serious problem both in Europe, the United States and in Africa, also in India. So there's a lot of new technology that can be brought to bear. And I think in my case, I especially in here in Europe, there's a lot of new technology coming out of farming and university. To you, Delft here in the Netherlands, which is where I'm based. Similarly, in Germany, you have similar kinds of technology coming forward. So there's a real opportunity for us to actually change the whole system by bringing these new technologies to bear, and that's very exciting for impact investors to see software and hardware, green technologies being produced and brought into the space. So people like like that. But I think because philanthropy at its base is really oriented towards social protection, resolving critical social problems, even on the obesity front, which is where health care and food come together for the Buyer Foundation. But for DARPA, it's the replicating, it's the it's redistributing, it's it's bringing down food waste. It's putting cooling methodologies into supply chains in Africa. There's so much that we can do. And the reward is the social reward is almost immediate. These these, you know, with a solar pump, with a with a greenhouse that has the capacity to be able to increase somebody's yield by 50% in one year. I mean, you really can see how your money makes a difference almost right away. And I think that's very powerful for philanthropy.

Speaker 1 [00:23:27] Thank you, Lisa and and Stefan, from your side, you know, where where do you see currently that the smart money is going in the philanthropic space in the food system? Do you agree with Lisa that, you know, there's a big sort of tech digital element here that people are particularly interested in?

Speaker 3 [00:23:43] No, I mean, I absolutely agree with what you said, Lisa, And I think there's there's so much more to it. Right. So, first of all, the impact is immediate. Yes. I mean, food systems are what feed us, right? So, I mean, we need to take care of them. You have a hugely growing young population in the global South and at the same time an ageing farming population. So that means even the incentive for people to to go and farm are declining. So investing in technologies that enable this and actually secure food production and sustainable agriculture in the future, that is there's I don't think there's a limit to growth there. And especially if you look at, for example, sub-Saharan Africa as a market for for agriculture, it is so underdeveloped still. I mean, there's so much to do that there's enormous growth potential all around, almost everywhere. It's just that the risk taking and this is what you said in the beginning, Lisa. Right. The appetite for venture capital is very low. So if you look at what's going in there, actually it's all fintech Agtech is super low on the scale and this is where we can come in and then actually propel this forward by de-risking these types of investments. And that is also one of the function of philanthropy in the venture philanthropy space that I see is to de-risk. And like you said,

Lisa, it's 100% risk, right? The money's gone anyway if it's philanthropic, so we might as well be. Bold and move forward here. I mean, this is just the beginning for me. So you need to spearhead this. And what I see also is that and I have already said this in the beginning, but the food systems are so intimately connected to everything else that's around. If you look into the smallholder space, if smallholders are sick, they can't work, right. So you need to make sure that you provide them with health care that actually provides them with their bodies to be able to work their fields. Another issue is if they're sick, they'll send their kids to work who don't go to school, but instead help on the farm, you know. So we have this one just to give a very to make it a little bit more concrete. We have this one portfolio organisation. It's called a Lucid. It's actually a spinoff of a Madagascan NGO, Social Enterprise. It's called M2 Mahdi. What they did is they completely revolutionised the payment structure in the public health sphere. So they took the completely corruption rhythm paper based reimbursement process for public health in the country, which one reimbursement claim took nine months before they put a simple mobile money wallet solution in there together with the Ministry of Health. And they broke it down to 9 hours. So, you know, we had a pilot with them in the south of Madagascar where we had 27,000 people participate. And these people usually don't go to the hospital because if you go to the hospital and you pay upfront, your money's gone. If you get treated, you sign a contract and they keep you prisoner until your family pays off the debt with I don't know how much interest. And here you they made an awareness campaign and said this works. If you go to the hospital, you get treated and it doesn't cost you anything or 20%. And this worked 27,000 people, 13,000 health interventions out of that 4000 hospitalisations and 1800 surgeries, which wouldn't have happened otherwise. So this is just like it's mind boggling. So this happens and this is pure health, right? What happens then is that the third largest Swiss chocolate producer approaches these guys and says, Hey, we source cocoa from Madagascar. And it's not just vanilla, it's also a cocoa exporting country. We want to give health care to these smallholders. Exactly. For those reasons, we do fair trade, but that doesn't go far enough. We don't know who picks our cocoa beans because they go through cooperatives who go through middlemen, and we don't identify who's actually picking the beans at the end of that food chain. But we want to make sure that they're healthy so that they don't, you know, encourage child labour and all these other things. So they say, can we use your approach to give free health care to these people directly? And they said, Sure. So it works. And then they said, okay, here's equity. Now you find more investment for this and we're going to do it in the 11 most cocoa exporting countries in the world in the next two years, which is what they're doing. So now they expand it to Ghana, and from there they're going to Cote d'Ivoire because it's a value chain, you know, where you can directly influence the people on the ground. And this is what I see as this growth engine, you know, all around.

Speaker 1 [00:27:57] And I really get the sense of it's sort of the pennies dropped for me because you were both talking about the fact that it's like 100% risk. But what you are therefore doing is by proving this and proven impact, you are effectively de-risking it for the you know, for big corporations to then say, well, I want a piece of this and I can help scale it up, Is is that what you're seeing happening on your side as well? Lisa And any great examples of that you want to namedrop.

Speaker 2 [00:28:21] So it is not big corporations always that pick up on the opportunities that philanthropy and births into our world. We think it's there's two things I want to say about this, about also that Stefan's fabulous example. Investors are interested in growth. That's what they're really interested in. So Derek has invested in about 13 organisations, all addressing issues around the food space, and we've put about 10 million into those 13 organisations. And since we've done that we've seen 1.4 billion in total revenue growth

since our support went into them. And it's that kind of exponential growth, which Stefan gave a really good example of that tends to drive more resources into the space. It is not always the big corporations that want to come out and play. Sometimes it's going to be government, sometimes it's a policy change that's necessary. Sometimes it's a franchise model that you want to grow. Sometimes it has to be acquired by a larger market entity in order to see the impact of an organisation's scale. And sometimes that organisation itself, which we have also seen, maintains its own integrity and just becomes one of the big solutions in the field. The underlying message I think that's important is that when we start with that hands on support to each a social entrepreneur, we ask them right away, What's your end game? Where if you were wildly successful, what would it actually look like? Would it be an acquirement? Would it be a Franchise model. Would you put yourself out of the business because you have solved the problem that you meant to solve, which we have also seen. We've seen it in the education field, for example. You know, what are you looking for in terms of your end game and can we scale your impact to the point where you can get to that end game? So I will give you an example of this from our grant field, if you will. We have an organisation in Kenya called Food for Education that's run by a young woman who was 27 when she came into our portfolio. And today she is feeding about 40,000 children within a 45 minute time frame at lunch for \$0.17 a meal, good meal, healthy meal for the kids, \$0.17 a meal. She's delivered over 7 million meals to children over the lifetime of her organisation. And she's she's this year she'll get to 10 million. So that's where she's going with her goal. Her end game was not corporations. It was to change policy in Kenya so that kids who are going hungry would have a resource available to them and to bring down the price of a meal to the point where even the folks at the bottom of the pyramid could actually afford to opt into our opt into any scheme that could provide a lunch. That's food for education, that's what it's called. And she uses the school system to be able to play these meals to kids. So it's not always going to be a corporation at the end of the day who might acquire a business. It could be that the government that the aim is to change a government policy. It could be that the point is to figure out how to actually provide a resource like a meal for \$0.17 anyway. It's an example of a different kind of end game than a corporate buyout.

Speaker 3 [00:31:54] I absolutely agree, because it's a it's a multidimensional exercise, right? You don't know where what is going to happen. And sometimes sometimes the solution is like an unlikely partnership if it's government. I mean, we're criticising governments in the global South, but if you look at micro crop insurance, for example, Pula and Rhodes Gosling are the founder of Pula, so they pivoted. I don't know how many times to get this model right. Right in the beginning was supposed to be a marketing kind of gig for seeds producers to tag their seeds bags at no premium and say, If you buy my seeds, then they're insured. But you know, do the small does really the customers really recognise that, you know, no, it didn't really work. So then they ended up now working with government and this is working extremely well for them and they are profitable. You know, there are profitable social enterprise approaching 10 million customers. Can you imagine, you know, insuring 10 million people before didn't have insurance? And this is adopted by government because the government has an interest in their people being able to farm because they provide the food for the rest of the population. So it's kind of a natural connection there. But it's not obvious from the beginning because we're coming from a market based economy. You know, we are in social enterprise, so we want to use market mechanisms to tackle these issues. And our underlying paradigm is always the late Clayton Christensen's market creating innovations, right? So you want to make known consumers and consumers by lifting them more, by enabling them to lift themselves out of poverty. But that doesn't always work the way that we, you know, with our perspective, kind of kind of would draw this. But you have to improvise. You have to be open minded

and kind of see where the real solutions could come from. And this is not always the usual suspects.

Speaker 1 [00:33:36] My mind is kind of blown by the difference in the impact, but some of the examples that you're pulling out is making. And I think I, I think we should have another episode just dedicated to the examples and the solutions which literally allows us to go deeper into this because it's it's an incredible space. Stefan, you spoke you just kind of reminded me to ask you about consumers, and I know this is in a slightly different way, but let's talk about the public and philanthropy. You know, more broadly. Do you think that the public out there or, you know, or the masses, do they understand the purpose of philanthropy? Do they need to understand the purpose of philanthropy, or is it just something that needs to happen in the background? And I guess a follow on question would be how are you looking to make philanthropy real and visible to people so that they know that this is the good thing and they need to support it? Lisa, any thoughts?

Speaker 2 [00:34:27] So, you know, I'm philanthropy has more of a public reputation in the United States and in the U.K. and it does on continental Europe. And most European philanthropy is really operating behind the scenes, or it's it's a very cooperative field, I have to say here, where there is a lot of relationships between local governments and private philanthropy, but it doesn't really tell its own story. And I personally find this problematic as the narrative of philanthropy is to do what governments and markets really cannot afford to. Do with their short timelines and tremendous pressure to immediately turn a profit. So philanthropy has the opportunity to de-risk, as Stefan has articulated, it has the opportunity to provide patient capital. It has the opportunity to literally spend its capital in R&D for social good in a way that governments and markets really can't do. And I think differentiating philanthropy as your risk capital for society is probably a story that's not really told in the general domain in the way that it could be.

Speaker 1 [00:35:38] And Stefan, again, you're nodding away. Do you agree that the story's not yet quite out there?

Speaker 3 [00:35:44] No, That that really, really resonates to me. And I think that was also one of the taglines from the EPA Impact Week and the Risk Capital for Society. I mean, sometimes it's also harder to bring across, you know, classic philanthropy charity. That's what people usually understand. That's what everybody kind of recognises. But this venture philanthropy field, social enterprise and so on, those are still pretty niche. The social entrepreneur has been around either for 30 years ish or 40 years. If you if you if you count the recent developments, but also for hundreds of years, you know, cooperative banking has been around for, I don't know, 200 years and it's worked phenomenally well. But it's not something that is kind of a natural with the public. Of course, you can understand somebody wants to do something good for society. But as Lisa said, in continental Europe, the expectation is that the government will take care of those things. Right. And the Anglo-Saxon world, it's more like if you are successful in life, then you're kind of expected to give back. And this also deserves a stage. And this is something I think there's kind of a, yeah, disparity between the understatement that can be a virtue, but also the lack of public acknowledgement of all of this. And if you're talking about corporate foundations, that's that's a completely different ballgame altogether, because then, you know, you're always accused of social washing and so on. So for me personally, it's all about results. Like, if you can give tangible examples of this is something that we do that actually fulfilled the goal of helping someone and making somebody's life better. And it's an approach that continues on its own. And we see ourselves, if you will, as midwives, you know, to bring these things to life, then that's something that I can stand for and that I think

deserves more recognition. But if that is really something that's going to go down well with the public and in the self evident understanding of what philanthropy is, I'm not so sure. I think we still have a journey ahead of us to make to kind of sensitise the general public for these things.

Speaker 1 [00:37:42] And Lisa, at the beginning of the podcast, you mentioned that you are having real successes or there's real demand for in this space from the new generation of younger generations coming through. Maybe this is a way to kind of educate the public. You start with them, but I mean, if there are people out there listening to this podcast who want to be part of systemic change in this way, could I ask you what sort of advice would you give to them who want to embark on a career, for example, impacting investing, philanthropy? Where should they best start? You know how to get into this truly incredible space.

Speaker 2 [00:38:17] Hmm.

Speaker 1 [00:38:18] It's another podcast as well. But just, you know, just.

Speaker 2 [00:38:21] Know it's a very simple answer. Start with these values. You have to start with your own values and where you have passion for what kind of problem are you are you looking at in your society and thinking, I really want to be a part of that solution? So my advice to every person that I talk to, young or old, because philanthropists are often, you know, they've built it, they've sold it, and now they want to give back to society. Impact investors are often coming in to second generation of wealth. So I always tell people, start with your values and figure out what is the problem that you want to focus on. Is there a problem that you want to focus on? What's the contribution that you would like to make in the world? And right now, what we're finding, again, because of the the hardware and software and tech enhancements that are at our fingertips but haven't been deployed to address some of the failures of the distribution systems in food or so on and so forth. Right now, there is a lot of opportunity for folks to invest in. Regenerative agriculture is super risky still because we haven't figured out how to regenerate the soil to the level that it needs regeneration. But we also know, as I said in the beginning, what we did in the past on agriculture is not what we're going to be doing in the future, and that's going to impact everybody's food, not just food in Africa, not just food in other places outside of Western Europe or the United States. It's going to impact everybody. So it's a real opportunity to reimagine and rethink and redeploy resources so that they're way more effective and somewhat more efficient. And what we have going on now.

Speaker 1 [00:40:05] Yeah, I love that. And actually EIT Food regenerative agriculture is emerging as a really big thing that, you know, to your point is there's so much potential for impact from that. So I really love that. And Stefan, you know, Lisa mentioned values. Is that something that you'd say, you know, if someone looking to embark on a career in this, is this where you start from, from what you've seen or any other advice you'd like to give?

Speaker 3 [00:40:28] Absolutely. And I think, again, you know, I think we need we need role models and examples of people making a career from the very get go. You know, I did this, I, I only worked in social enterprise from the very beginning because that's just something that I believed in. And making a career. I mean, making a career always sounds as if you need to make a lot of money and that can't go together with social enterprise. I think this is something that also needs to change, like the perception of philanthropy as something that happens when you're rich and then you give back. I think we need an ingrained understanding of top talent engaging in the necessary and relevant social

enterprise field to make the world a better place through market mechanisms, and this to be recognised as something of value. And that is still I think we still have ways to go. But the new the younger generations, they are hungry for this type of value. What Lisa was talking about, they want they don't want your average corporate career, they want to make a difference and they want to know that it counts because, you know, that's the legacy. You spend more than 8 hours every day working on something, right? You want it to make sense and you want there to be somebody better off. At the end of the day, instead of just you going out there to pay the rent and, I don't know, climb up the corporate ladder. And for me personally, what really counts and okay, I'm biased because it's my own experience, but go out and do it. Like Lisa said, she built her own social enterprise. I worked on a couple, help build a couple and really starting from bad window basement offices without furniture, you know, I mean, that kind of stuff. And this is something that no corporate environment can teach you. That's nothing like a streamline career can give you, because you need to also feel forward and kind of because if you want to work in this field, you need to understand how it works. Now, I can relate to the people that we want to give money to the for the good and the bad, right? Because there are a lot of donor darlings also running around trying to get money to do something that supposedly looks good. But what we want is to fund things that actually work. And if you work in the field yourself and you try things out early on, then you're de-risking your own career because you know you're going to start. It's like people who work in Start-ups basically it's the same basic mechanism, but the underlying paradigm. And that's what Lisa said and I think she really drove the point home is just do what you believe in and then it's going to be the right thing.

Speaker 1 [00:42:57] Amazing, very inspiring stuff. I'm going to take that. So for all our listeners who want to get into this space, you know, do what you believe in, folks that some seems to be the the message we're hearing here say, thank you and we're getting to the end of the podcast. And I just wanted to finish on scanning forward a little bit. So if you're able to talk about this and I don't know if that's possible, but what are your your big bets for the future of philanthropy and the food system? So you've spoken about some kind of current examples which are obviously having huge impact, but going forwards, where do you see that this space is going to go? You know, what big changes can we expect? Lisa, Perhaps you can share any insights that you have.

Speaker 2 [00:43:41] Addressing the impact of farming on climate will be one and the innovations that are coming there are all the way from water to software mapping irrigation systems, reducing waste. And so the last two deals that we have done, one has been bringing in green technology to smallholder farmers in India, Nepal and Malawi for irrigation, which brings greater crop yields and lots more money into the pockets of the smallholder farmer and at the same time as regenerating their soil, reducing their water use, etc.. So everything that has to do with climate and ag is a big opportunity space and needs more investment and it absolutely needs more investment. And that's regenerative agriculture, reducing waste redistribution. We have lots and lots of redistribution plays going on in the United States right now, not so much in in Europe, but there's a lot of them in the United States and localising supply chains. This is the other thing that we can really see because of Corona, because of COVID and because of the period of the era of disruption that we're actually living in right now, lots of people are starting to turn their attention to How do you localise the supply chain again, bringing down the CO2 emissions associated with the production and distribution of food, but. How do you localise it so it's healthier so that it works for the farmers so that there's more money in the farmer's pocket and there's less unhealthy food being offered in what's called the food ghettos, which we have in the United States and other places around the world. So those kinds of things

localising supply chains, regenerative agriculture, redistribution, those are the big ones that I see and addressing the climate footprint of our food system.

Speaker 1 [00:45:29] Thank you, Lisa. That was three really big, clear, clear plays there. Stefan, anything anything to add on that?

Speaker 3 [00:45:35] I think that that already covered a large part of it. So I don't want to be repetitive here, but I think one overarching aspect of that that moves everything that also will and has to change is, is financing. Because, you know, I mean, we learned from the from the gin, from the Global Impact Investing network that now impact investing surpassed €1,000,000,000,000 in size as a market. So it's not niche anymore. It's still small, but it's not niche. If we were to have large pension funds actually invest in in impact heavy ventures, specifically in the in the food spectrum, because this has direct impact on the people right. That live here. So this is something I also never understood. Why do you have an endowment for a foundation and then you invest this in something that makes you a profit so that then you can give it to something good, right? I mean, how does that make sense? It's kind of counterintuitive. So if the if if the big money were to move into that direction, then we could really see a change and we could really see all of this business pick up because it would pay off more and because it would just a lot more investment, there would be a lot more investment to go around. And the second thing is how do you make that visible in a balance sheet? I mean, this is something that I've been struggling with for such a long time already. Yes, numbers are important and so on. And but like, how do you actually put positive and negative externalities into into these balance sheets of of the corporations? Like why is it that oil and gas makes record amounts of money and they don't have to pay for destroying the planet? You know, like, how does that work? And I think this is something that would propel the whole impact space and specifically the food systems impact space forward because they do so much good in terms of regenerative agriculture, for example. I mean, there's just no limit to how good that is, especially if it if it's self-sustaining and you move this forward. So I think this there is a movement towards rethinking financial systems as well, towards the impact space. But again, we're not there yet. I think this could be a big bang if if it would really happen. I just very much hope that it's still in my lifetime, but definitely for my kids.

Speaker 1 [00:47:46] Amazing. Big bang. Okay, It's coming, folks. Thank you both for your incredible input today. I mean, truly inspiring what you're doing and the impact that you are having. So thank you again. And to wrap up, where can listeners go to find out more information about what you do?

Speaker 2 [00:48:04] Lisa a w w w d r k Foundation dot org. It's all there. 15 million lives to date served through our 13 organisations in the food portfolio.

Speaker 1 [00:48:15] Fantastic. Thank you and Stefan and.

Speaker 3 [00:48:18] That's WW W dot Bayer Dash Foundation e-comm and we just launched our new Women Empowerment award application phase. So if you are a outstanding agtech or health care or both nutrition female entrepreneur from the global South going find doesn't apply today.

Speaker 1 [00:48:36] Fantastic. And I will definitely be passing that on to my network as well. Thank you, Stefan and thank you Lisa. So that just leads me to say a huge thank you to Lisa and Stefan and thank you everybody for listening. This has been the Food Fight podcast as ever. If you'd like to find out more, head over to the EIT Food website at EIT

Food. EU and please also join the conversation by the hashtag EIT Food Fight on our Twitter channel at EIT Food. And you can find out more about the EVE conference and all the great work going on there at Impact Week, the EU. Thanks for listening everyone.