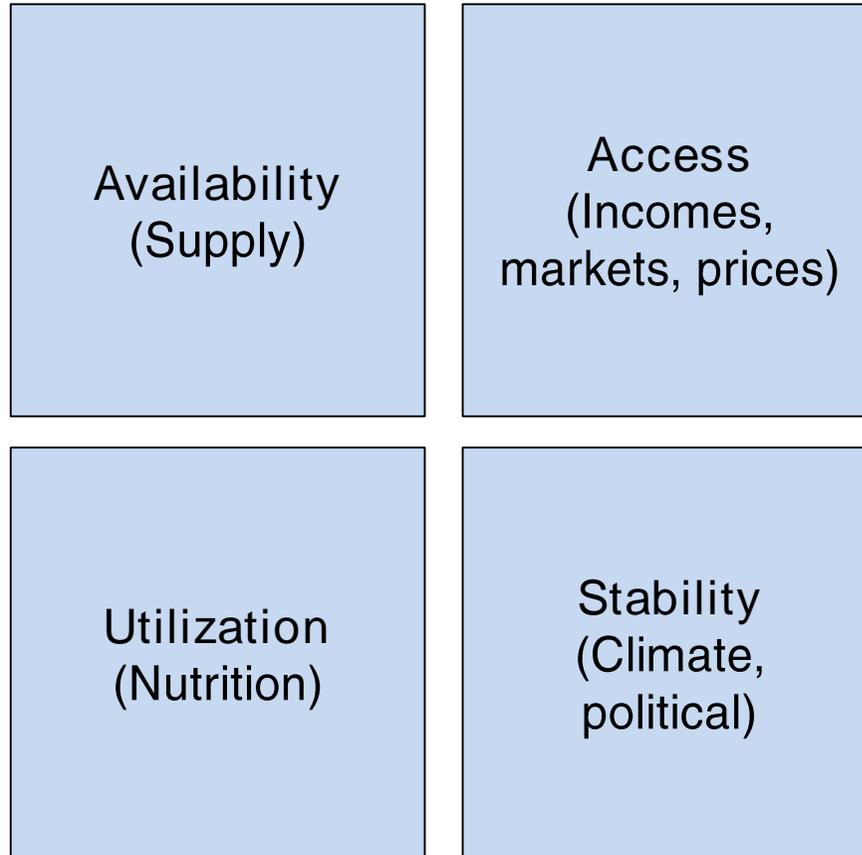


CLARMONDIAL

Feeding the World

Tanja Havemann

Food Security



Insights: the good

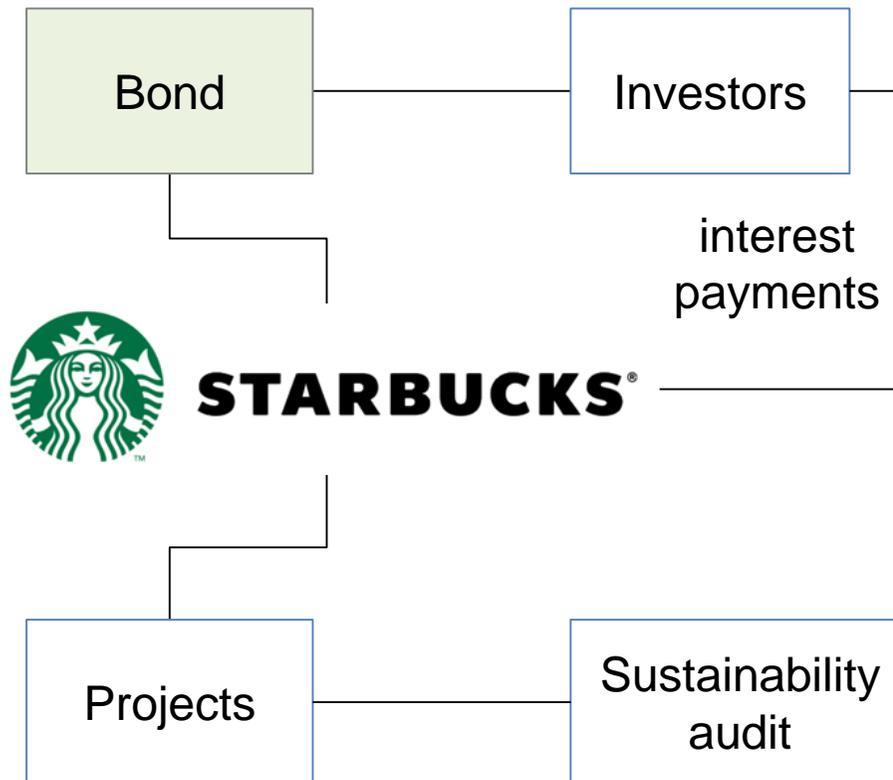
- + Food & agri is "in"!
- + Increasing allocations to alternative investments
- + More focus on non-financial impacts (ESG) as well as financial
- + Diversification of risk
- + [Cash rich] corporates waking up to support supply chains & invest
- + Niche products & industry cross-over [agriculture is not just food!]
- + Technology: production, processing, niche markets, financial products...
- + Unusual partnerships to mobilize investment

Insights: the bad & the ugly

- + Widening gulf: have and have-nots
- + Investor regulations, including fiduciary responsibilities
- + Opportunity costs
- + Unfair playing field: subsidies & distortions
- + “Fake news” (and science!)
- + Environmental degradation
- + Lack of support to innovation
- + Volatility: past performance vs. future performance

Example

Starbucks sustainable supply chain bond



- Use of proceeds to support farmers in Starbucks supply chain, in particular smallholders
- 10 yr USD 500m corporate bond @ 2.45% coupon
- Partners: Conservation International, Deloitte

Example

Corporate PE & venturing



- NewCo owned by DSM, IFC, FMO, CDC / DFID
- Manufacture & distribute improved foods
- Buy from smallholders

Food & Ag companies with VC funds:

- ADM
- Campbell's Soup (Acre Venture Partners)
- Coca Cola (VEB)
- Danone (Manifesto Ventures)
- General Mills (301 Inc)
- Hain Celestial (Cultivate Ventures)
- Kellogg's (Eighteen94)
- McCain Foods
- Mars (Digitalis)
- Tate & Lyle
- Tyson Foods
- 711 (7 Ventures)
- BASF
- Syngenta
- Etc.....

Example

Environmental Impact Bond

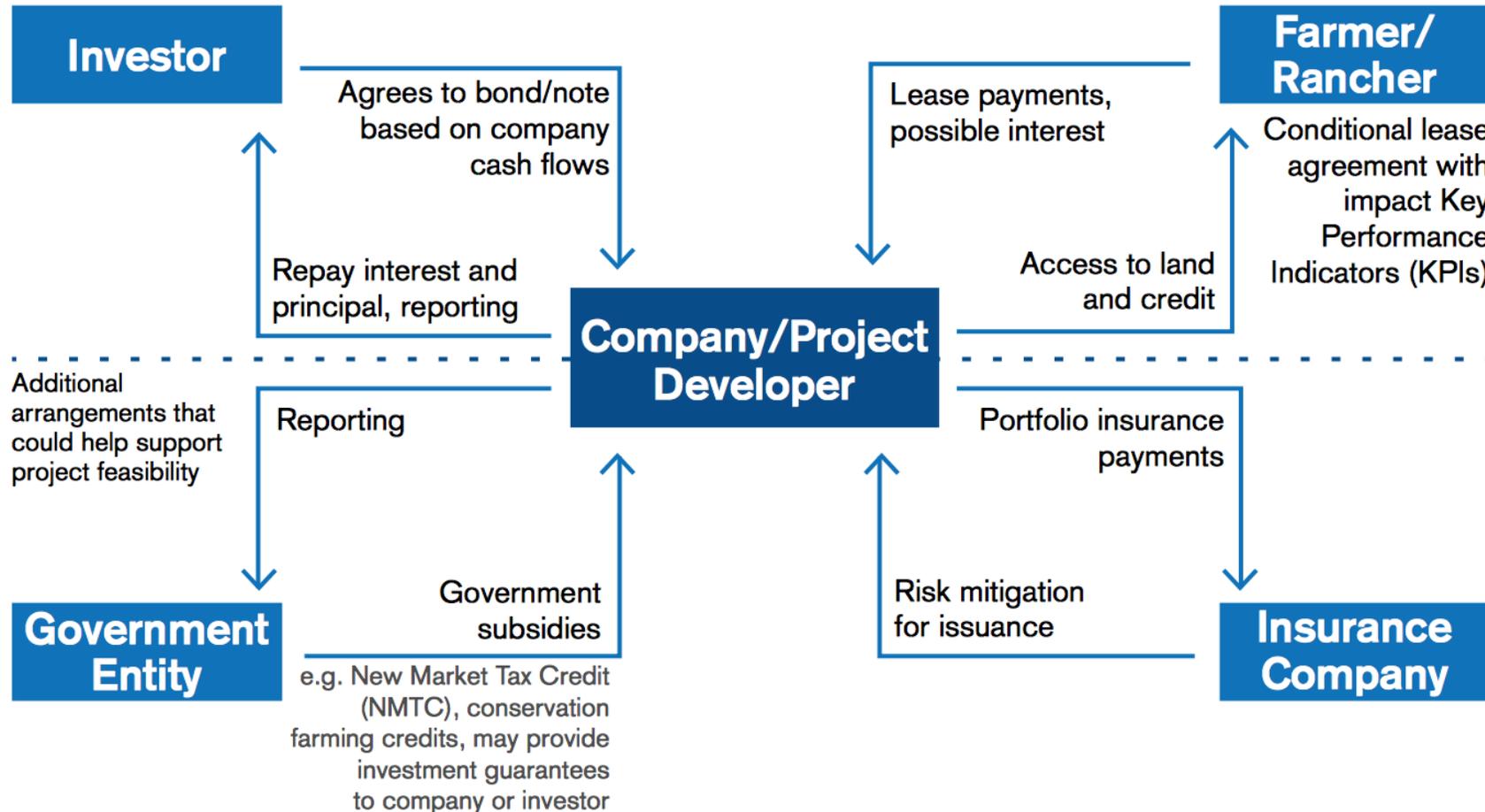


- USD 25m municipal variable rate bond
- Use of proceeds to critical water infrastructure
- Funding flows associated with performance outcomes
- Performance risk is shared between DC water & investors
- Independent monitoring

Performance Tier	Outcome Ranges	Contingent Payment
1	Runoff Reduction > 41.3%	DC Water will make an Outcome Payment to Investors of \$3.3 million.
2	18.6% <= Runoff Reduction <= 41.3%	No contingent payment due.
3	Runoff Reduction < 18.6%	Investors will make Risk Share Payment to DC Water of \$3.3 million.

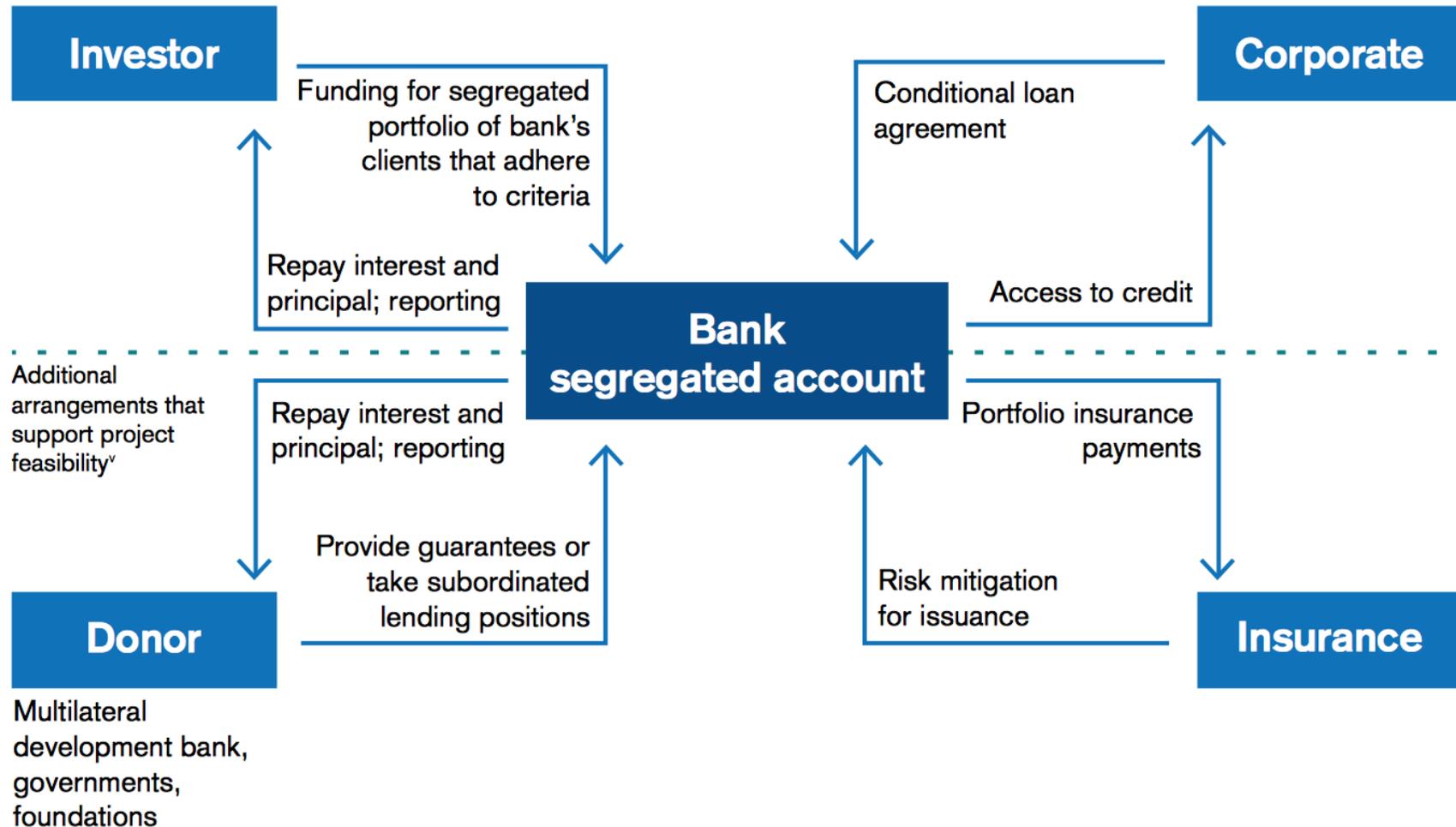
Example

Financing company focused on young farmers



Example

Bank facilitating finance to green projects



Example

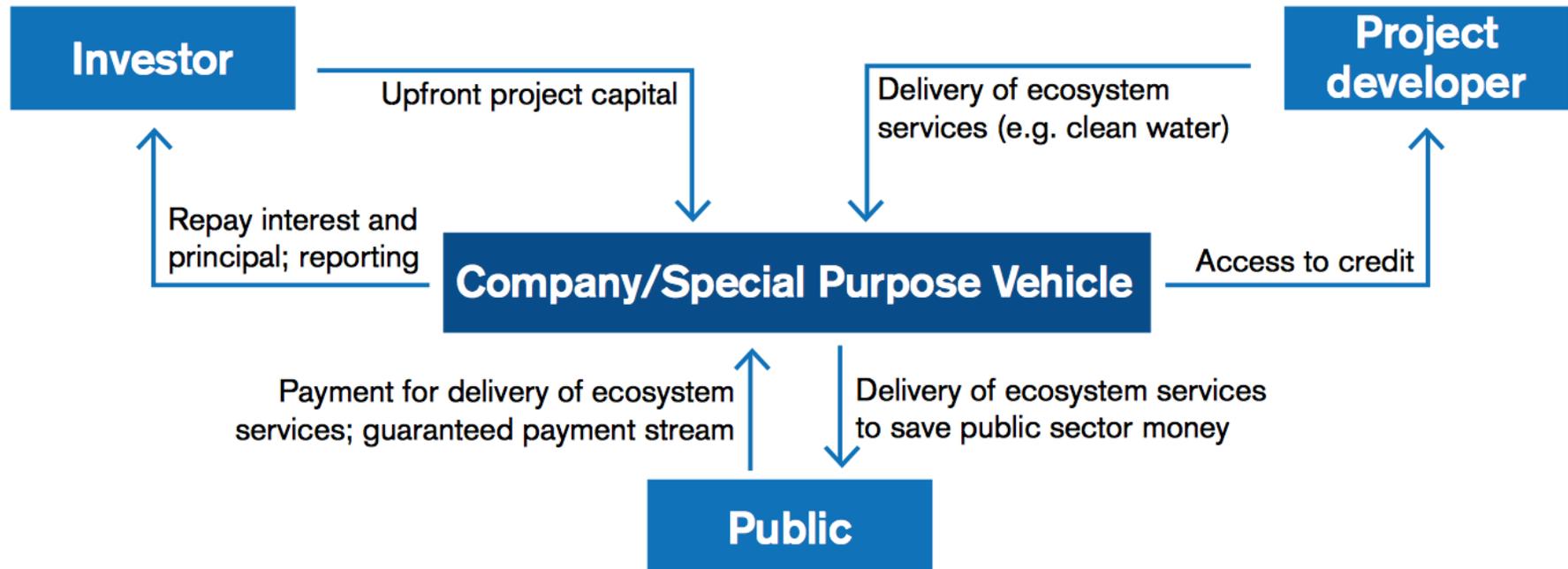
Development Impact Bond for girls education in India



- Investor is UBS Optimus Foundation
- USD 238,000 in working capital
- Foundation as outcome funder – will pay the Optimus Foundation USD 44.37 for each unit of improved learning and USD 935.64 for every percentage increase in improved learning
- Educate Girls is the local NGO beneficiary

Example

Delivery of green investments in collaboration with NGOs



Structure leveraged by The Nature Conservancy, Conservation International and likely others to follow.

Final remarks

- Huge pressure on action now!
- Innovation funding – technology & entrepreneurship
- New product design – new financing structures
- It's not really about money
- Critical: support from local government & institutions is critical, committed implementers

It always seems impossible until it's done
(Nelson Mandela)