

2050 Foundation

Business Plan 2018/2019

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Version History

Version	Date	Description
0.1	22 february 2017	Initial version
0.2	24 august 2018	Revised version for 2018. New insights have been processed and project list has been updated.

Introduction

2050 Foundation's objective is to contribute to a better world for our (grand)children in the year 2050. In our vision, this should be a world where we no longer cannibalize upon our natural resources and that has equality of opportunity for all children around the world.

Sustainable Development Goals



The foundations' objective is perfectly aligned with the United Nations Sustainable Development Goals (SDGs). The following SDGs effectuate the aspiration to "no longer cannibalize upon our natural resources":

- Ensure access to affordable, reliable, sustainable and modern energy for all (SDG 7)
- Take urgent action to combat climate change and its impacts (SDG 13);
- Conserve and sustainably use the oceans, seas and marine resources for sustainable development (SDG 14);
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (SDG 15).

And "equality of opportunity for all children around the world" requires the fulfilment of at least the following SDGs:

- Ensure healthy lives and promote well-being for all at all ages (SDG 3);
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (SDG 4);
- Achieve gender equality and empower all women and girls (SDG 5);
- Reduce inequality within and among countries (SDG 10).

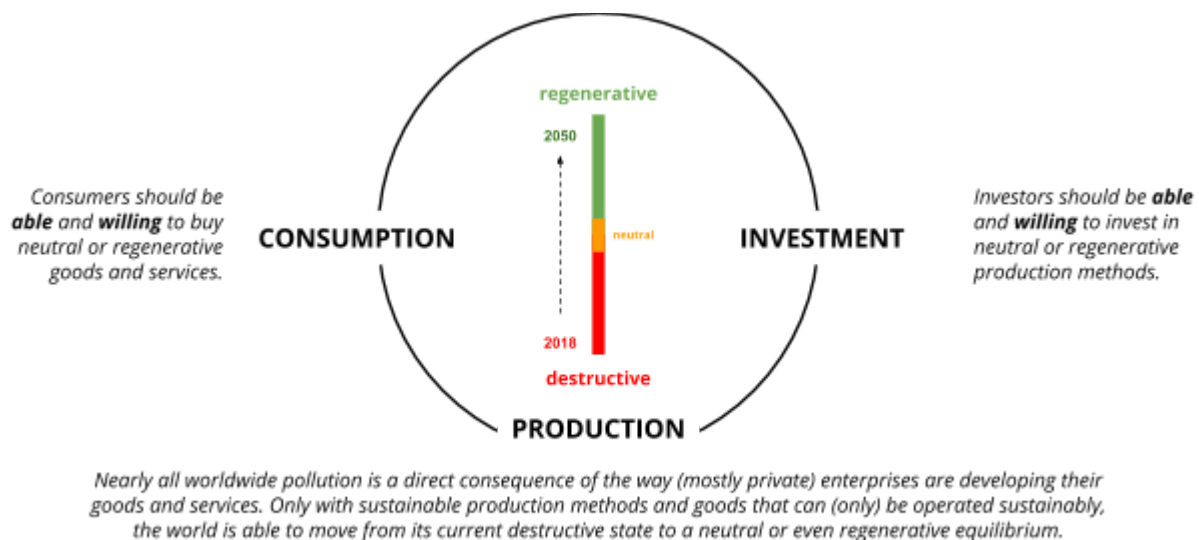
The foundation sees SDG 12 - "Ensure sustainable consumption and production patterns" - as a means to accomplish the aforementioned objectives instead of an end in itself. However, in today's dominantly capitalist worldview, the foundation feels that this is the most tractable intervention that can be carried out to accomplish these goals.

Theory of Change

2050 believes that changing the way private enterprises operate may prove to be the most effective way to ensure a better world for our (grand)children. Enterprises should move

from today's *destructive* production methods towards production methods that are *regenerative*: enterprises should operate such that they restore the natural habitat and rebuild communities.

The theory of change of 2050 is depicted in the figure below. Only by influencing how the world *consumes* and *invests* we can change the way how enterprises *produce* their goods and services.



2050 Foundation will use its financial and intellectual resources to alter today's destructive consumption, production and investment patterns to sustainable and regenerative alternatives.

Strategy

2050 Foundation has been founded to create a better world for our children in 2050. Our objective is that in 2050 over 50% of global production has a regenerative effect on its natural and social environment. This means that the majority of our economy, as well as innovative power, is geared towards improving our world.

The purpose of enterprises must be redefined as creating shared value, not just profit per se. This will drive the next wave of innovation and productivity growth in the global economy. It will also reshape capitalism and its relationship to society¹.

Funding

Projects of 2050 Foundation will be funded by donations and by revenues on investments of 'seed donations'. The 'seed donations' that 2050 Foundation will receive will be invested in social enterprises, to achieve two goals at once: 2050 Foundation creates a strong 'seed capital' base for its future activities and the 'seed capital' is invested in a way that improves the world by itself.

Participations

2050 will, with its 'seed capital', actively participate in social enterprises as a shareholder or provider of (unsecured) loans. As it is the intention of both the donor and 2050 Foundation, 2050 will only invest in social enterprises with a positive expected return on investment. However, 2050 will try to invest primarily in social enterprises that cannot get capital from the regular markets due to a high risk/return ratio.

Donations

2050 Foundation will seek donations from successful entrepreneurs and other high-net worth individuals who wish to pursue a better world while still holding onto their beliefs that any durable solution is adherent to the principles of capitalism. 2050 is seeking for supporters that donate at least 1 million euro and are willing to actively participate into the foundations' activities.

¹ Michael E. Porter and Mark R. Kramer, Creating Shared Value, 2011, <https://hbr.org/2011/01/the-big-idea-creating-shared-value/ar/1>

Projects

2050 Foundation has been established in 2017 and will continue to test its vision continuously during the first two years to adapt and adjust where needed. In that way, it functions by the underlying principles of a lean startup².

In 2017 and 2018, we will test the concepts below. Some concepts will be executed, and others will never leave the drawing board. The concepts are intended to learn where the "sweet spot" of 2050 foundation is and where we can create the most value.

Open Source Database for the Environmental and Social Impact of Food

2050 is currently investigating how existing initiatives and databases (TruePrice, Voedingscentrum, RIVM, Eaternity, Question Mark App and many others) can be jointed into a single, free-of-charge database of all relevant food products that can be used by consumers (and application developers acting on-behalf-of consumers) to assess the impact of their consumption.

The availability and reliability of this information is a necessary move consumers towards a more sustainable consumption pattern.

Portfolio Theory for Impact Maximization

2050 is currently investigating the development of an econometric model that allows investors to maximize the social impact of their portfolio. Today, many positions regarding "impact investment" are highly political and lack scientific value.

In general, impact investment is considered to be more "effective" than grants and this provides the moral justification to high net-worth individuals and funds to withdraw from philanthropy and invest in (profitable) impact investments instead. Other scholars claim that you should invest in "evil" companies (e.g. oil) and use the proceeds to provide grants to the social causes you endorse. This state-of-affairs is likely to have a net-negative impact on society.

Through (the funding of) research, 2050 foundation tries to provide realistic guidance regarding the maximization of impact on society of an investment portfolio. The outcome of this research is expected to provide the scientific underpinning of divesting in destructive enterprise and to invest in regenerative enterprises instead.

² <https://www.amazon.com/Lean-Startup-Entrepreneurs-Continuous-Innovation/dp/0307887898>

Organization

2050 is a lean, agile organization that is ruled by the Holacracy³ system for self-organization. Among other things, this means that partners are empowered and that the organization has a very high agility.

Board

The board circle of 2050 consists of the following members:

President:	mr Martijn Kaag
Vice-President:	mrs Cora Naus
Secretary:	mr Martijn van der Kroon

The board members will be unpaid for their board activities. The board may request a board member to perform paid professional services for the activities of the Foundation.

Operations

The board will be supported by an accounting firm and a secretarial service firm. For the execution of projects, independent freelancers will be hired.

³ www.holacracy.org

Finances

In this section we discuss the financial outlook of 2050 Foundation. This section includes the budget for 2018 - 2022, the (expected) funding of the organization, comments on the expenses of the organization and the investment policy.

Budget 2018 - 2022

2050 expects to receive a grant of €100,000 for startup costs in 2018 and capital or seed donations of €7,500,000 until 2022. All seed donations will be invested in (social) enterprises and should on average provide a dividend of (on average) 2%. For 2022 and beyond, the foundation will have a yearly budget of at least €135,000 as return on its investments.

Projects will be funded in line with the principles of *effective altruism*. This movement uses reason and evidence to do the most good. Project will be selected on measurable output and the foundation will fund projects where costs per (measurable) unit of output is minimal.

Funding

Projects of 2050 Foundation will be funded by donations and by revenues on investments of 'seed donations'. 2050 Foundation will seek donations from successful entrepreneurs and other high-net worth individuals who wish to pursue a better world while still holding onto their beliefs that any durable solution is adherent to the principles of capitalism. 2050 is seeking for supporters that donate at least 1 million euro and are willing to actively participate into the foundations' activities.

2050 Foundation expects to receive 7,6 mio in donations over the course of the next five years. A considerable part of these donations will be a 'seed donation'.

Expenses

2050 Foundation will try to minimize expenses concerning its projects, but will seek suppliers / service providers that promote/underline the goals of 2050 Foundation.

Currently, 2050 Foundation incurs non-project related cost in the following categories: accounting, secretarial support, banking costs, insurances.

Investment policy

Funds that are not directly used for the goals of 2050 Foundation (i.a. as no project is directly available or the funds are 'seed capital') will be invested in a way that is coherent with the goals of 2050 Foundation. I.e., in enterprises that have a regenerative or neutral impact on the world and preferably social enterprises with a positive expected return on investment. Furthermore, 2050 will try to invest primarily in social enterprises that cannot get capital from the regular markets due to a high risk/return ratio.

Disclaimer

2050 is an agile organization and will update and adjust this business plan according to findings, possibly multiple times per year. Please request martijn@2050.foundation for the latest version of this document.

Appendix I. Projected Profit & Loss

Income	2018	2019	2020	2021	2022
Grant	€100,000.00				
Seed Donations	€1,500,000.00	€1,500,000.00	€1,500,000.00	€1,500,000.00	€1,500,000.00
Dividend 2%	€15,000.00	€45,000.00	€75,000.00	€105,000.00	€135,000.00
<i>Total</i>	<i>€1,615,000.00</i>	<i>€1,545,000.00</i>	<i>€1,575,000.00</i>	<i>€1,605,000.00</i>	<i>€1,635,000.00</i>

Costs	2017	2018	2019	2020	2021
Administrative & legal	€10,000.00	€5,000.00	€5,000.00	€5,000.00	€5,000.00
Office costs	€7,500.00	€7,500.00	€7,500.00	€7,500.00	€7,500.00
<u>Projects</u>					
Project A	€17,500.00	€17,500.00	€17,500.00	€17,500.00	€17,500.00
Project B	€17,500.00	€17,500.00	€17,500.00	€17,500.00	€17,500.00
Project C		€17,500.00	€17,500.00	€17,500.00	€17,500.00
Project D			€17,500.00	€17,500.00	€17,500.00
Project E			€17,500.00	€17,500.00	€17,500.00
Project F				€17,500.00	€17,500.00
Project G					€17,500.00
<i>Total</i>	<i>€52,500.00</i>	<i>€65,000.00</i>	<i>€100,000.00</i>	<i>€117,500.00</i>	<i>€135,000.00</i>

Financial Result **€1,562,500.00** **€1,480,000.00** **€1,475,000.00** **€1,487,500.00** **€1,500,000.00**

Social Investments

Delta	€1,500,000.00	€1,500,000.00	€1,500,000.00	€1,500,000.00	€1,500,000.00
Cumulative	€1,500,000.00	€3,000,000.00	€4,500,000.00	€6,000,000.00	€7,500,000.00

Working Capital

Delta (Cashflow)	€62,500.00	-€20,000.00	-€25,000.00	-€12,500.00	€0.00
Working Capital	€62,500.00	€42,500.00	€17,500.00	€5,000.00	€5,000.00

Estimated monetary value of impact

Projects	€35,000.00	€52,500.00	€87,500.00	€105,000.00	€122,500.00
Social return on investment	€150,000.00	€450,000.00	€750,000.00	€1,050,000.00	€1,350,000.00
	€185,000.00	€502,500.00	€837,500.00	€1,155,000.00	€1,472,500.00

Appendix II. Statutaire Doelstellingen (Nederlands)

1. Het hoofddoel van 2050 Foundation is een eerlijke wereld voor onze (klein) kinderen in het jaar 2050. Dit is een wereld waarin we niet langer misbruik maken van onze natuurlijke bronnen en waarin alle kinderen dezelfde kansen krijgen.

De volgende deeldoelstellingen maken een fundamenteel onderdeel uit van dit hoofddoel:

- 1.1. Verzeker een goede gezondheid en promoot welvaart voor alle leeftijden (Duurzame Ontwikkelingsdoel 3);
 - 1.2. Verzeker gelijke toegang tot kwaliteitsvol onderwijs en bevorder levenslang leren voor iedereen (Duurzame Ontwikkelingsdoel 4);
 - 1.3. Bereik gendergelijkheid en empowerment voor alle vrouwen en meisjes (Duurzame Ontwikkelingsdoel 5);
 - 1.4. Verzeker toegang tot betaalbare, betrouwbare, duurzame en moderne energie voor iedereen (Duurzame Ontwikkelingsdoel 7);
 - 1.5. Dring ongelijkheid in en tussen landen terug (Duurzame Ontwikkelingsdoel 10);
 - 1.6. Verzeker duurzame consumptie-, en productiepatronen (Duurzame Ontwikkelingsdoel 12);
 - 1.7. Neem dringend actie om klimaatverandering en haar impact te bestrijden (Duurzame Ontwikkelingsdoel 13);
 - 1.8. Behoud en maak duurzaam gebruik van de oceanen, de zeeën en de maritieme hulpbronnen (Duurzame Ontwikkelingsdoel 14);
 - 1.9. Bescherm, herstel en bevorder het duurzaam gebruik van ecosystemen, beheer bossen duurzaam, bestrijd woestijnvorming en landdegradatie en draai het terug en roep het verlies aan biodiversiteit een halt toe (Duurzame Ontwikkelingsdoel 15);
2. Het bevorderen en toepassen van effectief altruïsme als methode om de maximale meetbare maatschappelijke impact te realiseren met het beschikbare kapitaal