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ACKNOWLEDGEMENTS

This strategic plan for Croatan Institute represents the collective effort of the Institute’s leadership, staff, and affiliated fellows, Board of Directors, and extremely valuable feedback from numerous stakeholders and interested parties including our development consultant Gayle Nelson. We want to give particular thanks to Sarah Kelley of Common Threads Consulting for guiding the Institute through this process, to Wallace Global Fund for their generous financial support for this process, and to the Fund’s executive director, Ellen Dorsey, for her valuable advice. We also acknowledge the thoughtful input provided by 14 external stakeholder interviewees and all those who responded to our strategic planning survey. Internally, this process was shepherded by a committee comprising Sharlene Brown, Christi Electris, Josh Humphreys, and David LeZaks. Rebekah Miel from Miel Design Studio has worked closely with us on the presentation of this plan and the related relaunch of our website at croataninstitute.org.
EXECUTIVE SUMMARY

Croatan Institute is pleased to present our first Strategic Plan, covering the three-year period 2021-2023. Since our public launch seven years ago on Earth Day in 2014, the Institute has worked collaboratively with more than 100 organizations on complex problems at the intersection of finance, social equity, and ecological resilience. In the process, our interdisciplinary team of scholars, scientists, financial activists, advocates, and analysts have developed a reputation for delivering rigorous research and actionable insights, particularly in areas where we have the most highly prized expertise—in restorative finance, equity and inclusion, climate solutions, business and human rights, and resilient food systems and regenerative agriculture. By collaborating with a diverse array of partners, including environmental nonprofits, community development organizations, farmers and land stewards, impact investors, foundations, and government agencies, we have established relationships of trust with practitioners in the field and movements for social and environmental change and expanded the footprint and impact of our work.

In 2020 the challenges of the COVID-19 pandemic magnified the systemic social and environmental problems our team has tackled since our founding, and we found ourselves at an inflection point in our own organizational development. Because convening stakeholders has become such an important part of how we work collaboratively with partners, the “Great Pause” forced us to reconsider how we organize ourselves internally and communicate our work externally. Strategic planning gave us valuable space for exploring our organizational priorities amid a growing portfolio of projects and partnerships.

During this process, we took stock of our accomplishments and the lessons learned in our first seven years of development and worked to assess and articulate the Institute’s values, vision, mission, as well as develop a more unified theory of change to guide our work over the next three years. The process included a series of focus groups with staff and fellows, a public stakeholder survey, and a set of individual interviews with key external stakeholders. We also developed a concrete 24-month work plan with enhanced governance, communications, and development strategies.

Our 2021-2023 Strategic Plan includes five strategic priorities that will guide our efforts to deepen our capacity and manage our growth in a sustainable way:

- **Streamline Our Programs and Communications**
- **Fully Integrate Equity and Justice across Programs and Operations**
- **Diversify Revenue Streams and Build Development Capacity**
- **Enhance Operational Capacity**
- **Strengthen Organizational Governance**

This document provides an overview of the outcomes of this process and a foundation for the Institute’s next phase of development.
Croatan Institute is an independent, nonprofit research and action institute whose mission is to build social equity and ecological resilience by leveraging finance to create pathways to a just economy.

We envision an equitable world where finance supports flourishing communities, vibrant places, and resilient economies.

**In our work we strive to be:**
Rigorous   Interdisciplinary   Inclusive   Independent   Trusted

Our work at the nexus of finance, social equity and ecological resilience addresses the following cross-cutting themes:

- Accountability
- Business & Human Rights
- Climate Solutions
- Equity & Inclusion
- Farming & Forestry
- Food Systems
- Frameworks & Data Analytics
- Resilient Communities
EQUITY AND INCLUSION STATEMENT

To solve some of the greatest challenges facing our world today, Croatan Institute recognizes that diverse stakeholders offer distinct perspectives that must be integrated into our collective efforts to build social equity and ecological resilience.

We acknowledge that racism, xenophobia, sexism, homophobia, and other systemic forms of prejudice reinforce not only the power and privilege of America’s White majority but also the influence of post-colonial empires on emerging economies. This global understanding of the imperatives of equity and inclusion, rooted in our interdisciplinary approaches to research and problem-solving, pushes us to embrace a wide array of life journeys and perspectives. While identity may begin with what we see, we recognize that diversity is often far more complex than what public conversations about race might lead us to believe. A person’s life story is collectively shaped by their identities in complex ways. Our commitment is consequently to honor the complexities of individuals and communities while we partner to build bridges to a more just economy.

As a nonprofit research and action institute, we are on a journey to embed equity and inclusion across our organization—into our governance, operations, and partnerships. We have been fortunate to have thoughtful advisers on this journey from the outset, and we continue to create policies, practices, and platforms that reflect the need for social equity.

Since its founding, Croatan Institute has been committed to the principles of equity and inclusion in its actions.

• When the Institute publicly launched in 2014, our multi-racial founding team was advised by a Board of Advisers reflecting racial, gender, and LGBTQ+ diversity.

• In 2014 we convened an internal brain trust of fellows and advisers to explore the lack of diversity in finance. The seed planted by this group blossomed into our Racial Equity, Economics, Finance, and Sustainability (REEFS) program in 2018.

• In 2015 we released a major collaborative study on “Investing for Positive Impact on Women.”

• In 2016 we released “Investing in LGBTQ+ Equality,” a path-breaking paper, and simultaneously organized investors with more than $2 trillion in assets to oppose North Carolina’s transphobic “Bathroom Bill.”

• In 2018 we created an organizational policy to formalize our practice of embedding equity in vendor selection.

• In 2020 we created an honorarium compensation policy for speakers and interviewees from low-resource communities and organizations led by people of color.

• We’ve assembled a team of staff, affiliated fellows, and Board members that bring together a diverse range of racial, ethnic, gender, sexual, socio-economic, and immigrant identities.

Our future plans for embedding equity and justice across our work are described further in Priority 2 of this Strategic Plan.
Croatan Institute works toward change by **redirecting finance** to support social equity and ecological resilience, **making finance more accessible** for place-based practitioners and frontline communities, and **fostering what we call the “magic in the middle”** by working in unique ways between these two pathways.

**PATHWAY**  
- Redirecting Finance
- Making Finance More Accessible
- Fostering the Magic in the Middle

**CORE PROBLEM**  
- The current system of finance serves large interests and is inequitable and extractive.
- Finance exploits ecosystems and communities, particularly those with low resources and communities of color.
- Finance has hollowed out the vibrant “Middle” spaces of social and economic life.

**FOCUS OF CHANGE**  
- Influence financial decision-makers.
- Ready individuals and communities to access the tools of finance.
- Create magic in the middle by linking the audiences for above pathways.

**HOW WE CREATE CHANGE**  
- We conduct research and analysis to identify social and ecological investment opportunities.
- We disseminate our findings and frameworks through publications, webinars, and convenings.
- We work to shift capital allocation by influencing financial decision-makers.
- We start by listening to stakeholders.
- We provide technical assistance on how the investment landscape works and assist with the pre-investment work communities need to be ready to access capital.
- We connect people with resources to build resilient communities and vibrant places.
- We build trust by understanding the real needs of both worlds.
- We push finance to make regenerative & just investments for positive impact on communities.
- We leverage our networks and insights to develop replicable models to bridge this gap.
TO INCREASE OUR IMPACT IN THIS PATHWAY, OUR KEY STRATEGIES INCLUDE:

**Use our pioneering frameworks, such as Total Portfolio Activation, to assess and identify opportunities for investors in new sectors.**

**Intentionally promote the relevance of our work to targeted audience groups:**
- policymakers and regulators
- investment decision-makers and networks
- philanthropic foundations and affinity groups
- place-based practitioners and frontline communities.

**Forge deeper partnerships of trust with place-based practitioners and frontline communities by dedicating more time, energy, and resources to our partners working in place.**

**Expand and deepen our collaborative work with on-the-ground partners and communities. This includes communities of color, indigenous communities, small businesses, farmers, landowners, and other community stakeholders.**

**Intentionally communicate the intersections among our areas of work and the relevance of the work we do for different audiences.**

**Provide ample opportunities for these audience groups to connect through multi-stakeholder convenings, outreach, and initiatives.**

**Experiment with and implement recommendations that come out of our research, moving our ideas from projects to products.**

**Prepare communities to access capital that meets their needs.**

**Fill critical gaps by leveraging finance to build a more just economy.**

**Financial decision-makers shift assets from extractive to regenerative impacts.**
ORGANIZATIONAL HIGHLIGHTS

2014
- Began collaborating on biannual US SIF Sustainable Investing Trends Report

2015
- Impact of Equity Engagement framework piloted

2016
- Co-organized $2T investor statement against NC Bathroom Bill

2017
- Collaborated on 2016 Global Sustainable Investment Review

2018
- Established Fern B. Jones Memorial Fellowship

**TRANSFORMATIVE FINANCE**

2014
- Institute publicly launched on Earth Day

**SOCIAL EQUITY**

2015
- Piloted crowdfunding program for supporting rural value chains to build local wealth

2016
- Published Investing for Positive Impact on Women

**ECOLOGICAL RESILIENCE**

2015
- Toolkit released: Action on Climate: A Practical Guide for Fiduciaries

2016
- Published Divest Invest Philanthropy report Climate-Related Investment for Resilient Communities

2017
- Published Impact Investing in Sustainable Food and Agriculture across Asset Classes

2018
- Acquired Greener Change and merged into RAISER toolkit
Inaugural Croatan Forum

Institute grows to bring on 5 more employees

Initiated strategic planning process

Budget reaches nearly $1 million

2019

Published Can Green Bonds Flourish in a Complex-Finance Brownfield?

Collaborated on 2018 Global Sustainable Investment Review

Launched Croatan Conversation series

Developed GIIN IRIS+ metrics for Sustainable Agriculture

Public launch of REEFS

Hired founding REEFS program director

REEFS awarded initial grant funding

Forthcoming report on TPA for Racial Equity Investing

Published OARS pilot project findings Organic Opportunities

Published Soil Wealth: Investing in Regenerative Agriculture across Asset Classes

$2M+ project on Rural Regenerative Organic Agricultural Districts (ROADs) launched

Forthcoming report on Redirecting Finance for Farming the Future (UK)
STRATEGIC PRIORITY 1
STREAMLINE OUR PROGRAMS AND COMMUNICATIONS

BETWEEN 2014-2020, WE:

Expanded the application of the impact investing framework of TPA, pioneered by our co-founders, to critical social and environmental issues such as women’s empowerment, LGBTQ+ equality, climate solutions, and sustainable food systems and regenerative agriculture.

Developed a reputation for rigorous research, actionable analysis, and trusted advice to support strategic decision-making by practitioners in the field and movements for social and environmental change. Collaborated with more than 100 organizations, including impact investment networks and firms, foundations and philanthropic affinity groups, environmental nonprofits, rural and community development groups, and other place-based partners.

Expanded the Institute’s presence and place-based work domestically from the Northeast and South to the Midwest and West Coast and internationally to Europe, the United Kingdom, and the global South.

Launched the Organic Agriculture Revitalization Strategy (OARS) as an inclusive wealth-building strategy for revitalizing rural communities, and applied learnings from our pilot project in eastern North Carolina into expanded initiatives around the U.S. and abroad.

Released collaborative research, publications, and projects on Impact Investing in Sustainable Food and Agriculture, Organic Opportunities, Soil Wealth, and Regenerative Organic Agricultural Districts (ROADs) that have become widely recognized and cited resources.

Formalized our internal working group on racial equity and restorative finance into the REEFS program in 2018 with a diverse Steering Committee, hired a Director in 2019, and secured initial funding in 2020 to develop a racial equity investing toolkit rooted in the TPA framework.

Held our inaugural Croatan Forum in 2018 to spotlight the inclusive, cross-cutting, and collaborative nature of our projects and partnerships. In light of COVID-19, we accelerated the launch of our online series of Croatan Conversations, reaching over 1,000 viewers in our first eight conversations.

Built a broad network of approximately 5,000 newsletter subscribers and more than 38,000 social media followers across our team accounts on Twitter, Facebook, LinkedIn, and YouTube.
KEY STRATEGIES: 2021-2023

GOAL 1
Implement a three-pronged program structure on the overlapping areas of finance, social equity, and ecological resilience that are central to our vision and mission, and then communicate that structure consistently across all communications channels.

GOAL 2
Evaluate all potential projects and partnerships to ensure they align with our mission and maximize our impact according to our theory of change. Explore ways to deepen the integration of our existing projects and programs, for example, by delivering financial technical assistance collaboratively to farmers of color through REEFS and OARS.

GOAL 3
Forge even deeper partnerships of trust with place-based practitioners and frontline communities, rooted in the ethos of the environmental justice movement, by dedicating even more time, energy, and resources to our partners working in place.

GOAL 4
Amplify our impact by transforming data-driven research projects into mission-aligned products to advance the field, such as the REEFS TPA toolkit for racial equity investing and Research, Analytics, and Insights for Social and Environmental Returns (RAISER), our total portfolio data platform.

GOAL 5
Update our communications strategy to reflect these strategic planning priorities and our vision, mission, and values with specific goals for communicating to four high-priority audiences:

1. investment decision-makers and networks,
2. place-based practitioners and frontline communities,
3. philanthropic foundations and affinity groups, and
4. policymakers and regulators.

We will synthesize our work more effectively for these audiences by packaging our research into targeted summaries for each of them.

GOAL 6
Ensure that our organization’s long-standing commitment to diversity, equity, and inclusion is reflected across our updated communications strategy. This includes bringing in dedicated staff to support our communications goals and supporting our team members who are women, people of color, LGBTQ+ people, and/or early-career professionals with resources to participate more in outward-facing communications.
STRATEGIC PRIORITY 2
FULLY INTEGRATE EQUITY & JUSTICE ACROSS PROGRAMS & OPS

BETWEEN 2014-2020, WE:

Collaborated with low-resource groups and communities of color on issues around place-based economic development and financing a “Just Transition,” in areas such as Appalachia, the rural South, and in Latino farmworker communities.

Explicitly integrated community resilience, climate justice, and social impact into our Clean Portfolio Project and other projects related to fossil-fuel divestment and fossil-free investing in solutions to climate change.

Published our first thematic impact investing papers using the TPA framework on critical issues of diversity, equity, and inclusion, such as empowering women and investing in LGBTQ+ equality.

Leveraged our 2016 research on investing in LGBTQ+ equality into high-impact advocacy by co-organizing a $2 trillion international investor coalition against the transphobic “Bathroom Bill” in North Carolina in 2016, at the time the largest-ever investor coalition organized to support the LGBTQ+ community. This model of coalition building was subsequently used by partners to prevent similar legislation from passing in Texas in 2017, with an even larger coalition of investors representing $11 trillion.

Developed an internal brain trust with Black and Indigenous people of color among the Institute’s fellows and advisory board in 2014 to begin addressing the lack of racial and ethnic diversity within the sustainable business and investment communities, particularly in the aftermath of the Ferguson, Missouri, riots and the rise of the Black Lives Matter movement. This led to the establishment of our REEFS program in 2018.

Developed and implemented internal DEI policies on hiring staff, engaging contractors and vendors, and organizing events, with explicit objectives to seek a diverse array of speakers and viewpoints.

Enlarged our founding Board of Directors with an intentional focus on adding women and people of color, and designed our founding Board of Advisers with gender parity and a wide diversity of lived experiences.

Initiated internal staff dialogue and training on racial equity and implicit bias.

Created an honorarium policy for speakers and interviewees from low-resource communities and organizations led by people of color to be equitably compensated for their contributions to projects and events.
KEY STRATEGIES: 2021-2023

GOAL 1
Deepen racial equity dialogue and training among staff and fellows. Based on an assessment of our needs, identify and secure external facilitation support for ongoing racial equity training.

GOAL 2
Conduct an equity scan of all organizational policies and procedures and update our policies, procedures, and practices to reflect our strategic priorities related to equity and justice.

GOAL 3
As described in Priority 1, ensure that our organization’s long-standing commitment to diversity, equity, and inclusion is reflected across our updated communications strategy. This includes bringing in dedicated staff to support our communications goals and supporting our diverse team members who are women, people of color, LGBTQ+ people, and/or early-career professionals with resources to participate more in outward-facing communications.

GOAL 4
Integrate racial equity into projects focused on ecological resilience, particularly by working in partnership with frontline communities and farmers and entrepreneurs of color, and evaluating our project outcomes and impact through an equity lens. Continue to expand partnerships with communities and organizations on a trusted, non-extractive basis, helping place-based groups build their capacity to lead collaborative initiatives and ensuring that they have resources to support their participation in projects we coordinate.

GOAL 5
Focus on developing revenue streams that give us the flexibility to expand our equity and justice work with partners.
STRATEGIC PRIORITY 3
DIVERSIFY REVENUE STREAMS & BUILD DEVELOPMENT CAPACITY

BETWEEN 2014-2020, WE:

Increased our annual budget by 133% from approximately $300,000 to $700,000, primarily through program-service revenue.

Launched the Founders Circle Campaign in 2015 and raised over $125,000 of unrestricted, multi-year commitments.

Seeded the Fern B. Jones Memorial Fellowship in 2017, in memory of our late founding colleague, in order to support a new generation of Institute fellows working at the intersection of finance, diversity, equity, and inclusion.

Launched the Croatan Fund for Recovery and Resilience in 2018 to provide micro-loan guarantees to support place-based partners developing regional resilience in the aftermath of extreme climate events.

Developed diversified revenue streams by collaborating with a wide and growing array of partners, including:

- nonprofits, cooperatives, and community-based organizations, such as 350.org, Democracy Collaborative, Friends of the Earth, Green Rural Redevelopment Organization, New Economics Foundation, Organic Valley, Working Landscapes, and members of the Just Foods Collaborative;

- mission-aligned sustainable, impact, and community investment firms, and major investor networks such as the Global Impact Investing Network (GIIN), the Global Sustainable Investment Alliance, SOCAP, and US SIF: The Forum for Sustainable and Responsible Investment;

- philanthropic and corporate foundations such as Wallace Global Fund, Rockefeller Brothers Fund, Nathan Cummings Foundation, Patagonia, DivestInvest Philanthropy, Southern Partners Fund, The Russell Family Foundation, Thread Fund, and Tides; and

- government funders, primarily the US Department of Agriculture, both as a subcontractor to other organizations and now as the primary awardee of a Conservation Innovation Grant, mobilizing $700,000 in federal funds and more than $1 million in non-federal matching funds.
KEY STRATEGIES: 2021-2023

**GOAL 1**
Develop annual budgets through a participatory budgeting process with full staff participation and Board oversight.

**GOAL 2**
Develop more diversified revenue streams that provide us with the resources to support this Strategic Plan, the flexibility to do critical equity and justice work with low-resource and place-based partners, and the capacity to lay the groundwork for developing investable opportunities. While deepening and extending our partnerships with mission-aligned investors, foundations, major donors, nonprofits, and government agencies, we aim to transition from a program-service revenue model based primarily on tailored consulting to one rooted in mission-related products and services that generate sustainable earned income and wider impact.

**GOAL 3**
Create a sustainable investment policy for managing the Institute’s assets, with a long-term plan for developing an endowment.

**GOAL 4**
Document and implement the process for reporting and tracking the development plan to improve efficiency and readiness. Commit to an organization-wide implementation of a unified contact relationship management system by the third quarter of 2021.

**GOAL 5**
Engage new supporters by launching a three-year, major-donor fundraising campaign by the end of 2021.
STRATEGIC PRIORITY 4
ENHANCE OPERATIONAL CAPACITY

BETWEEN 2014-2020, WE:

Grew from a small founding team of three contractors based primarily in the Northeast to a geographically extended team of seven employees and four affiliated fellows with a presence in New England, New York, the upper Midwest, across the South, and abroad in Geneva, Switzerland.

Drew upon our distributed infrastructure and well-established projects to expand financially and in an operational capacity during 2020, despite the challenges associated with the COVID-19 pandemic.

Established ourselves as a nimble, entrepreneurial organization, committed to addressing critical needs in the field by working closely with partners and investing our sweat equity in initiatives before securing external funding.

Applied a collaborative, team-based approach to our administrative, human resource, compliance, communications, technology, and other operational needs since launch, rather than hire for specialized roles.

KEY STRATEGIES: 2021-2023

GOAL 1
Establish and document clear responsibilities for staff and affiliated fellows based on their specific strengths, skills and capacity. Develop job titles that reflect those responsibilities and clearly communicate staff roles externally.

GOAL 2
Create and fund specific internal positions or outsourced support based on our identification of staffing gaps in the areas of operations, programs, fundraising, marketing and communications, human resources, technology, and accounting.

GOAL 3
Attract and invest in the highest quality professional staff by offering competitive compensation and benefits. Provide our diverse team members, in particular, women, LGBTQ+ people, people of color, and early-career professionals, with training, support for travel, and ample opportunities for career growth.

GOAL 4
Examine existing technology and tools used for operations, communications, and program management to identify those that improve organizational effectiveness and efficiency.

GOAL 5
Create a leadership transition plan to move the organization from an entrepreneurial model dominated by our founders to a more clarified leadership structure with co-executive directors and other clearly developed director-level positions for programs and operations, each with clear succession plans.
STRATEGIC PRIORITY 5
STRENGTHEN ORGANIZATIONAL GOVERNANCE

BETWEEN 2014-2020, WE:

Established our founding Board of Directors, and gradually expanded its composition to include an intentionally diverse balance between external members and empowered employees.

Established diverse advisory boards to provide expert input and stakeholder perspectives for numerous initiatives led by the Institute, including OARS, REEFS, ROADs, and the Croatan Forum.

Assembled our founding Board of Advisers to reflect a diverse cross-section of stakeholders committed to the Institute’s mission and to advise the Institute on its earliest activities.

Practiced a participatory, team-based approach to the Institute’s internal management.

KEY STRATEGIES: 2021-2023

GOAL 1
Add five new external members to the Board of Directors who reflect and deepen the Institute’s commitment to equity and diversity and our growing leadership in the fields of finance, social change, and ecological resilience.

GOAL 2
Formalize the representation of employees and fellows on the Board of Directors, based in principles of cooperative, participatory governance.

GOAL 3
Develop a more explicitly democratic, participatory, and cooperative structure of nonprofit self-governance and stewardship among leadership, staff, fellows, and the Board of Directors, with committees and working groups assuming significant decision-making responsibilities.

GOAL 4
Bring our founding Board of Advisers to a close and expand our use of project-specific advisory committees, as needed. Create clear expectations for all advisory committees and ensure that advisers represent a diverse set of lived experiences and the communities that projects are designed to serve.