

September 11, 2023

Graduate School of Public Policy
The University of Tokyo

Case Study (Impact Investing Trends in Asia)

Course No. 5140723
2023A1A2

Course Syllabus

Time: Period 6 (18:45-20:30) on Mondays, unless otherwise announced
Location: Lecture Hall B on the 4th floor, International Academic Research Building
Format: In-person with the regular use of ITC-LMS for class instructions
Instructors: [Toshiro Nishizawa](#), Professor
[Kotaro Yamabe](#), Visiting Lecturer
TA: TBA
Credits: 2 credits
Language: English
Category: Practical training and **capstone**
Office: Room 1120, 11th floor, International Academic Research Building
Office hours: A one-on-one consultation can be arranged either in person or online by appointment.
Contact: tnishizawa@pp.u-tokyo.ac.jp

*Please email the instructor with questions about the course or if you want to make an appointment. To help the instructor not miss your incoming emails, **please start the subject line with course number 5140723** when you send emails.*

1. Objectives

This course will help students understand [impact investing](#) as an innovative approach to pursuing positive social and environmental outcomes that improve people's well-being while seeking financial returns.

Impact investing represents a paradigm shift in the provision of [public goods](#) by adding *impact* as the third dimension to investment considerations alongside conventional *risk* and *return* factors in finance. This shift is interpreted as internalizing unintended positive and negative outcomes considered as "[externalities](#)" into investment decisions. It can unlock the potential to enhance the capacity of economic and social systems for improving people's well-being. [Impact investing in Asia](#) has been on an increasing trend led by private impact investors (PIIs) and development finance institutions (DFIs), although still at an early stage and with limited scope.

As a practical training course with an active learning approach, students work in teams

under the instructors' guidance with their deliverables to be reviewed by and submitted to clients† as if the students run a real-world consultancy project (capstone project). The course also serves as hands-on training for professional writing. In this way, the course aims to prepare students for future professional positions engaged in the impact investing approach to addressing various public policy challenges in the public and private sectors.

† Clients to give consulting assignments and evaluate the quality of deliverables are [Asuene Inc](#), [Music Securities, Inc.](#) (MS), and [Nuveen Japan Co. Ltd.](#)

2. Schedule

The course schedule is as follows. For details, please see Attachment 1.

Day 1 Monday, October 2	Introduction, followed by the client representatives' explanation of consulting assignments
Monday, October 9	No class (Health and Sports Day, a public holiday)
Tuesday, October 10 -Monday, October 16	Registration period
Day 2 Monday, October 16	Lecture on finance basics, followed by group work and consultation
Thursday, October 19 -Monday, October 23	Registration correction period
Day 3 Monday, October 23	Lecture on the concept of impact investing, followed by group work and consultation
Day 4 Monday, October 30	Lecture on impact investing cases, followed by group work and consultation
Day 5 <i>Wednesday</i> , November 1	Lecture on impact investing cases, followed by group work and consultation
Thursday, November 2	A work plan submission deadline
Day 6 Monday, November 6	A work plan presentation in the presence of the client representatives
Day 7 Monday, November 13	Feedback, followed by group work and consultation
Day 8 Monday, November 20	Group work and consultation
Friday, November 24	A first draft consulting report and PowerPoint submission deadline
Day 9 Monday, November 27	Feedback, followed by group work and consultation
Day 10 Monday, December 4	Group work and consultation
Day 11 Monday, December 11	Group work and consultation
Tuesday, December 12	A second draft consulting report and PowerPoint submission deadline

Day 12 Monday, December 18 A second draft report presentation in the presence of the client representatives

Day 13 Monday, December 25 Feedback, followed by group work and consultation

Monday, January 15, 2024 Submission of the consulting report

3. Teaching methods

The course consists of interactive sessions with lecture, guidance, or feedback, followed by group work and consultation. Students must form teams of 3-5 members who have agreed to share one of the consulting assignments the clients provide. Students present their findings, analysis, and proposals in the presence of the clients' representatives for them to review and give feedback. The course deliverables are submitted to the clients.

4. Course requirements and grading

The course grade will be based on:

Class attendance 10%

Contribution to small-group and full-class discussions 20%

Presentations and responsiveness to the client 20%

Final deliverables 50%

5. References

[The Global Impact Investing Network](#)

[GSG-NAB Japan](#)

Part III of the following manual is a standard reference for writers with the recommended editorial style based on [The Chicago Manual of Style](#).

Turabian et al. 2018. [A Manual for Writers of Research Papers, Theses, and Dissertations](#), 9th Edition. Kindle Edition. The University of Chicago Press. US\$12.99.

6. Prerequisite

None. No need to have any prior knowledge of finance or investment. Anyone who has such knowledge is most welcome to contribute to class discussion.

7. Teaching staff and external clients' representatives

Instructors



Toshiro Nishizawa



Kotaro Yamabe

Clients' representatives

Asuene Inc



Stéfán Le Dû
General Manager, Global
Sustainability Consulting &
Business Development



Robyn Shinozaki
Sustainability Consultant

Music Securities, Inc.



Kotaro Yamabe
Director



Striratna Nityahayu

Nuveen Japan Co. Ltd



Shota Mochizuki
Senior Director



Yosuke Izumi
Senior Director



Shon Taniuchi

Client Relations, Product Management

- Attachment 1 Detailed course syllabus
- Attachment 2 Consulting assignments

September 11, 2023

Graduate School of Public Policy
The University of Tokyo
Case Study (Impact Investing Trends in Asia)
Course No. 5140723
2023A1A2
Toshiro Nishizawa and Kotaro Yamabe

Detailed Course Syllabus

Day 1: Monday, October 2 | Introduction, followed by the client representatives' explanation of consulting assignments

Part 1 The instructor gives an overview of impact investing and explains why and how to run this course.

- What is impact investing?
- Who are impact investing players?
- How has impact investing been evolving?
- Impact measurement and management
- Impact investing trends in Asia
- Washing issues
- Course objectives
- Course approach

Part 2 Clients' representatives present their company profiles and explain the consulting assignments.

► Assignments for Day 2 (Monday, October 16)

1. Read the Day 1 lecture notes.
2. Read all three consulting assignments (Attachment 2 to the Syllabus).
3. Provide your background information, your motivation for taking this course, and your tentative choice of the consulting assignment by completing a Google Forms reporting sheet titled "[Student information](#)" **by Friday, October 6**. Please note that the information you provide will be shared with other students and the clients.

All the course materials referred to in this Detailed Course Syllabus are made available on ITC-LMS.

Monday, October 9 | No class (Health and Sports Day, a public holiday)

Tuesday, October 10 to Monday, October 16 | Registration period

Day 2: Monday, October 16 | Lecture on finance basics, followed by group work and consultation

Part 1 The instructor explains the finance basics, including risk and return in financial management.

Part 2 Students are encouraged to communicate with one another to look for team members based on the student information shared among students.

Each team should have 3, 4, or 5 members. If seven students choose the same assignment, two teams (one with 3 and the other with 4) need to be formed. While the two teams can collaborate by sharing information and exchanging views, each team is required to submit a consulting report of its own. Please create your team's name (within 8 English characters).

► Assignments for Day 3 (Monday, October 23)

Read the Day 2 lecture notes.

Thursday, October 19 to Monday, October 23 | Registration correction period

Day 3: Monday, October 23 | Lecture on the concept of impact investing, followed by group work and consultation

Part 1 The instructor revisits the concept of impact investing.

Part 2 Members of each team should discuss and prepare a work plan **due November 2**, consisting of the following contents.

Contents

1. A brief description of your team's strategy to address the consulting assignments for client satisfaction
2. Your team's strength and advantage to ensure client satisfaction, including a brief description of each member's strong area and expertise and the expected contribution
3. A breakdown of tasks and team members' responsibilities with timelines
4. Available resources, such as reference materials and information sources
5. Questions for your client (**up to ten questions**)

Format

1. A4
2. Not more than three pages (about 800-1,200 words)—**the more concise the better**
3. 12-points fonts
4. Single spaced
5. In PDF
6. The file must be named with your team's name and date of submission.

Day 4: Monday, October 30 | Lecture on impact investing cases, followed by group work and consultation

Part 1 The instructor presents the empathy-driven impact investing practice by [Music](#)

[Securities, Inc.](#) focusing on its impact investment platform “[Securite](#)” and SDGs funds for institutional investors.

Part 2 Members of each team should discuss and prepare a work plan.

Day 5: Wednesday, November 1 | Group work and consultation

Members of each team should discuss and prepare a work plan.

Thursday, November 2 | A work plan submission deadline

Day 6: Monday, November 6 | A work plan presentation in the presence of the client representatives

Day 7: Monday, November 13 | Feedback, followed by group work and consultation

Part 1 The instructor gives feedback on the work plan and tips for professional writing.

Part 2 Members of each team should discuss and prepare a first draft consulting report.

Day 8: Monday, November 20 | Group work and consultation

Friday, November 24 | A first draft consulting report and PowerPoint submission deadline

Day 9: Monday, November 27 | Feedback, followed by group work and consultation

Part 1 The instructor gives feedback on the first draft consulting report.

Part 2 Members of each team should discuss and prepare a second draft consulting report.

Day 10: Monday, December 4 | Group work and consultation

Day 11: Monday, December 11 | Group work and consultation

Tuesday, December 12 | A second draft consulting report and PowerPoint submission deadline

Day 12: Monday, December 18 | A second draft report presentation in the presence of the client representatives

Day 13: Monday, December 25 | Feedback, followed by group work and consultation

Monday, January 15, 2024 | Submission of the consulting report

■

September 2023

CONSULTING ASSIGNMENT

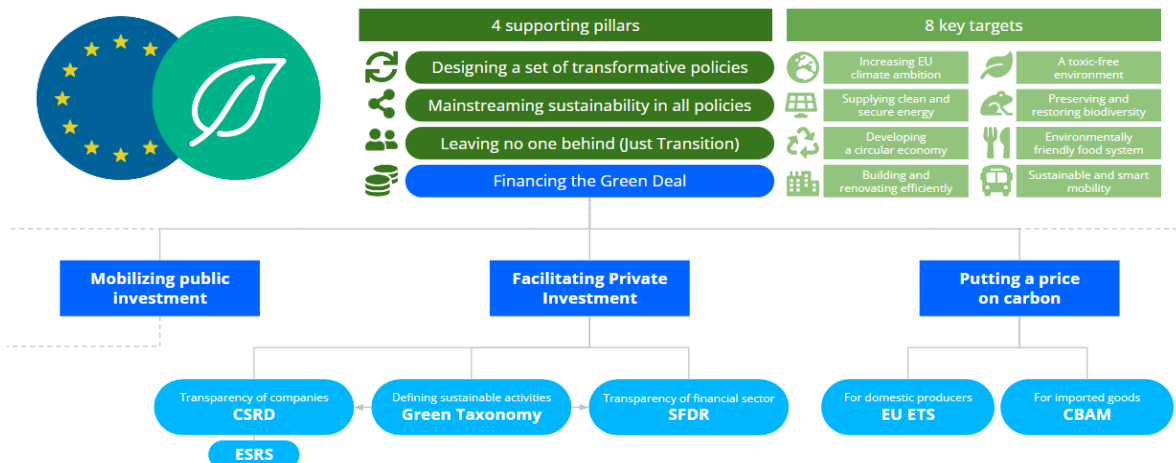
by [Asuene Inc.](#)

How do the EU's sustainability regulations impact Asian businesses and investors?

Background

As part of the European Green Deal announced in 2020, the EU is introducing in 2023/2024 a series of new regulations to support the achievement of its sustainability goals, such as the [Carbon Border Adjustment Mechanism](#) (CBAM) and the [Corporate Sustainability Reporting Directive](#) (CSRD). These regulations can have consequences for non-EU companies operating in the European market, non-EU financial institutions with assets or investment activities in the EU, and non-EU companies with EU shareholders.

The European Green Deal, to make Europe carbon neutral by 2050



© Asuene Inc. ALL RIGHTS RESERVED.



CONFIDENTIAL

[Asuene](#), a Japanese climate tech startup established in 2019, has been providing Japanese companies with cloud services to support CO2 emissions accounting, visualization, and reporting. In addition to this core service, Asuene has developed other services to support corporate decarbonization and sustainability, including consulting. As part of its consulting offering, Asuene provides education and guidance regarding international sustainability frameworks (e.g., TCFD, CDP, SBTi, ...) and regulations (e.g., EU regulations, US regulations, ...). Asuene is now expanding beyond Japan, starting with Singapore and the rest of the South-East Asia region.

Against this background, a growing number of existing and prospective clients ask questions about the impact of the new EU sustainability regulations, in particular CBAM and CSRD, on their businesses.

Consulting assignment

Asuene seeks input for preparing educational sessions (webinars/seminars) for its existing and prospective clients and in the context of consulting missions for its clients in Asia.

Notes about the scope of the assignment:

- *Topical scope. The CSRD covers the full spectrum of ESG matters, including human rights, governance, etc. Considering Asuene's core activities, the consulting team is expected to focus on the "E" part of the CSRD, especially climate change.*
- *Geographical scope. The scope of assignment can be limited to South-East Asia or cover both Japan and South-East Asia if deemed feasible by the consulting team. The region or regions covered are designated as "Target Region."*

Phase 1

- 1.1. Prepare a separate summary of the CBAM and CSRD with Asuene's non-expert clients in mind.

Phase 2

- 2.1. Summarize trade and investment trends from the Target Region towards the EU, including key figures relevant in the context of CBAM/CSRD.
- 2.2. Quantify the scope of companies from the Target Region potentially affected by the CBAM and CSRD regulations (number, distribution by sector, size, timeline, ...). Even if the Target Region is limited to South-East Asia, a basic quantification of Japanese companies potentially affected by the CBAM and CSRD will be appreciated.
- 2.3. Summarize sustainability disclosure and reporting rules or practices in the Target Region.

Phase 3

- 3.1. Perform gap analysis to identify the differences between the sustainability disclosure and reporting rules/practices in the Target Region, and the disclosure/reporting requirements resulting from CBAM and CSRD.
- 3.2. Summarize the possible consequences of the CBAM and CSRD for companies and financial actors in the Target Region, including additional reporting requirements, additional costs, additional risks, and opportunities.
- 3.3. Prepare draft suggestions for a consulting guidance to be developed by Asuene, based on the assignments above, for clients in the Target Region.

Format of the consulting report (not more than 15 pages, excluding Appendix)

Executive summary (one page)

Introduction

1. An overview of the CBAM and CSRD

2. The scope of the potential impacts of the EU regulations in the Target Region
3. Possible consequences of the EU regulations for businesses and investors in the Target Region
4. Draft suggestions in the context of Asuene's consulting mission for its clients

Appendix (for example, any supporting information for the findings and recommendations)

In line with the consulting report, please prepare a presentation (preferred format: Google Slides) that contains necessary and sufficient information, presented in a well-organized and concise manner.

Reference materials

- [A European Green Deal](#) (European Commission)
- [Finance and the Green Deal](#) (European Commission)
- [EU taxonomy for sustainable activities](#) (European Commission)
- [Carbon Border Adjustment Mechanism](#) (European Commission)
- [CSRD: Implementing and delegated acts](#) (European Commission)
- [WBCSD Implementation Guidance ISSB Standards and ESRS](#) (WBCSD)
- [EU Sustainable Finance Regulation](#) (Luxemburg Sustainable Finance Initiative)
- [Climate Reporting in ASEAN: State of Corporate Practices](#) (GRI/NUS)



September 2023

CONSULTING ASSIGNMENT

by [Music Securities, Inc.](#)

Creating social impacts through empathy-driven crowdfunding for MSMEs in Indonesia

Background

Micro, small- and medium-sized enterprises (MSMEs) play a significant role worldwide. According to the World Bank, [SMEs account for 90% of businesses and more than 50% of employment worldwide](#). However, access to finance remains a crucial constraint for MSMEs in developing economies. MSMEs have limited access to bank loans compared to large firms and tend to rely on informal funding sources, internal funds, or friend and family savings.

The financial system needs innovative and scalable solutions to help MSMEs start, continue, and expand their businesses. In this endeavor, newly available digital tools and fintech solutions should have great potential to facilitate MSMEs' access to financial services.

[Music Securities, Inc.](#) ("MS"), a Japanese fintech venture, has developed and operated a micro-investment crowdfunding platform called "Securite" for over 20 years. *Securite* is a digital platform to attract individuals' small-amount contributions based on "empathy" for business owners as equity-like financing embedded with a revenue-sharing concept, not as a donation or a loan. As of today, this platform created 980 funds totaling 11.7 billion yen to finance 631 projects mostly run by MSMEs, including those seriously damaged by natural disasters. Japan's Cabinet Office recognizes micro-investment crowdfunding as an effective tool to support MSMEs in the context of regional vitalization.

MS has been expanding its overseas operations. One of the examples is a collaboration since 2015 with [Abaco Savings and Credit Cooperative](#), headquartered in Lima, Peru, to promote alternative financing to Peruvian MSMEs through a micro-investment crowdfunding platform. In April 2023, with the financial support of [IDB Lab](#), MS and Abaco moved to the next stage to jointly establish a new company in Peru to implement a Peruvian version of *Securite*.

Drawing on the successful launch of the Peruvian version of *Securite*, MS is considering another launch of the empathy-driven micro-investment crowdfunding platform for MSMEs in Indonesia.

Consulting assignment

MS seeks input for developing a strategy to launch another empathy-driven micro-investment crowdfunding platform for MSMEs in Indonesia.

Phase 1

Assignment 1a: Provide an overview of MSMEs in Indonesia, including how they mobilize funds to start, continue, and expand their businesses.

Assignment 1b: Provide an overview of crowdfunding platforms in Indonesia with categories of platforms based on rules set by Indonesian Financial Services Authority (OJK).

Assignment 1c: Provide an overview of the government of Indonesia's policy on crowdfunding, including requirements for launching a crowdfunding platform in Indonesia.

Assignment 1d: Please identify incompatibility of MS's *Securite* from the rules set by OJK.

Phase 2

Assignment 2a: Find and summarize a few local crowdfunding platform cases in Indonesia that are considered successful in terms of financial soundness and social impacts.

Assignment 2b: Identify a few SDGs and related targets (out of 17 and 169, respectively) relevant to social impacts made by successful Indonesian crowdfunding platforms.

Phase 3

Assignment 3a: Propose how MS should adjust and deploy its *Securite* in the Indonesian context to attract individuals' contributions based on "empathy" to enable local MSMEs to mobilize funds to start, continue, and expand their businesses.

Assignment 3b: Propose a few social return indicators most aligned with [MS's mission](#) and suitable in the Indonesian context.

Format of the consulting report (not more than 15 pages, excluding Appendix)

Executive summary (one page)

Introduction

1. An overview of MSMEs in Indonesia
2. An overview of crowdfunding platforms in Indonesia
3. An overview of the government of Indonesia's policy on crowdfunding
4. Successful crowdfunding platform cases with social impacts in Indonesia
5. A proposed strategy to launch a *Securite* in Indonesia

Appendix (for example, any supporting information for the findings and proposals)

In line with the consulting report, please prepare a PowerPoint presentation that contains necessary and sufficient information in a well-organized and concise manner for the busy client representatives.

Reference materials

[Crowdfunding with Music Securities: A New Approach to Impact Investing, March 2020](#)

[Music Securities: Making an Impact through Crowdfunding](#)

[Empathy Driven Funding, April 2017](#)

[FinTech Regulation in Asia Pacific](#)

■

September 2023

CONSULTING ASSIGNMENT

by [Nuveen Japan Co., Ltd.](#)

A strategy to better serve Japanese investors' needs by impact investing in Asia

Background

Around the world, 80% of institutional investors, such as pension funds and insurance companies, see the world dramatically changing, and 59% are either actively rethinking their investment strategy or reallocating their asset holdings (“portfolio”) to a greater degree despite their inherent staying-the-course attitude as the long-term investor, according to [Nuveen’s Global Institutional Investor Survey](#) released in March 2023. The survey also says that 74% of its respondents consider geopolitics “much more influential for their portfolio strategy now than at any point in the past three decades.”

“Institutional asset owners are reframing the future and preparing their portfolios for a market regime that differs dramatically from recent decades. These efforts are being driven by monumental shifts in monetary policy, rising geopolitical uncertainty, energy transition and many other forces disrupting the investment landscape.”

Responsibly investing is another feature of institutional investors worldwide. The survey shows that 83% of the respondents consider or plan to consider climate risk in making investment decisions, and 74% focus on the environmental and societal impact of their investment decisions.

“While investors navigated dramatic shifts in market conditions in 2022, they also explored and advanced their initiatives related to climate risk and impact investing. In many cases investors sought to align these priorities through investments or engagements with companies focused on energy transition and mitigating climate risk.”

Nuveen Japan Co., Ltd. is a Japanese subsidiary of Nuveen LLC, the asset management division of the TIAA¹ in the United States, one of the world’s largest pension management institutions. Nuveen offers investors a variety of investment opportunities through a business model with multiple investment subsidiaries that demonstrate expertise in each asset class² under its umbrella. In addition to such traditional asset classes as bonds and stocks, Nuveen has an excellent long-term investment performance in alternative investments, including real estate, private capital, farmland, forests, commodities, etc., and in the field of responsible investment³.

Consulting assignments

¹ Teachers Insurance and Annuity Association of America-College Retirement Equities Fund.

² A group of financial products with similar financial characteristics, such as cash, bonds, stocks, real estate, commodities, and currencies.

³ “[Responsible investment](#) involves considering environmental, social and governance (ESG) issues when making investment decisions and influencing companies or assets (known as active ownership or stewardship).”

Nuveen Japan seeks input for its efforts to build long-term partnerships with Japanese institutional investors based on trust.

Phase 1

Assignment 1a: Assuming the global megatrends, prepare three scenarios for the Japanese economy and society over the next ten years.

Assignment 1b: Identify critical features and preferences of Japanese institutional investors' investment strategies.

Phase 2

Assignment 2a: Identify a few Asia-based impact investing projects as investment opportunities for Japanese institutional investors.

Assignment 2b: Identify a few SDGs and related targets (out of 17 and 169, respectively) relevant to Japanese institutional investors' impact investing strategies.

Phase 3

Assignment 3a: Discuss the pros and cons of the identified Asia-based impact investing projects for Japanese institutional investors' impact investing strategies.

Assignment 3b: Propose a strategy for Nuveen to better serve Japanese institutional investors' needs by impact investing in Asia.

Format of the consulting report (not more than 15 pages, excluding Appendix)

Executive summary (one page)

Introduction

1. Three scenarios for the Japanese economy and society over the next ten years
2. Critical features and preferences of Japanese institutional investors' investment strategies
3. Investment opportunities for Japanese institutional investors with Asia-based impact investing projects
4. The pros and cons of the identified Asia-based impact investing projects for Japanese institutional investors
5. A strategy for Nuveen to better serve Japanese institutional investors' needs

Appendix (for example, any supporting information for the findings and proposals)

In line with the consulting report, please prepare a PowerPoint presentation that contains necessary and sufficient information in a well-organized and concise manner for the busy client representatives.

Reference materials

[2023 Global Institutional Investor Survey—Equilibrium: Reframing the future](#)

[Impact Investing in Asia: Overcoming Barriers to Scale](#)

[Global Impact Investing Network: Case Studies](#)

■