



# **Data, Direction and Decisions:** What we know about measuring and managing impact performance



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## Executive Summary

With a growing supply of capital and a market size topping \$1.5 trillion USD in 2024, impact investing is on the rise both in popularity and capital flows.<sup>[1]</sup> While norms for financial performance have long been established and widely adopted, impact investors still grapple with the measurement and management of impact performance data. How should investors understand their impact performance? What counts as “good” impact performance? What tools exist to help them understand these complex concepts?

The world has become increasingly focused on the role that capital markets can and should play in identifying and implementing solutions to social and environmental challenges. To achieve this, actors ranging from investors to policymakers are demanding clear, credible and comparable assessments of impact. The urgency to refine impact performance measurement and management comes from multiple directions: growing interest in the role of capital and investment in addressing challenges affecting people and planet,<sup>[2]</sup> increased regulatory scrutiny<sup>[3]</sup> and the need for investors to demonstrate data-driven results that align with relevant impact targets.<sup>[4]</sup>

*Today, impact investors largely agree that impact must be measured, but the question that remains is how to do it in a way that is transparent, decision-useful and enables comparability. Such information would enable investors to manage toward outcomes, not just for intentions.*

Today, impact investors largely agree that impact must be measured, but the question that remains is how to do it in a way that enables transparent and comparable data for decision-making. Such information would enable investors to manage toward results, not just for intentions. It would also create the credibility and trust needed to bring more investors, and more capital, into the impact investing field at a time when global issues are more pressing than ever.

Drawing insights from leaders in this field, including more than 100 impact investors, researchers, service providers and standard setters, four unresolved questions emerge:

1. What impact performance data should be standardized, and what data should be customized?
2. How should data be structured and shared?
3. How can long-term outcomes be measured meaningfully within short-term investment horizons?
4. Who should pay the costs associated with measuring impact data to understand impact performance?

This report makes recommendations in response to each of these questions. Ultimately, the actions impact investing actors take to answer these questions will be critical for increasing clarity and transparency, enabling improved decision-making and increasing the rigor and credibility of the field.



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## Building IMM infrastructure, 2005-Present

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- 2005** The Freshfields Report from United Nations Environment Programme Finance Initiative (UNEP FI) provides a legal basis for the idea that impact considerations can be part of fiduciary duty, particularly if they affect long-term financial returns or risks.
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- 2006** Founding of B Lab and the B Impact Assessment demonstrates market demand for verified impact credentials and a third-party standard for verifying social and environmental performance.
- Rockefeller Foundation, Acumen and B Lab work in consultation to produce the Impact Reporting and Investment Standards (IRIS), a standardized catalogue of impact metrics for investing.
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- 2009** The Monitor Deloitte report Investing for Social & Environmental Impact helps to normalize the term “impact investing”. This term was coined a few years earlier at a Rockefeller convening that gathered cross-sector leaders to discuss the emerging practice of investing with the intention to generate positive, measurable social and environmental impact alongside a financial return. The report challenged the notion of tradeoffs between impact and financial returns.
- The recently founded Global Impact Investing Network (GIIN) — another consequence of the Rockefeller convening — recognizes the necessity of standardized impact metrics to legitimize, scale and make impact investing mainstream. It also houses IRIS, providing a universally accepted set of impact metrics that would support comparing and aggregating impact across diverse investments globally, enhancing transparency, accountability and credibility in the sector.
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- 2010** The UK government issues the Peterborough Social Impact Bond, one of the first pay-for-success models, linking outcomes-based funding to finance and compensation.
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- 2013** An MOU, signed by 25 development finance institutions (DFIs) during the International Monetary Fund/ World Bank annual meetings in Washington, D.C., establishes the Harmonized Indicators for Private Sector Operations (HIPSO), aiming to standardize impact measurement within and between DFIs.
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- 2015** The Sustainable Development Goals (SDGs) replace the Millennium Development Goals and move forward as a global framework for understanding impact across sectors.
- Acumen’s Lean Data model and field guide enable investors to scale data collection with a focus on end users, ultimately spinning out 60 Decibels — a firm that seeks to understand impact by directly listening to people affected by interventions or services seeking positive social or environmental outcomes – in 2019.
- The GIIN and Cambridge Associates release a benchmark demonstrating the competitive financial returns on impact investments
- The World Economic Forum (WEF) Accelerating Impact Measurement and Management Working Group brings together key industry players to focus on the meta-architecture of IMM, an effort which provided inputs for the Impact Management Project.
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- 2016** The Intergovernmental Panel on Climate Change (IPCC 5th) Assessment Report clarified the climate emergency and provided scientific basis for targets and regulation.

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**2017** The Impact Management Project — housed under Impact Frontiers as of 2020 — establishes global consensus on what managing for impact means, including the five dimensions of impact. It goes on to influence the development of SDG Impact Standards, IRIS+, the Impact Management Platform, and many other initiatives, tools and frameworks.

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**2018** The EU Sustainable Finance Action Plan, released by the European Commission Sustainable Finance, is the first major regulatory effort to classify and mandate impact-related disclosures.

The Operating Principles for Impact Management (OPIM) becomes the first investor facing framework requiring independent verification for managing impact performance across the full investment life cycle. It significantly contributes to the evolving global dialogue around transparency and accountability of managing and reporting on investment practices which lays the foundation of the subsequent Sustainable Finance Disclosure Regulation (SFDR).

The GIIN releases Impact Performance Studies, piloting the feasibility of normalizing and comparing impact results across investment sectors.

The GIIN evolves IRIS into IRIS+, consolidating and growing the catalog of metrics into a set of tools and guidance that translates impact intentions into measurable results.

Harvard Business School (HBS) publishes “Impact-Weighted Financial Accounts: The Missing Piece for an Impact Economy” presenting the idea of impact weighted accounts as a way for companies to measure and value the impact they have on the environment and society. The resulting Impact Weighted Accounts Project at HBS ultimately leads to the 2022 establishment of The International Foundation for Valuing Impacts (IFVI).

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**2020** The Roots of Impact report points to the emergence of Impact-Linked Compensation, another possible mechanism for measurement and accountability in impact investment.

BlackRock shareholder letter endorses sustainability and impact measurement as a part of the investment process.

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**2021** The GIIN publishes COMPASS: The Methodology for Comparing and Assessing Impact, presenting for the first time a methodology tested across several impact performance studies to assess and compare impact results. The report acknowledges that impact metrics alone are insufficient for investors to compare performance within and across sectors, but that they form the basis upon which comparative calculations may be made.

The Sustainable Finance Disclosure Regulation (SFDR) mandates disclosure of sustainability risks for EU-based investors in landmark legislation. Influenced by the Task Force on Climate-related Financial Disclosures (TCFD), which provided a foundation for climate risk reporting and helped shape global expectations for transparency in sustainability-related financial disclosures. Disclosure mandates lead to the emergence of several data houses and tools seeking to help investors understand their impact.

The International Financial Reporting Standards (IFRS) launches the International Sustainability Standards Board (ISSB), driving toward a global baseline for sustainability disclosure standards and harmonization in sustainability reporting.

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**2022** The GIIN launches a pilot impact performance benchmark in financial inclusion, developed using IRIS+ and COMPASS, enabling investors to assess and compare the impact performance of their investments in the sector against peers and global goals like the SDGs. The GIIN, through its Impact Lab, goes on to pilot four additional benchmarks in agriculture, energy, forestry and healthcare, before developing tools to compare performance across a portfolio in the Impact Target Setter and the Impact Quantifier.

The first anti-ESG legislation emerges in United States, with Republican-led states citing conflicts with fiduciary duty. Texas, Florida and West Virginia divest from BlackRock over perceived overreach.

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**2023** The U.S. Securities and Exchange Commission (SEC) investigates DWS for impact washing, highlighting the need for clearer and more transparent impact reporting and the legal consequences for inaction.

IFRS releases sustainability disclosure requirements for companies to include in financial reports by early 2024, providing investors with information about sustainability, climate-related risks and opportunities that could affect corporate prospects. These disclosures are designed to enhance corporate accounting, standardize sustainability reporting and incentivize corporate transparency.

The U.S. SEC passes the Climate Disclosure Rule, requiring large public companies to disclose material climate risks and emissions in alignment with the TCFD framework.

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**2024** Impact Frontiers pilots and launches norms for impact performance reporting, laying the foundation for a consistent approach on what private market investors report and how to report features of impact performance to stakeholders. Implementation and further consultation is scheduled to continue into 2026.

The United Kingdom's Financial Conduct Authority (FCA) finalizes its Sustainability Disclosure Requirements (SDR), aiming to prevent greenwashing by improving transparency in sustainable investing reporting, data and disclosure.

China's Ministry of Finance, in collaboration with nine other government ministries, releases the Corporate Sustainability Disclosure Standards, designed to standardize domestic sustainability measurement and reporting, align with international frameworks and incentivize corporate transparency.

The International Auditing and Assurance Standards Board (IAASB) develops the International Standard on Sustainability Assurance (ISSA) as a framework-neutral, profession-agnostic assurance standard for auditing and assuring sustainability data.

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**2025** The GIIN launches Impact Target Setter and the Impact Quantifier as tools for investors to compare impact performance across an investing portfolio or across funds. In particular, the Impact Quantifier introduces the use of a human-centric wellbeing metric – QALYs – which can be used across sectors to assess investors' contributions to improving social conditions.

BlackRock's shareholder letter does not mention sustainability or environmental commitments.

The U.S. SEC announces it will not enforce the Climate Disclosure Rule.

*Source: GIIN (2025). Note that this list is not exhaustive but illustrative of progress made by the industry to understand, and disclose impact performance, over the past two decades. For definitions of technical terms, see Appendix 2.*

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## Present challenges in IMM infrastructure

While impact investors face uncertainty on many fronts, a persistent and pressing challenge in understanding impact performance lies in the infrastructure that supports impact measurement and management. These challenges are not new – impact investors have worked for years to meet growing demand from regulators, limited partners (LPs) and the broader market for standardization and rigorous measurement.

While much progress has been made, obstacles remain — and these are exactly the kinds of issues the GIIN sought to address when it launched the Impact Lab in 2022 with support by EQT Foundation, Temasek and the Visa Foundation. <sup>[5]</sup>

Having developed many of the tools and test cases outlined in Appendix 1, we believe that the challenge has shifted: from defining impact metrics and building dynamic measurement frameworks to developing a consensus-driven infrastructure of measurement and management tools. Such tools enable apples-to-apples comparisons that allow investors to assess impact, share transparent findings and use these insights to make informed impact decisions on an ongoing basis. As a result, investors can amplify their impact and help advance trust and credibility in the field of impact investing.

To achieve this, actors across the field need to address the following open questions and opportunities:

- 1. Where can impact performance be standardized?** Impact investors must reach industry consensus on where standardization is needed — for example, around common frameworks and metrics — versus where customization may spur practitioner innovation.
- 2. How should impact performance be standardized?** Once there is an agreement around what to standardize, impact investors must then determine how to standardize. Many leading impact investors have already done important work to operationalize impact performance measurement. The next step is to break down silos at a field-wide level. Doing so may involve more conversations around data interoperability — meaning tools and systems work together to ensure that data is structured, shared, intelligible and useful for long-term decision-making.
- 3. How can we better understand long-term impact outcomes and what drives them?** While some progress has been made, further work is needed to understand the links between impact practices and impact results, as well as between investment features and impact results. Investors and research organizations can help deepen this understanding, which could enable practitioners to identify key drivers of impact performance and focus on practices that lead to realized outcomes at the end-stakeholder level.
- 4. Who should bear the cost associated with impact performance?** Collecting, standardizing and analyzing good impact data can be costly, and the cost burden continues to be a point of tension between investors, asset managers and portfolio companies. Determining who currently pays, and who should pay, requires an honest assessment of the costs of doing business, a clear view of potential funding streams and a shared understanding of the need for transparency around impact results. Investors who commit resources to good IMM practice, and transparent reporting, may distinguish themselves from those who do not.

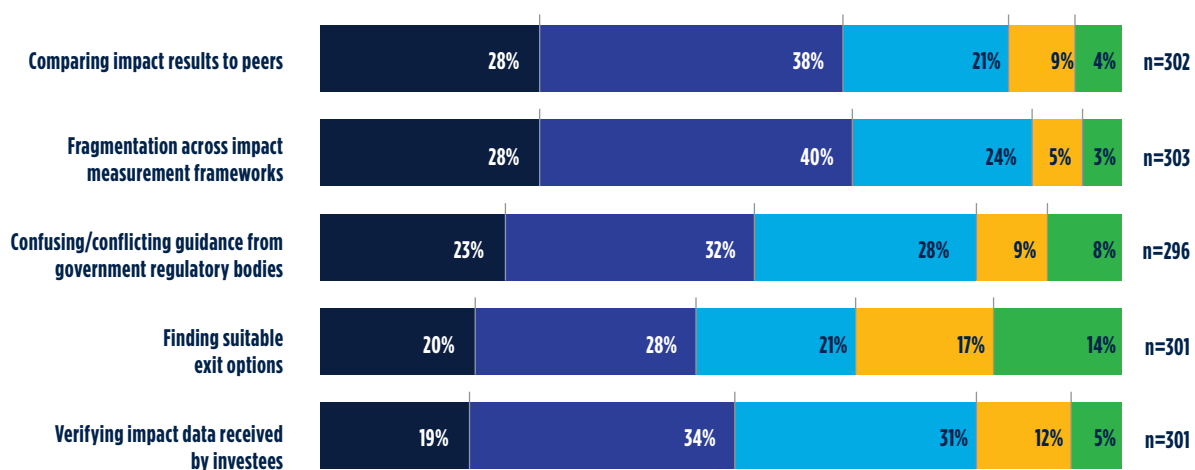
With this understanding of the past and the present, it is possible to chart a way forward. Below, we walk through each of these four questions and offer potential solutions for a range of stakeholders.

## 1. Where can impact performance be standardized?

Despite the proliferation of data collection and analytical tools, impact investors often feel hindered in understanding their impact performance.

According to the GIIN's 2024 State of the Market report, impact investors perceive the most significant challenges facing the industry today to be: fragmentation across myriad impact measurement frameworks (92% of respondents found this challenging); difficulties comparing impact results to peers (87%); and confusing regulatory guidance (83%) <sup>[6]</sup> (Figure 1).

**Figure 1. Perceived challenges in impact investing industry development, 2019-2024.**



Source: State of the Market 2024 (GIIN)

It can be difficult for investors to compare their impact performance to peers when frameworks, metrics, and underlying assumptions are unclear or inconsistent.

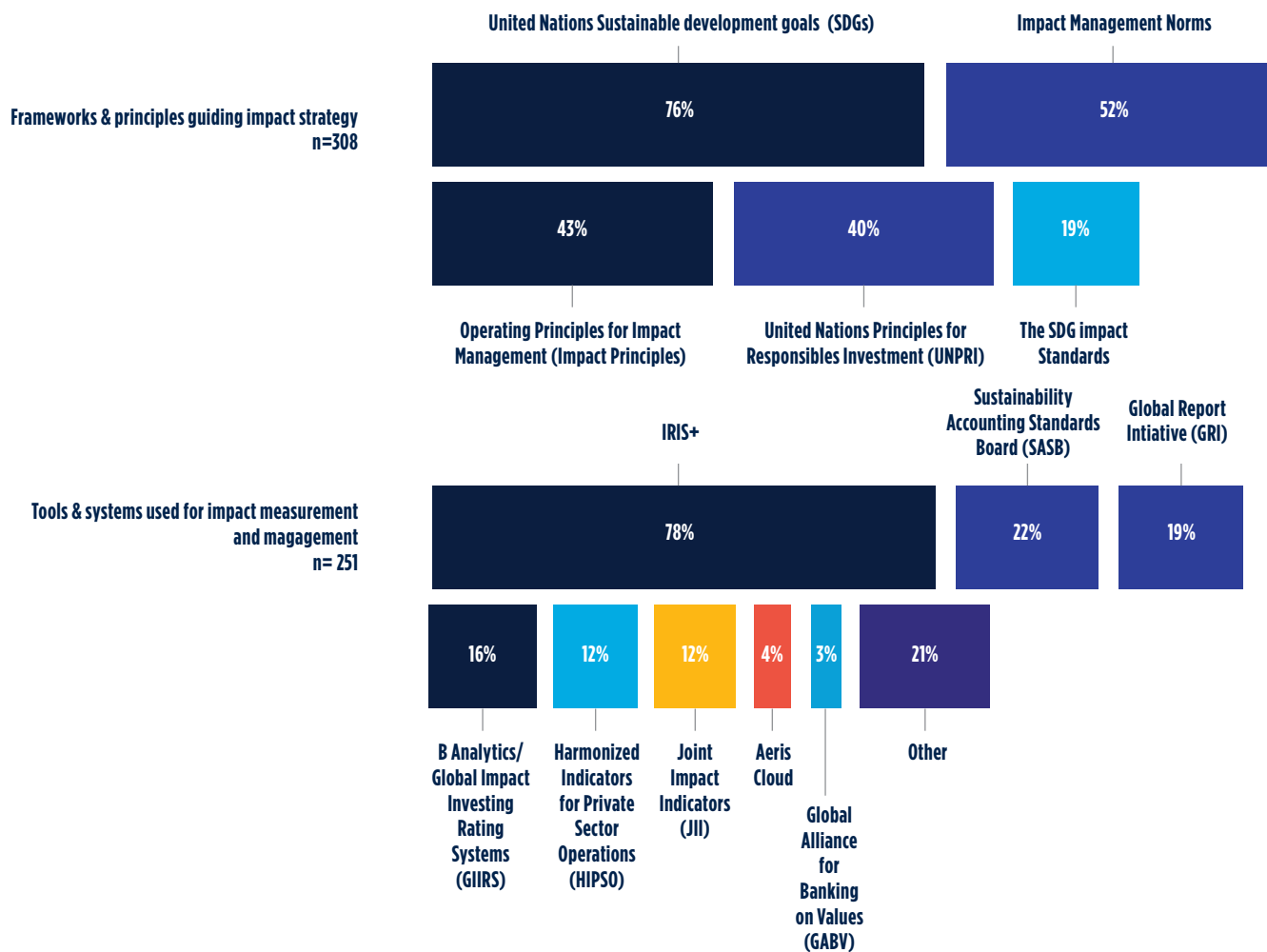
"It is common for funds investing in climate solutions to report impacts from their portfolio companies. However, challenges arise when the market attempts to interpret these numbers without key assumptions being disclosed," say Javier Luna and Natalia Costa i Coromina of Energy Impact Partners, a US-based investment firm focused on the energy transition which publishes detailed technical appendices. "Essential factors, such as the number of portfolio companies, calculation of time frames, emission factors or other key parameters used should be clearly footnoted to the impact results. Transparency is fundamental for functioning and growing markets."

According to Luna and Costa, transparency around measurement and methodology is critical to mitigate reputational risk and enable accurate understanding of reported results.

Fragmentation also contributes to existing problems with accurate comparison. While investors often appreciate the proliferation of tools, metrics and frameworks available to assess impact, this variety can make it difficult for investors to compare their impact to others who may be using different definitions and frameworks.

Although a vast majority of impact investors use IRIS+, <sup>[7]</sup> the GIIN's 2023 Impact Measurement and Management report found that respondents still relied on more than 10 different tools and systems for IMM, and more than five different frameworks to guide strategy (Figure 2).

**Figure 2. Standardized impact frameworks and principles in use by impact investors.**



Source: 2023 GIINsight: Impact Measurement & Management Practice

Part of the issue, acknowledged by many investors, is the dual need for both a standardized methodology and customized metrics or frameworks to meet their unique needs. Some investors expressed interest in detailed impact frameworks that support decision-making; others seek a few easy-to-interpret KPIs for benchmarking. This split contributes to further fragmentation in metrics, methodologies and approach.

Further complicating matters, impact investors typically benchmark only against each other, rather than against a broader set of organizations that do the same work, operate in the same sector, or have similar goals.

“While it’s true that tailored methodologies can make it difficult to accurately compare impact performance among outcomes-focused investors, an even more significant issue is that these investors are often only against one another, rather than against the broader market — where outcome data is often minimal or entirely absent,” says Mikael Homanem of the Upright Project. “This dynamic risks penalizing those doing the most rigorous outcome work, as their relative performance and efforts may go unrecognized when viewed in a narrow peer group.”

Confusing or conflicting regulatory guidance also continues to be a barrier. As the sustainable finance regulatory environment evolves with developments such as SFDR in the EU, SDR in the United Kingdom and the Climate Disclosure Rule in the United States, impact investors are often left with ambiguous guidance about what qualifies as “impact” and how best to comply.

Compliance can also be costly, and, like outcomes-driven IMM, can disproportionately burden smaller investors and those in emerging markets.

For some practitioners, regulations may not go far enough or may even have unintended effects on their practice. But even imperfect or unpredictable regulation is generally seen as inevitable in a growing field.

“It’s critical to highlight the imminent arrival of regulatory incentives,” says Carina Tai of Quadria Capital. “While the timing of adoption across practices may vary, this regulatory backdrop sets a clear baseline and signals a gradual but inevitable shift toward a more rigorous, integrated impact governance and disclosure.”

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**Mikael Homanem, Upright Project**

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## Tackling challenges, scaling solutions

- **Investors should adopt standardized impact metrics and contribute to field studies that enable the creation of rigorous benchmarks.** A first step for investors is to adopt standardized metrics, such as IRIS+, to ensure comparable and transparent impact data. As their IMM practice matures, investors can participate in industry benchmarks, such as the GIIN's Impact Performance Benchmark, which uses a standardized methodology to analyze and compare impact results. While this may require initial effort, standardization can reduce survey duplication and compliance fatigue in the long run. Investor contributions — of data, time and expertise — by firms like Lightrock and AXA Investment Managers, which have participated in multiple GIIN benchmark design working groups, and other industry initiatives, have been critical to advancing the field. These actions signal the need for greater transparency and focus on comparable, accurate impact results.
- **Investors can also reduce fragmentation** by supporting their portfolio companies in complying with emerging regional regulatory requirements, such as the SEC Climate Disclosure Rule (U.S.), SFDR and Corporate Sustainability Reporting Directive (CSRD) in the European Union, the United Kingdom's Sustainability Disclosure Requirements (SDR), and Business Responsibility and Sustainability Report (BRSR) in India. Beyond legal compliance, such efforts can drive greater industry-wide, investment-level accountability, promote transparency and align regulation with broader industry evolution.
- **Simultaneously, regulators can create space for flexibility** as cohesive standards for assessing and comparing impact emerge. Policy and regulation frameworks can be a baseline that all investors must meet, but they can also create confusion, especially if regulatory frameworks are complex and costly to implement, ultimately placing an increased burden on investors. Flexibility might mean allowing for nuanced or tiered adoption, simplifying reporting requirements, or offering transitional guidance — steps that help ensure regulations support, rather than stifle, progress.

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## 2. How should impact performance be standardized?

A common thread across today's IMM challenges is the question of data convergence.

In the context of impact investing, data convergence refers to scalable, interoperable data management approaches to acquiring and structuring impact data. Efforts like the GIIN's Impact Lab Data Convergence Working Group and [\*\*The Impact Convergence Forum for Private Equity \(ICF\)\*\*](#) the adoption of consistent impact data management practices. These practices the potential to increase the efficiency and effectiveness of IMM, benefiting both individual impact investors and the overall ecosystem.

*The role of data convergence is to create an enabling infrastructure for managing impact data across investments and portfolios. The goal of data convergence is to increase the efficiency and effectiveness of impact data management.*

Standardizing impact performance requires a consistent yet flexible approach to quantifying real-world data objects, their attributes and their relationships within a database architecture. The goal of data convergence is to enable better impact data management across portfolios, increase the efficiency and effectiveness of impact data management, enhancing communication of impact performance within and across organizations, lower IMM costs and strengthen decision-making.

It can be difficult to interpret impact data, let alone compare it and contextualize it, if everyone is speaking a different language. In the early days of IMM, investors often created their own frameworks for target setting and impact measurement. Today, several factors push towards convergence, regulation chief among them.

"Because of the Corporate Sustainability Reporting Directive (CSRD) and requirements for double materiality assessment disclosure, the demand is picking up a lot on the firm side," says Homanem of Upright Project. "CSRD is different: because it's regulation the CFO must care about it."

One way of using the same language when it comes to impact performance data is to use approaches that apply across geographies and sectors, such as quality-adjusted life years (QALYs). The GIIN's [\*\*Impact Quantifier\*\*](#), for example, allows investors to calculate the QALYs associated with portfolios in different sectors, geographies and stakeholder engagements. QALYs offer a key focal point of comparison, centered around human wellbeing.

While this tool is still relatively new, the underlying thesis is clear: operationalizing standardization requires an important level of research, rigor and consolidation on a small set of agreed-upon metrics.

*Because of CSRD and requirements for double materiality assessment disclosure, the demand is picking up a lot on the firm side.*

**Mikael Homanem, Upright Project**

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## Tackling challenges, scaling solutions

- **Investors should be clear about the methodologies, assumptions and logic underlying their published impact data.** Transparency is the first step towards alignment. Investors can be transparent about the metrics they use, how they chose them and the challenges faced in the measurement process. For example, Energy Impact Partners (EIP) publishes a technical appendix alongside their annual impact report, disclosing their assumptions in carbon measurement and accounting. Many investors, particularly GIIN members and signatories to the [\*\*Operating Principles for Impact Management\*\*](#), already publish similar data. The next step is for all investors across the field to adopt this level of disclosure, as well as acknowledging the limitations of their methodology, across their reporting.
- As investors adopt common tools and standardized metrics, **they can also play a role in shaping the broader reporting landscape.** By using existing metric sets (such as IRIS+), investors can promote transparency and comparability, supporting engagement with regulators and industry groups to align on common reporting standards and norms — such as the Impact Frontiers reporting norms. Investors can also use tools like the GIIN's [\*\*Impact Target Setter and Impact Quantifier\*\*](#) to set science-based impact targets and model impact performance using focused metrics such as QALYs.
- **Researchers and field builders can consider fit-for-purpose design.** Clear articulation of key assumptions, design decisions and intended audiences can improve tool relevance and usability. This transparency helps the field determine which tools and frameworks best serve their given purpose, which will drive efficiency in navigating, using and iterating on available resources.

For example, the United Nations Environment Programme Finance Initiative (UNEP FI) notes in their 2025 Impact Protocol how their existing principles for sustainable development can apply specifically to banks and investors. Similarly, the GIIN's benchmarks rely on sector-specific measurements and comparisons, allowing financial inclusion, healthcare, agriculture, energy and forestry investors to dive deep into the thematic areas most relevant to their theories of change.

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### 3. How can we better understand long-term impact outcomes and what drives them?

Until recently, many investors have focused mostly on gathering output-level data. As the field matures, more sophisticated tools and approaches for investors to better understand impact performance have emerged. Now, more investors are positioned to address questions of outcomes: What are the long-term effects of investments on end stakeholders? What investor practices or investment features are associated with durable impact at the end-stakeholder level?

*There's definitely short-termism in cost-thinking, as a lot of the near-term use case for impact measurement is around annual or quarterly reporting. High quality IMM is a much longer-term cycle.* **Tristan Hackett, BlueMark**

The current body of evidence provides few answers. "There's definitely short-termism in cost-thinking, as a lot of the near-term use case for impact measurement is around annual or quarterly reporting," says Tristan Hackett of BlueMark, an impact verification firm. "High quality IMM is a much longer-term cycle."

Preliminary research by the GIIN's Impact Lab attempted to address this gap using regression methodology. Drawing on 1,052 investment-level observations across three impact performance benchmarks, and controlling for confounding variables, the GIIN team looked for lines between practice and outcomes, with mixed results.

"If [this research is] further refined and widely adopted, investors may be able to move away from the assumption that good intentions, standards, and practices necessarily lead to positive outcomes," write Dean Hand and Jacob Tate of the GIIN. "Instead, they can rely on rigorous and validated methods to make high-quality predictions about the potential [longer term] impact of the capital they invest." <sup>[8]</sup>

Further complicating the picture is a common misalignment between investment holding periods and the horizon for outcomes at scale. Many societal impacts, particularly in fields such as healthcare, education and climate, unfold over generations, whereas investors typically operate within a limited holding period and it can be difficult to isolate impact in that window.

"This time bound pressure often leads investors to focus on short-term, easy to measure outputs, underinvest in rigorous long-term impact evaluations, and miss the opportunity to observe or prove the lasting delta – the true change they helped enable," says Tai of Quadria Capital. Despite the need to better understand these links between practice, performance and long-term outcomes, according to the Operating Principles for Impact Management, few Signatories explicitly disclose reviewing outcomes beyond output-level data. "Without continuous learning and improvement based on what drives impact – and what does not – investors risk perpetuating ineffective models," write Joohee Rand and Henry Vehslage of the Operating Principles for Impact Management secretariat in the Principle 8: Review and Learning publication of the Common and Emerging Practices resource series. "Without shared learning to address knowledge gaps, the impact investing field as a whole risks failing to address systemic challenges, as isolated successes ultimately do not drive outcomes at scale." Another key component of OPIM is Principle 9, which mandates that all signatories publish annual disclosure statements describing their alignment with the principles and undergo regular independent verification of this alignment. This allows for transparency, accountability and peer benchmarking.

*Without continuous learning and improvement based on what drives impact- and what does not- investors risk perpetuating ineffective models.*  
**Secretariat for the Operating Principles for Impact Management**

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## Tackling challenges, scaling solutions

- **Field builders and researchers can support and conduct research** that clarifies links between impact tools, practices and frameworks. New research can help draw stronger connections between measurement frameworks and real-world results — both short-term outputs and long-term outcomes. Tools such as CGAP's Impact Pathfinder <sup>[9]</sup> are early examples of such research within the domain of financial inclusion.
- **Investors can lead efforts to promote outcome-oriented analysis and to innovate the tools needed to support it.** A mature impact management ecosystem will also necessitate an evolution in reporting expectations. Investors can push for transparency alongside more outcome-oriented analysis. At the same time, service providers must embrace the challenge of building cost-effective and practical infrastructure, leveraging technology to demonstrate real-world impact. Examples of this include the 60 Decibels Impact Performance Benchmarks and multi-variable indices.
- **Investors can give more impact-oriented thinking to exit strategies,** including identifying exit opportunities aligned with impact goals early in the investment life cycle, negotiating post-exit tracking agreements and monitoring impact beyond exit. Third-party consultants can support monitoring and verification during the life of the investment — and where feasible — at or after exit. Understanding impact realized over the entire life of an investment, and possibly beyond, can offer valuable insights for future allocation and management decisions.
- **Impact verifiers and auditors can highlight good practices and reward transparency,** including openly sharing both successes and mistakes. For example, BlueMark's FundID helps investors have greater transparency into the data collection practices and outputs of their asset managers. <sup>[10]</sup> Similarly, GiveWell, a research and grantmaking organization, publicly chronicles its mistakes alongside successes and highlights organizations that collect good data even if their impacts are less clear. <sup>[11]</sup>

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## 4. Who should bear the cost associated with impact performance?

A major challenge facing investors is the perceived cost of IMM. Especially for investment managers, financing within margins is an issue that cuts across regulatory compliance, verification, framework adherence, data collection, analysis and publication. It adds to the cost of managing impact capital in ways that cannot easily be absorbed within a typical fee structure. This makes it particularly difficult for many funds in smaller and low- and middle-income countries (LMICs), as well as larger and well-resourced funds, to justify as they try to stay competitive with the market.

*"There is no consensus on how to pay, or even who should pay for, impact measurement," says **Sasha Dichter, CEO of 60 Decibels**. "This will not change until practice is standardized—either from regulation or a shift in expectations."*

"There is no consensus on how to pay, or even who should pay for, impact measurement," says Sasha Dichter, the CEO of 60 Decibels, an impact measurement firm, referring to projects related to IMM and impact performance. He observes that the funding for impact measurement might come from nearly anyone: most typical are investors—whether limited or general partners—through a combination of management fees, technical assistance, fund expenses or philanthropy raised by a nonprofit investor; or the companies themselves. While Dichter lauds the creativity being employed, there is no accepted approach, leading to slower-decision making, first-principles conversations, and a general lack of clarity of what constitutes good, better and best practice. "This will not change," Dichter adds, "until practice is standardized, either from regulation or a shift in expectations, and until impact measurement consistently adds value in investment and operational decision-making for both investors and companies."

The perceived cost of high-quality IMM can exacerbate the challenge of creating internal buy-in. Dichter describes a lack of communication between impact teams and investment committees, a structural barrier that can exist in many different types of organizations. "The industry isn't in a good position because the funding has slowed down and there's a lot of stress on assets," says Rema Subramanian of India-based Ankur Capital, which focuses impact investment through science and technology. "Even if you have software that's available, you have to collect the data, and you need people and resources to do that." Implied is that both data collection, and the people to do so, require financing, often in the form of significant capital investments that are often less feasible for small and emerging market players.

*"The industry isn't in a good position because the funding has slowed down and there's a lot of stress on assets," says **Rema Subramanian of Ankur Capital**. "Even if you have software that's available, you have to collect the data, and you need people and resources to do that."*

"There are just too many standards. Some of the standards require a whole impact measurement department," says Ebenezer Arthur, of Ghana-based Wangara Green Ventures. "When we had our impact metrics for our portfolio companies, I tried to map it to IRIS+, but it was real work." Ultimately, according to Arthur, in the face of the cost and work of mapping to global frameworks, some funds often have no choice but to focus on maintaining their existing, fragmented reporting structures.

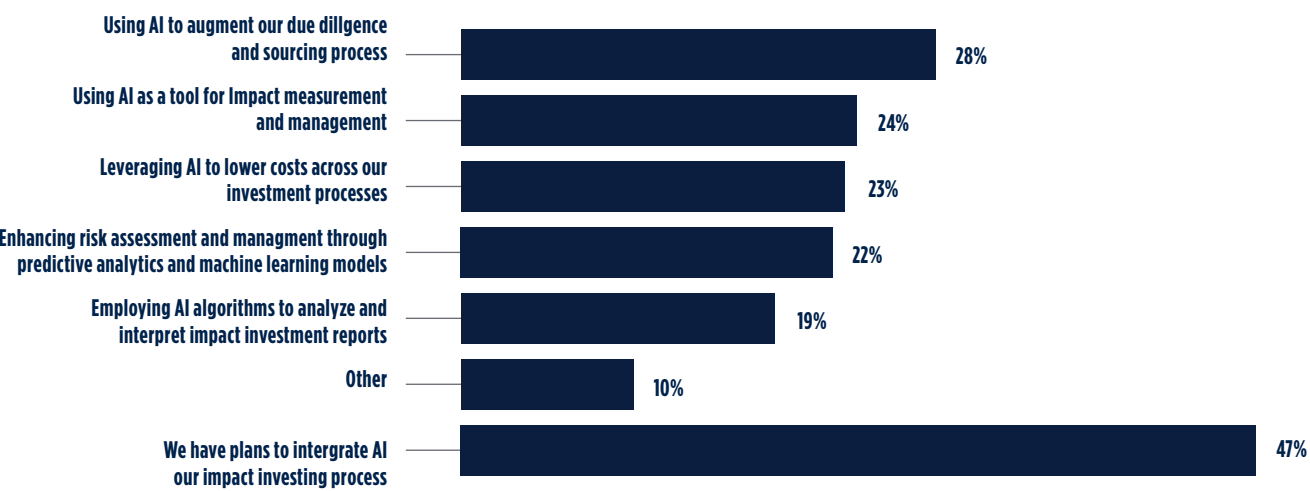
There is some hope that artificial intelligence (AI) tools could make data collection and analysis cheaper at scale.

“Advances in AI will make IMM accessible to more people,” says Jan Moellman of Leonardo, an impact measurement firm.

Despite nearly half of impact investors saying they had “no plans” to integrate AI into their investment life cycle, according to the GIIN 2024 State of the Market Report, nearly a quarter (24%) said they had plans to use AI as a tool for impact measurement and management in the coming year (Figure 3).

*“There are just too many standards. Some of the standards require a whole impact measurement department,” says **Ebenezer Arthur of Wangara Green Ventures.***

Figure 3. Expected uses of AI over the next year.



Source: State of the Impact Investing Market (2024), GIIN

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## Tackling challenges, scaling solutions

- **Researchers and field builders can map incentives across the investment value chain** to clarify the ways value and costs pass from asset allocators to asset managers to portfolio companies. This will inform a more holistic IMM cost structure that considers varied willingness to pay. There are innovative ways to do this across the value chain, including innovations in impact carry, impact-linked compensation for fund managers and building IMM into management fees. For example, the Impact Linked Compensation Project, driven by The ImPact and the Tipping Point Fund, map out ways for fund structures and compensation to drive accountability for impact. <sup>[12]</sup>
- **Investors and service providers can leverage** AI to lower costs. While AI has potential to scale IMM efficiently, it's important to maintain the end-stakeholder voice. At the same time, it is important to align on where AI will not be useful or may produce red herrings. As 60 Decibels has found in its experimentation with AI tools (see Table 1), it is possible to affordably scale data collection without losing the human voices of the ultimate beneficiaries of impact investment. <sup>[13]</sup> As software platforms such as Proof.io and Impactable bring AI tools online, it will be easier for investors to experiment with these new technologies without the high bills (see Table 1).
- **Investors can integrate financial and impact decision-making** and embed impact objectives alongside financial ones. This means close collaboration between asset owners and asset managers to align on integrated tracking, integrated reporting, verification and reporting of financial and impact performance results, and to consider more balanced cost-benefit for each dimension of return.

## Outlook for IMM infrastructure

There have been many advancements, but also much fragmentation, in the IMM field in recent years. The proliferation of tools and infrastructure to serve the growing IMM ecosystem is no doubt a net positive. However, conversations with impact investors, field builders and service providers demonstrate that specific areas of IMM require sharper, more rigorous and more consolidated approaches and actions. These areas of consensus will not happen by accident, but through active dialogue, research and experimentation amongst leaders in the field.

The task can seem daunting. But when broken down into stages of the data management life cycle, techniques, use cases and outlook become clearer. Table 1 summarizes the landscape and outlook for impact data IMM tools. The taxonomy and definitions for this table can be found in Appendix 2. The field has come a long way in a relatively short period of time thanks to the active collaboration and field building of many actors. Now is the time to build on that progress – strengthening rigor, enhancing transparency and advancing the field further.

**Table 1. Landscape of impact data measurement management and tools.**

### Landscape of impact data measurement and management tools

|            | Current uses                                                                                                                                                                                                                                                                      | Challenges                                                                                                                                                                                                                                                                                                                                         | Outlook                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | In practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Collection | <p>Data collection is important for understanding baseline conditions before an investment or invention and for tracking progress over time.</p> <p>It forms the foundation for modeling, comparison, analysis, benchmarking and ultimately understanding impact performance.</p> | <p>Despite progress, disagreement remains about which metrics to measure.<sup>[6]</sup> Collection can be time intensive, burdensome and costly.</p> <p>Manual entry leaves room for human error.</p> <p>Fragmentation leads to mix-and-match platform use, while a lack of interoperability makes it hard to standardize metrics and methods.</p> | <p>To be relevant, effective, accessible and impactful, data collection tools for IMM will need to balance conflicting industry demands for standardization and customization.</p> <p>AI data collection offers a high potential for quicker, cheaper and more efficient collection, but has a steep learning curve. There are also real risks associated with training models, collecting the right information, and creating buy-in for their use.<sup>[6]</sup> These include accuracy, implementation and stakeholder skepticism.</p> <p>It is important to make sure AI approaches also include or are complemented with the voice of end stakeholders.</p> <p>The GIIN's Impact Lab Data Convergence Working Group and The Impact Convergence Forum for Private Equity (ICF) are driving progress on data interoperability.</p> | <p><b>60 Decibels</b> offers scalable, stakeholder-centric feedback collection tools to directly capture beneficiary voice. They do so at scale using voice-based surveys and AI tools to collect user-centered data and indices.</p> <p><b>Proof.io</b> uses AI to help investors automate data collection, due diligence and impact performance tracking. Like 60 Decibels, tools like Proof.io take the burden of data collection off of portfolio companies by automating key pieces of the data collection process and help investors with compliance standards such as SFDR.</p> |

## Landscape of impact data measurement and management tools

### Modeling

| Current uses                                                                                                                                                                                                                                                                                                                                        | Challenges                                                                                                                                                                                                                                                                  | Outlook                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | In practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Modeling supports understanding past impact performance, decisions around current performance and predictions about future impact, including models based on business plans or total addressable market (TAM).</p> <p>Models help test assumptions, plan for different outcomes and serve as helpful heuristics for complex decision-making.</p> | <p>Impact modeling is often more rudimentary than financial modeling.</p> <p>It can be difficult to compare models when they are not based on standardized and interoperable data.</p> <p>Variability in assumptions and collection methods limits model comparability.</p> | <p>Frameworks such as the Impact Management Norms at Impact Frontiers, companies such as Net Purpose and tools such as the GIIN's Impact Quantifier have made great strides toward standardization in modeling.</p> <p>To be relevant, effective and clear, modeling tools must align with industry standards that encourage comparison, while still enabling advanced impact investors to customize certain elements without compromising standardization.</p> <p>They must allow for toggling and sensitivity testing so investors can scenario plan, and to do so, will likely increasingly need to rely on third-party datasets, such as climate data and its associated assumptions. A good model will help investors make comparisons and, later, benchmark current impact.</p> | <p><b>Novata</b> provides a platform that integrates sustainability and impact data into broader investment analysis, enabling investors to model how various metrics relate to financial and non-financial outcomes. Novata helps investors structure and compare impact-related inputs—like carbon intensity or employee wellbeing—across portfolios and against peers.</p> <p><b>Impact Quantifier:</b> The GIIN's Impact Quantifier helps investors to compare the social impact of funds or specific investments using QALYs. Doing so enables ex ante modeling.</p> |

## Landscape of impact data measurement and management tools

### Comparison

| Current uses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Challenges                                                                                                                                                                                                                                                                                                                                                                                                        | Outlook                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | In practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Comparison is useful for due diligence, target setting and understanding impact performance, particularly when comparing impact performance to peers, the market, science-based targets, or the SDGs.</p> <p>However, this remains an underutilized practice, especially in private markets, due to the privacy of investment data and challenges of lack of standardization, as noted above.</p> <p>Most impact investors agree that they would like to be able to make better informed comparisons. This is particularly relevant to asset managers when selecting investors, and investors when selecting portfolio companies.</p> | <p>Comparison remains difficult, particularly for investors operating in vastly different asset classes, geographies and sectors.<sup>[6]</sup></p> <p>It is especially difficult to compare impact results when metrics and methodologies are not standardized, and when models do not rely on the same assumptions. Each of these challenges reinforces the others, making comparison particularly complex.</p> | <p>To be useful, clear and effective, comparison tools must use a common language. This means relying primarily on standardized approaches, such as benchmarking tools or common frameworks, with little room for customization and applying industry standards to enable such comparison.</p> <p>This also involves identifying what exactly is useful to compare.</p> <p>If done well, there is potential for comparison tools to generate a flywheel of demand and drive a race to the top in impact performance.</p> | <p><b>Upright Project</b> uses a transparent methodology to compare impact across companies, sectors and strategies. Using a product- and service-based impact model grounded in open-access data and academic research, Upright quantifies the net impact of companies across multiple dimensions, including health, environment, society and knowledge, as well as other sustainability categories such as those required by CSRD.</p> <p><b>American Cancer Society/Bright-Edge</b> originally built its Cancer Impact Investment Framework (CIIF) for internal use but is now working with Impact Frontiers and others to align it to standardized approaches to enable comparison across the healthcare investing ecosystem. This approach leverages their internal work while enabling impact comparison more broadly.</p> |

## Landscape of impact data measurement and management tools

### Benchmarking

| Current uses                                                                                                                                                                                                                                                                  | Challenges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Outlook                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | In practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Benchmarking is well-established in finance, but is still relatively new for .</p> <p>Some impact investors use benchmarking to understand their impact relative to global science-based targets and publish these numbers in impact reports to draw in new investors.</p> | <p>It is difficult to benchmark impact results when there is no accepted standard.</p> <p>Impact investors often express not knowing what the “accepted” or “standard” benchmark is. As a result, many set standards themselves, at times setting the bar too low. In other cases, these targets may get tangled with the ultimate intentionality.</p> <p>Benchmarking is difficult to do without comparison, which is difficult to do without modeling and a base of standardized data.</p> <p>These endeavors are, in turn, difficult to carry out without a shared understanding of what to measure and a focus on making the necessary impact data both accessible and affordable.</p> | <p>To be impactful and useful to investors, impact benchmarks must anchor on relevant standards such as peer groups, market results and the SDGs.</p> <p>This is easier said than done, as peer groups and markets are often difficult to understand given difficulties in data comparison and modeling, and SDGs mapping is not always straightforward.</p> <p>Further, with the SDGs currently set to expire in 2030, questions remain about what global targets will look like beyond that point. While a new framework might emerge, building on the foundations of the SDGs, this transition could bring new complexities for benchmarking.</p> <p>Impact benchmarking is not a legal requirement in most contexts. Therefore, without regulatory requirements or a culture of benchmarking on a standard set of metrics, it is difficult for investors to motivate themselves to benchmark or encourage others to do so.</p> | <p><b>The GIIN</b> has led the development of one of the most comprehensive efforts to benchmark impact performance across key sectors, including agriculture, energy, financial inclusion, forestry and healthcare. These benchmarks allow investors to understand how their impact compares to anonymized peer data, grounded in standardized methodologies and structured investor contributions.</p> <p>Many impact investors are unsure what “good” looks like without a clear standard. The GIIN’s approach addresses this gap by combining rigorous data collection with sector-specific context</p> |

## Landscape of impact data measurement and management tools

### Governance

| Current uses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Challenges                                                                                                                                                                                                                                                                                                                                                                                                                              | Outlook                                                                                                                                                                                                                                                                                                                                | In practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>Data governance in impact investing is still new. As such, organizations are still learning to secure their data, disseminate it appropriately, and share it in ways that balance privacy and security with transparency.</p> <p>Many impact investors today are thinking, for the first time, about how to build data governance consortiums and what it means to share data.</p> <p>This is ultimately a joint responsibility between asset managers, investors a. This is uncharted territory for the industry, making such issues difficult to manage.</p> | <p>Data disclosure and regulatory pressures both push towards more disclosure but also limit what impact investors can do in terms of privacy</p> <p>Confusing and conflicting regulatory guidance continues to be a major challenge facing impact investors.<sup>[6]</sup></p> <p>Data governance and sharing is also still developing, and there is a reluctance to give up a competitive advantage in the name of collaboration.</p> | <p>Governance must evolve in a proactive and accountable manner, not just in response to regulation.</p> <p>Asset allocators can drive greater accountability by asking of their managers to report against emerging reporting norms.</p> <p>Standard-setting around terminology can help improve data transparency and usability.</p> | <p><b>The TIIP SAIL framework</b> helps investors take a governance-oriented approach to systemic risks, encouraging them to define long-term impact objectives, assign oversight and adapt strategies over time. This contributes to a more proactive, portfolio-wide approach to managing sustainability outcomes.</p> <p><b>Impact Frontiers' Reporting Norms</b> provides a guidance framework for private market asset managers to know what and how to report to their asset owners, thus allowing for greater consistency and accountability.</p> <p>Both of these initiatives, and others like them, strengthen impact governance by helping investors articulate goals and build stronger reporting for transparency and accountability.</p> |

## Landscape of impact data measurement and management tools

### Verification

| Current uses                                                                                                                                                                                                                                                                                                                                                                                            | Challenges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Outlook                                                                                                                                                                                                                                                                                                                                           | In practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p>Impact investors increasingly seek third-party verification in order to comply with regulatory and investor demands.</p> <p>Verification lets investors know whether their investments are being handled in line with their values and industry best practices.</p> <p>Impact investing audit and assurance is increasingly becoming professionalized, similar to financial audit and assurance.</p> | <p>Verifying impact results can be challenging, particularly when portfolio companies are reporting on non-uniform sets of metrics and data collection practices.</p> <p>Verification in data collection practices can be particularly difficult in emerging market contexts, in that the costs of verification are quite high. Verifying results can be even harder.</p> <p>Depending on the jurisdiction, there may be low demand for verification, given the well-known challenges, costs and lack of regulatory requirement to do so.</p> | <p>For verification to be effective and useful for impact investors, it will need to occur at a reasonable price point and will need add significant value to their operation.</p> <p>Investors and other stakeholders will also need to explore creative funding models, especially if verification becomes a legal, or social, requirement.</p> | <p><b>BlueMark</b> is an example of a provider of third-party verification services tailored specifically to impact investors, helping to bring rigor, consistency and credibility to the space. BlueMark verifies the alignment of investors' practices with industry standards — such as the Operating Principles for Impact Management.</p> <p>As impact investing moves toward greater accountability, impact verifiers like BlueMark offer peace of mind to asset managers and investors alike, especially when investors do not have direct access to end beneficiaries. The opportunity lies in moving beyond verifying practice and toward verification or auditing of impact performance results.</p> <p><b>B Lab</b> creates standards that define social, environmental and governance best practices for businesses. B Lab offers the B Corp certification to companies that have had their impact performance verified and have legally committed to stakeholder governance.</p> |

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## Conclusion

The industry faces a self-perpetuating challenge: without clarity on impact performance, organizations hesitate to invest in the necessary resources. Yet without those resources, it remains difficult to understand progress and assess whether impact is truly being achieved.

As regulatory frameworks, consumer preferences and societal pressures evolve, businesses and investors are increasingly expected to offer products and services that go further in collecting, interpreting and acting on impact performance data. This will be required to bolster investments to build strong communities, protect our environment and ensure a sustainable future for all. Investments centered on impact outcomes must become a meaningful proportion of all investments and a fundamental factor in determining long-term value in capital markets.

To that end, the GIIN calls on readers of this report to:

- **Commit to greater rigor in impact performance and invest in the cost of doing so.** Demand clear, decision-useful impact data and invest in the infrastructure needed to embed impact performance alongside financial results in investment decisions. While there are disproportionally higher costs associated with collecting, analyzing and reporting on impact results relative to decision-useful financial data, a strategic commitment by a significant proportion of impact investors will, over time, drive the economies of scale for all. Investors that lead on implementing required data infrastructure may also gain a competitive edge in the field. Above all, such a cohesive commitment signals how seriously impact investors take their role in contributing to real-world outcomes.
- **Center and prioritize data interoperability.** By aligning interoperability standards, investors can access rigorous benchmarks to assess performance against similar investments and help understand what is — and isn't — working. Expanding pilot initiatives in the field (such as the GIIN's Impact Lab Data Convergence working group and The Impact Convergence Forum for Private Equity) will propel the field forward, drive down costs and encourage others to push the boundaries of what is possible when meaningful impact performance data is readily available. To build more complete and useful benchmarks, investors are encouraged to contribute the data they have to these collective efforts.
- **Continue building the next generation of tools that make impact data easier and cheaper to collect, model, compare and benchmark.** Focus on solutions that balance customization with standardization, and that lower the barrier to entry for smaller funds and emerging market actors. Additionally, don't lose sight of the end stakeholders. Tools must not only serve investors but also reflect and incorporate the voices of the people and communities impacted.
- **Push the boundaries of what is possible in impact performance.** Develop, test and share new methodologies that clarify what good impact performance looks like across sectors, asset classes and stakeholder groups, and support uptake by translating theory into practice. Be transparent about what works, and what doesn't, so that others can learn and build from it. This can, and should, go hand-in-hand with emerging regulatory guidance and concurrent engagement with regulators, policymakers and standard-setters.

Looking ahead, the actors across the field must work together to refine and improve how to integrate impact management into investment decision-making — not as a tradeoff, but as an essential component of long-term value. By doing so, we can collectively build a growing and resilient ecosystem where impact performance is not just a side consideration but an integral element of portfolio construction and realized value for all. <sup>[14]</sup>

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## Appendix 1: Methodology

The GIIN's analytical capability, access to comprehensive investor data and IMM expertise offered a strong base from which it began developing the analytical tools to test solutions to challenges facing the field. This work started with the question of the feasibility of impact comparison across prior performance, peer groups and global targets. At the time, demand for such comparison was clear — but it remained uncertain whether it was truly feasible and whether the market would participate at scale.

Today, the GIIN's Impact Lab has developed prototype analytical products — including five impact performance benchmarks, and two fund-level impact performance tools — using investors' impact data and tailored to meet their utility needs, so these tools directly suit the inputs needed to manage impact portfolios toward their intended impact outcomes.<sup>[15]</sup> These tools are grounded in insights from 104 investors who contributed data covering 5,699 annualized investments across sectors such as financial inclusion, agriculture, energy, healthcare and forestry. We also incorporated lessons from developing fund-level tools, shaped through collaboration with 94 organizations that provided advice and input throughout the process.

Having completed many of the tools and test cases the Impact Lab set out to address, we wanted to understand: What progress has the field made on answering questions of good performance, either as a result of our Impact Lab efforts or the work of our peers? What gaps still exist, and where is the field moving in terms of addressing outstanding challenges? To inform this analysis, we conducted seven interviews and five focus groups with a total of 27 participants, building on the extensive data and input gathered through our earlier work (Table Y). We share these reflections hoping to spur a new wave of innovation toward good, data-driven impact outcomes — and progress toward the technical tools needed to get there.

In parallel, we analyzed user engagement and investor participation across GIIN's five thematic impact benchmarks — agriculture, energy, financial inclusion, forestry and healthcare — launched between 2022 and 2025. Collectively, these benchmarks engaged over 800 unique users and captured investment data from more than 100 investors (Table X), representing thousands of impact investments globally. These dual inputs — qualitative stakeholder insights and quantitative benchmark engagement — serve as the foundation for the findings and forward-looking recommendations presented in this paper.

**Table 1. All time benchmark statistics.**

| Benchmark           | Date of launch | # of investors contributing data in the benchmark | # annualized investments | # unique investments |
|---------------------|----------------|---------------------------------------------------|--------------------------|----------------------|
| Agriculture         | March 2023     | 27                                                | 1,531                    | 619                  |
| Energy              | November 2023  | 19                                                | 216                      | 112                  |
| Financial Inclusion | March 2022     | 27                                                | 3,536                    | 1,476                |
| Forestry            | December 2024  | 13                                                | 138                      | 72                   |
| Healthcare          | January 2025   | 17                                                | 258                      | 134                  |

**Table 2. Contributors to interviews and focus groups.**

|                          |                      |                 |                        |
|--------------------------|----------------------|-----------------|------------------------|
| BasisPoint+              | Ankur Capital        | DFC             | Upright                |
| IFVI                     | BlueMark             | Impact Assets   | Proof.io               |
| Developing World Markets | Leonardo Impact GmbH | Quadria Capital | Novata                 |
| Energy Impact Partners   | 60 Decibels          | GAWA Capital    | Wangara Green Ventures |
| Lightrock                | Impactable           | Vox Capital     |                        |

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## Appendix 2: Definitions

### General

**Impact investments:** Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return, specifically using that investment capital plus engagement or investment terms to positively influence targeted impact results.

**GIIN's Impact Lab:** A research and development platform that designs innovative tools, benchmarks and methods to improve how investors measure, manage and compare impact performance across sectors.

**Social impact bonds:** A type of outcome-based financing where private investors provide upfront capital for social services, with repayments (often by a government or philanthropic entity) made only if agreed-upon social outcomes are achieved. These aim to shift risk away from public entities and incentivize more effective service delivery.

**Green bonds:** Fixed-income financial instruments that raise capital exclusively for projects with positive environmental or climate benefits. Issuers commit to transparency through use-of-proceeds disclosures and often post-issuance impact reporting.

**Outcome-based financing:** A results-driven funding approach where payments are contingent upon the achievement of specific, measurable outcomes. This model shifts the focus from traditional input-based funding to one that emphasizes verified results, thereby aligning incentives among funders, service providers and beneficiaries.

### Asset classes

**Deposits & cash equivalents:** Cash management strategies that incorporate intent toward positive impact.

**Private debt:** Bonds or loans placed with a select group of investors rather than broadly syndicated.

**Publicly traded debt:** Publicly traded bonds or loans.

**Equity-like debt:** An instrument between debt and equity, such as mezzanine capital or deeply subordinated debt. Often a debt instrument with potential profit participation, such as convertible debt, warrant, royalty or debt with equity kicker.

**Private equity:** A private investment into a company or fund in the form of an equity stake (not publicly traded stock).

**Public equity:** Publicly traded stocks or shares, also described as listed equities.

**Real assets:** An investment of physical or tangible assets, as opposed to financial capital such as real estate or commodities.

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## Data terminology

**Collection:** Data collection is the process of collecting quantitative and qualitative data using a variety of methods.

**Modeling:** Data modeling is the process of drawing insights from collected data, displaying and forecasting results and sensitivity-testing outcomes based on different inputs.

**Comparison:** Data comparison is the practice of setting models and other data collection results side-by-side for the purpose of understanding similarities and differences between them.

**Benchmarking:** Benchmarking is the process of understanding impact results in context and relative to a performance threshold to determine if the result is “good.” Comparative thresholds may be based on peers, the market, or global targets such as the SDGs.

**Governance:** Governance refers to the policies that govern data storage, terms of use and dissemination, either through file sharing or in aggregate.

**Verification:** Verification, or audit and assurance, is a certified evaluation preferably conducted independently, to ensure the adherence to a standard set of impact management practices (for example, the Operating Principles of Impact Management) or to standardized metrics (for example, IRIS+).

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## Appendix 3: Organizations and tools mentioned

### Organizations

**60 Decibels** offers end beneficiaries' perspectives through in-depth client studies and produce reports and benchmarks presenting the experiences and beneficiaries.

**Ankur Capital** is an early-stage venture capital firm investing in digital and deep science technology companies building breakthroughs for a better world.

**American Cancer Society/BrightEdge** is the Philanthropic Impact Fund of the American Cancer Society aimed at investing in companies that accelerate the ACS mission to fight cancer. BrightEdge operates at the intersection of investment and innovation to define and catalyze scientific, social and sustainable impact across the continuum of cancer care.

**Blue Like an Orange** is a predominantly mezzanine debt investor seeking to invest in opportunities in a diversified set of emerging market companies that deliver both strong risk adjusted returns and social impact aligned with the Sustainable Development Goals (SDGs).

**BlueMark** is a leading provider of independent verification services for impact investing practices. It plays a key role in strengthening trust and accountability in the impact investing market by assessing investors' alignment with standards like the Operating Principles for Impact Management.

**B Lab** creates standards that define social, environmental and governance best practices for businesses. B Lab offers the B Corp certification to companies that have had their impact performance verified and have legally committed to stakeholder governance.

**Consultative Group to Assist the Poor (CGAP)** is a global partnership housed at the World Bank that advances financial inclusion, particularly for underserved populations. It has pioneered research and practical frameworks, such as its Customer Outcomes Framework, to guide impact-oriented financial services.

**EQT** is a global investment organization with a strong ESG and impact focus, particularly through its EQT Future fund, which targets investments aligned with the UN SDGs. The firm is a signatory to the Operating Principles for Impact Management and emphasizes measurable, long-term impact.

**Energy Impact Partners** is a global investment platform focused on the transition to a net-zero economy. With backing from strategic utility partners, Energy Impact Partners has become a leading investor in clean energy and climate tech, aligning financial returns with measurable environmental impact.

**International Financial Reporting Standards (IFRS)** are accounting standards issued by the International Accounting Standards Board (IASB) standardizing financial performance and position, such that financial statements of investors may be understandable and comparable across international boundaries.

**Institute for the Future of Investing (IFVI)** is an applied research and innovation center that aims to advance the practice of investing for impact. It explores standards, policy innovations and capital strategies to align markets more effectively with long-term societal outcomes.

**The ImPact** is global membership community of families committed to aligning their assets with their values.

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**The Impact Convergence Forum for Private Equity** is a collaborative conversation group of firms with private equity impact strategies seeking to encourage convergence in impact measurement and management practices among investors and asset managers, ensuring high-integrity practice while enabling better decision-making.

**Impact Frontiers** is a learning and market-building collaboration for investors seeking to manage their social and environmental impacts and incorporate impact into investment decision-making. They provide resources, space for community discussions and a cohort model.

**The Investment Integration Project – Systems-level Analysis of Impact and Leverage (TIIP SAIL)** provides investors with a framework to evaluate and influence systems-level change. It helps institutional investors incorporate systemic risks and opportunities into their impact strategies, with a focus on long-term outcomes.

**Leonardo Impact** creates science-based solutions that streamline impact data collection and verification.

**Novata** is a public benefit corporation that provides ESG and impact data infrastructure for private markets. Backed by key players like the Ford Foundation and Hamilton Lane, Novata equips private equity firms and portfolio companies with tools to collect, benchmark and manage impact data.

**Proof.io** is a platform that uses blockchain and data science to help organizations verify and report their social and environmental impact claims with greater transparency and trust. It is positioned at the intersection of technology and impact accountability.

**Temasek** is a major player in sustainable and impact investing, with initiatives like GenZero (a decarbonization-focused investment platform) and ABC World Asia, which funds impact-oriented businesses in Asia aligned with the SDGs.

**Tipping Point Fund** is a donor collaborative aimed at building the infrastructure of the impact investing field. It supports field-building efforts like research, policy advocacy and the development of public goods that enable more effective capital deployment.

**The United Nations Environmental Programme Finance Initiative** brings together a large network of banks, insurers and investors to catalyze action across the financial system to deliver more sustainable global economies.

**The Upright Project** builds a quantifiable net impact model that helps investors and companies evaluate the overall impact of businesses across dimensions such as health, environment, society and knowledge. It offers a science-based and data-driven alternative to traditional ESG ratings.

**Visa Foundation** supports inclusive economies, particularly for women-led small and micro businesses. It has also invested in financial inclusion and fintech solutions through partnerships and targeted funds.

**Wangara Green Ventures** is a climate-focused impact investment asset manager in Ghana, West Africa that seeks to promote Ghana's economic development, job creation and industrial competitiveness through support for clean technology businesses and industries. Through the provision of financing and non-financial services, Wangara Green Ventures will support local entrepreneurs that develop innovative technologies and business models in these priority sectors.

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## Tools and frameworks

**60 Decibels piloted an AI tool** named “Beto” to enhance survey efficiency, achieving a 75% reduction in project timelines while maintaining data quality. This experiment demonstrates the potential of AI in streamlining impact measurement processes.

**Impact Linked Compensation Project** explores aligning fund manager compensation with impact performance goals, aiming to better integrate impact outcomes into incentive structures. It provides frameworks and design options for implementing impact-linked compensation models.

**CGAP’s Impact Pathfinder** provides evidence-based insights on the impact of financial inclusion and the role of financial services in driving development outcomes. It aims to uncover influencing factors and identify research gaps using AI tools and meta-analysis.

**GIIN’s impact performance benchmarks** allow investors to gauge the impact performance of their investments relative to the market, peer groups and against the scale of the social and/or environmental challenge.

**IFVI’s monetized impact accounting models** promotes monetizing environmental and social impacts, enabling stakeholders to analyze and act upon this information using familiar financial management systems.

**Impact Weighted Accounts** is a framework that integrates social and environmental impacts into financial accounts, offering a more comprehensive view of a company’s performance by reflecting its effects on stakeholders and the environment in monetary terms.

**Impact Management Project established consensus-based norms** to provide a common logic for enterprises and investors to understand and manage their impacts on people and the planet.

**Five Dimensions of Impact** assess impact through five dimensions: what, who, how much, contribution and risk, offering a structured approach to understanding and measuring impact.

**IRIS+** is a set of tools and guidance that translates impact intentions into measurable results. Impact investors use GIIN IRIS+ to help structure data-driven decisions about investment design and to understand how they might manage impact performance for a given investment. Key components of IRIS+ include the catalog of metrics, containing foundational building blocks for analyzing impact performance in a comparable way, and the thematic taxonomy, which organizes investor intention into comparable impact themes. IRIS+ aligns to varying degrees with over 50 standards bodies. IRIS+ materials therefore cover a diversity of industry types and disclosure requirements.

**The Operating Principles for Impact Management** provide an end-to-end framework of best practices that investors can use in the design, implementation and continuous improvement of their impact management systems and processes, ensuring that impact considerations are integrated throughout the investment life cycle.

**The Sustainable Development Goals** are a set of 17 interconnected global goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. They provide a shared blueprint among nation states for peace, prosperity, people and the planet. The United Nations tracks progress against the SDGs through 169 specific targets and global indicators. Impact investors most often use SDGs to set investing goals and priorities, and to benchmark their performance.

**Social return on investment** is a framework that quantifies the social, environmental and economic value generated by an organization’s activities, assigning monetary values to outcomes to assess the effectiveness and efficiency of projects.

**UNEP FI’s Impact Protocol for Banks and Investors** provides a step-by-step impact protocol to help banks and investors analyze and manage portfolio impacts in line with the Principles for Responsible Banking.

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## Appendix 4: References

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