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Impact Measurement and Management

May 2026

Agenda for today

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IMPACT MEASUREMENT AND MANAGEMENT (IMM) BASICS

01

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What is Impact?

Impact refers to a **material and measurable change** that results from carrying out certain activities or actions.

An impact can be positive or negative, intended or unintended.

Example: Expanding Digital Micro-Lending

Positive Impacts

Intended

- Increased access to finance for unbanked households and SMEs
- Enables consumption smoothing and resilience to shocks
- Supports entrepreneurship

Unintended

- Creation of digital financial footprints that can serve as credit history

Negative Impacts

Intended

- Potentially high interest rates (to cover operational and default risks)

Unintended

- Risk of over-indebtedness and increased financial stress among vulnerable users
- Potential misuse of client/digital data

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What is Impact Measurement and Management (IMM)?

- IMM is the process through which investors and enterprises can **understand the effects of their actions** on people, markets and the planet.

- By understanding their positive and negative effects, investors and enterprises **can take actions** to reduce harm and boost positive outcomes.

- There is a **progression** towards IMM:

Identifying impact		Measuring impact		Managing impact
Being intentionally aware of +/- impacts	→	Quantifying real changes	→	Decision-making based on results

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IMM is a continuous process

1

Set Strategy

Set Impact Goals & Design Investment Strategies, Theory of Change

2

Identify How to Measure Progress

Select Metrics & Set Targets

3

Measure, Monitor, and Manage Impact Results

Verify if expectations materialize and take action accordingly

4

Learn, Adjust, Improve, Communicate

Identify lessons learned, adjust strategy and operations as needed, and share learnings

Why measure impact?

ATTRACT CAPITAL

Measuring and reporting on impact attracts impact-seeking investors.

DEMONSTRATE VALUE BEYOND PROFIT

Shows how investments contribute to broader societal goals.

LEARN & IMPROVE

Informs strategic decisions and reallocation of resources, and future design.

PROMOTE TRANSPARENCY & ACCOUNTABILITY

Demonstrates to stakeholders that the organization is delivering on its promise, promoting trust.

INCREASE OPERATIONAL EFFICIENCIES

Tracking social and environmental impact helps to identify unintended consequences that can be costly, and address them before they escalate.

KEY IMM PRINCIPLES, TOOLS, STANDARDS AND FRAMEWORKS

02

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Landscape of Principles, Standards and Frameworks

The Impact Measurement and Management (IMM) landscape is evolving, with a growing number of standards, principles, and tools to support how organizations measure and manage impact. These are some of the most widely used globally:

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Let us zoom in today into some of these Principles, Standards and Frameworks

IMPACT FRONTIERS

The Five Dimensions of Impact

Conceptual framework on how we should think about impact.

Operating Principles for Impact Management

Processes to integrate impact throughout the investment cycle.

GIIN IRIS+

IRIS +

Measuring impacts with standardized metrics.

THE FIVE DIMENSIONS OF IMPACT

Impact is **multi-dimensional**: assessing and communicating impact requires looking at several factors. The Five Dimensions of Impact provide a shared understanding of impact (by practitioners) and hence, a **common language for managing and communicating impact**.

WHAT outcome(s) does the effect drive, and how important are they to the people (or planet) experiencing it?	**WHO** experiences the outcome and how underserved are they in relation to the outcome?	**HOW MUCH** of the outcome occurs? Does it happen at scale and/or drive the outcome deeply? Does it last for a long time?	What is the **ENTERPRISE CONTRIBUTION** to what would likely happen anyway?	What is the **RISK** to people and planet that the impact does not occur as expected?

THE FIVE DIMESIONS OF IMPACT | Example Financial Inclusion

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WHAT

What outcome an enterprise (or investment) is contributing to, whether **positive or negative**, and **how important** the outcome is to the people and communities experiencing it, as well as to the planet.

WHO

Describe people and communities experiencing the outcome across multiple characteristics (e.g., sex, geographic setting). An important aspect is whether the community/people are underserved.

HOW MUCH

How many people experience the outcome **(scale)**, what **degree of change is expected (depth),** and **how long** they experience the outcome **(duration).**

CONTRIBUTION

Contribution to the outcomes, **relative to what likely would have occurred anyway** (i.e., the outcome counterfactual).

For an investment aimed at FINANCIAL INCLUSION:

Increase access to responsible financial products and services.

Low-income women entrepreneurs in rural communities in Guatemala.

Scale — 100,00 low-income women entrepreneurs financed

Depth — 20% increase in new access to formal financial products and services; 10% in revenues

Duration — 2-3 years of sustained growth (if continued access to finance)

Given no other sources of financing in the area, populations would probably not have accessed or much higher costs of access.

THE FIVE DIMESIONS OF IMPACT | Example on Financial Inclusion

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RISK

likelihood that impact will be different than expected. This means the likelihood that **positive outcomes** do **not** occur, as well as the likelihood that **negative outcomes do** occur.

Some investors integrate ESG, commercial, or other types of "negative" risks into the analysis of potential impact.

Others consider them separately.

For an investment aimed at FINANCIAL INCLUSION:

Low uptake of financial products risk

Clients may not use the product/service because it does not meet their needs and preferences.

External risk

Changes in financial regulations or macroeconomic shocks could reduce product profitability or affordability for clients.

Mitigation measures

- Engage with end clients to understand their preferences and needs.
- Design and deliver products/services in a way that is accesible and relevant to target community.
- Provide clear information and support to ensure usage.
- Design financial products with flexible features that can adapt (e.g., grace periods).
- Maintain prudent liquidity management and diversify funding sources to increase resilience to shocks.

OPERATING PRINCIPLES FOR IMPACT MANAGEMENT (OPIM)

Global framework providing high-level principles to embed impact along the investment cycle.

1. **Developed *for investors*** (not to be applied to portfolio companies). 180+ signatories to-date.
2. They seek to **enable capital mobilization** by committing investors to show their contribution to solve global challenges in a transparent and credible way.
3. Those who want to **publicly show alignment to the OPIM become signatories** with a requirement for independent verification against the Principles.
4. **Alignment to the OPIM is a journey**: It is common for investors to have different levels of practice and alignment to the Principles.

The Impact Principles Secretariat is hosted by the Global Impact Investing Network (GIIN)

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OPERATING PRINCIPLES FOR IMPACT MANAGEMENT (OPIM)

Global framework providing high-level principles to embed impact along the investment cycle.

Strategic Intent

1. Define strategic impact objective(s) consistent with the investment strategy.
2. Manage strategic impact on a portfolio basis.

Origination and Structuring

3. Establish the Manager's contribution to the achievement of impact.
4. Assess the expected impact of each investment, based on a systematic approach.
5. Assess, address, monitor, and manage potential negative impacts of each investment.

Portfolio Management

6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

Impact at Exit

7. Conduct exits considering the effect on sustained impact.
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

Independent Verification

9. Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

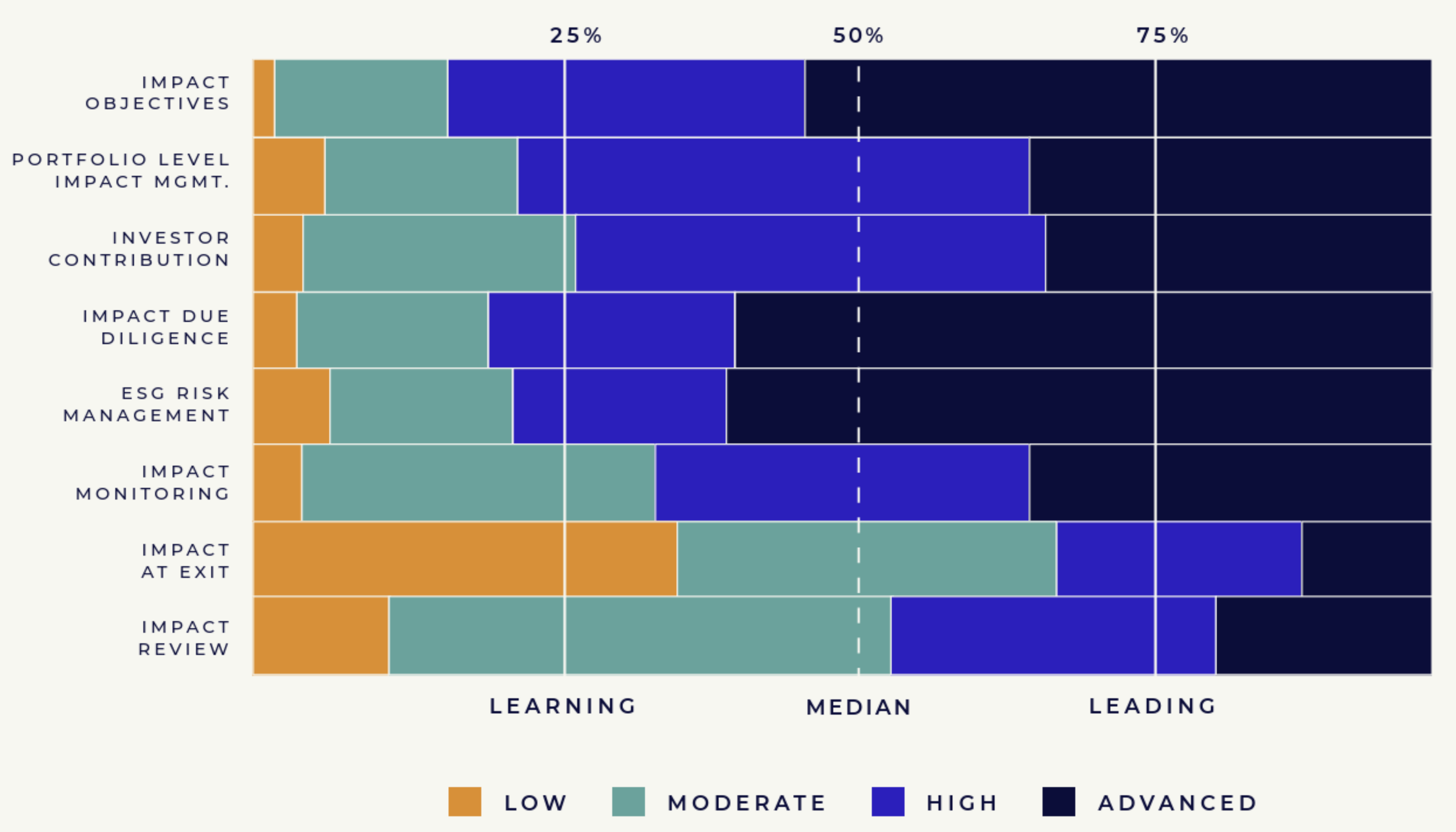
OPIM | Practice Example

Investment stage + impact practice	
Strategic Intent	Create a fund-level theory of change with supporting evidence.
	Align staff incentive systems with impact performance.
Origination and Structuring	Use a composite impact scoring or rating tool to assess impact across the portfolio.
	Assess all fundamental components of potential impact for each investment.
Portfolio Management	Actively manage and engage on ESG risks with investees.
	Consistently monitor impact data against expectations or a target.
	Track and monitor results of investor contribution activities.
	Request data from end-stakeholders to validate outcomes.
Impact at Exit	Have an approach to sustaining impact at exit.
	Use impact review findings to improve processes.

For further guidance refer to BlueMark's Making the Mark V Report (June 2024).

BlueMark's OPIM Practice Benchmark

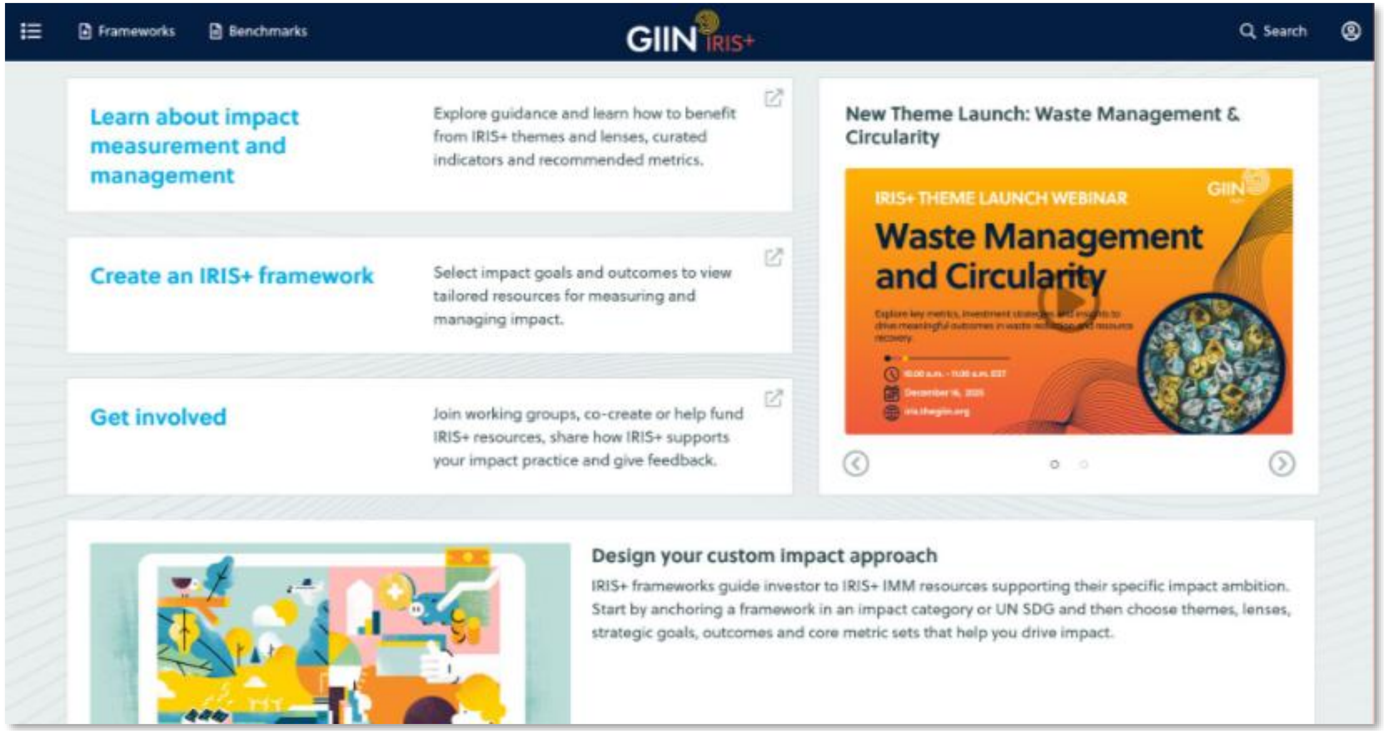
- Principles **1** (Impact Objectives) and **5** (ESG Risk Management) are the **most commonly implemented.**
- Principles **7** (Impact at Exit) and **8** (Impact Review) are the **least commonly implemented.**



Based on 164 verifications. For further guidance refer to BlueMark's [Making the Mark VII Report](#) (May 2026).

IRIS+

IRIS+ houses the **largest and most widely used set of standardized impact metrics**. It also includes common impact investment strategies by thematic area and SDG linked to outcomes backed by evidence and linked to research.*



*IRIS+ also houses **HIPSO's indicators** (which are a smaller set of indicators used by DFIs working with the private sector).

IRIS+: Example on Financial Inclusion

Some indicators from the IRIS+ catalog:

NEW CLIENT INDIVIDUALS

Client individuals: New (PI8732) to capture the number of first-time clients of the organization during the reporting period.

STAKEHOLDER ENGAGEMENT

Stakeholder Engagement (OI7914) to understand whether and how end-clients were involved in the design, development and delivery of products/services during the reporting period to ensure these fit their needs and preferences.

TARGET STAKEHOLDERS

- ✓ Target stakeholders (OD7212) to capture the type of stakeholders being reached (e.g., clients)
- ✓ Target Stakeholder Demographic (PD5752) to capture whether clients are women
- ✓ Target Stakeholder Socioeconomics (PD2541) to capture whether clients are low-income
- ✓ Target Stakeholder Setting (PD6384) to capture whether clients are rural

MAIN IMM COMPONENTS 03

Theory of Change & Impact Models

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Theory of Change (ToC) & Impact Model

A ToC or Impact Model helps investors define and articulate the change they aim to achieve so they can track progress over time. As such, it is a key element of an IMM framework.

Theory of Change

- A diagram of **the logic that explains how to achieve the expected change**.

- It follows a logic causal path: activities & inputs > outputs > outcomes > impact.

Impact Model

- An Impact Model is a "user-friendly" version of a ToC, often **aligned to the five dimensions of impact**.

- It **leans on narratives**, explaining the problem being addressed, how the investment will address it, and the impact objectives.

- Impact Models are **easier to use as communication/disclosure tools** as they can easily be understood by non-expert audiences.

Theory of Change | Generic Example

OBJECTIVE

Impact goals and targets

INPUTS & ACTIVITIES

The financial, human, material resources used for the intervention &
the activities related to intervention.

OUTPUTS

The products, goods, and services which result from an intervention.

SHORT-TERM OUTCOMES

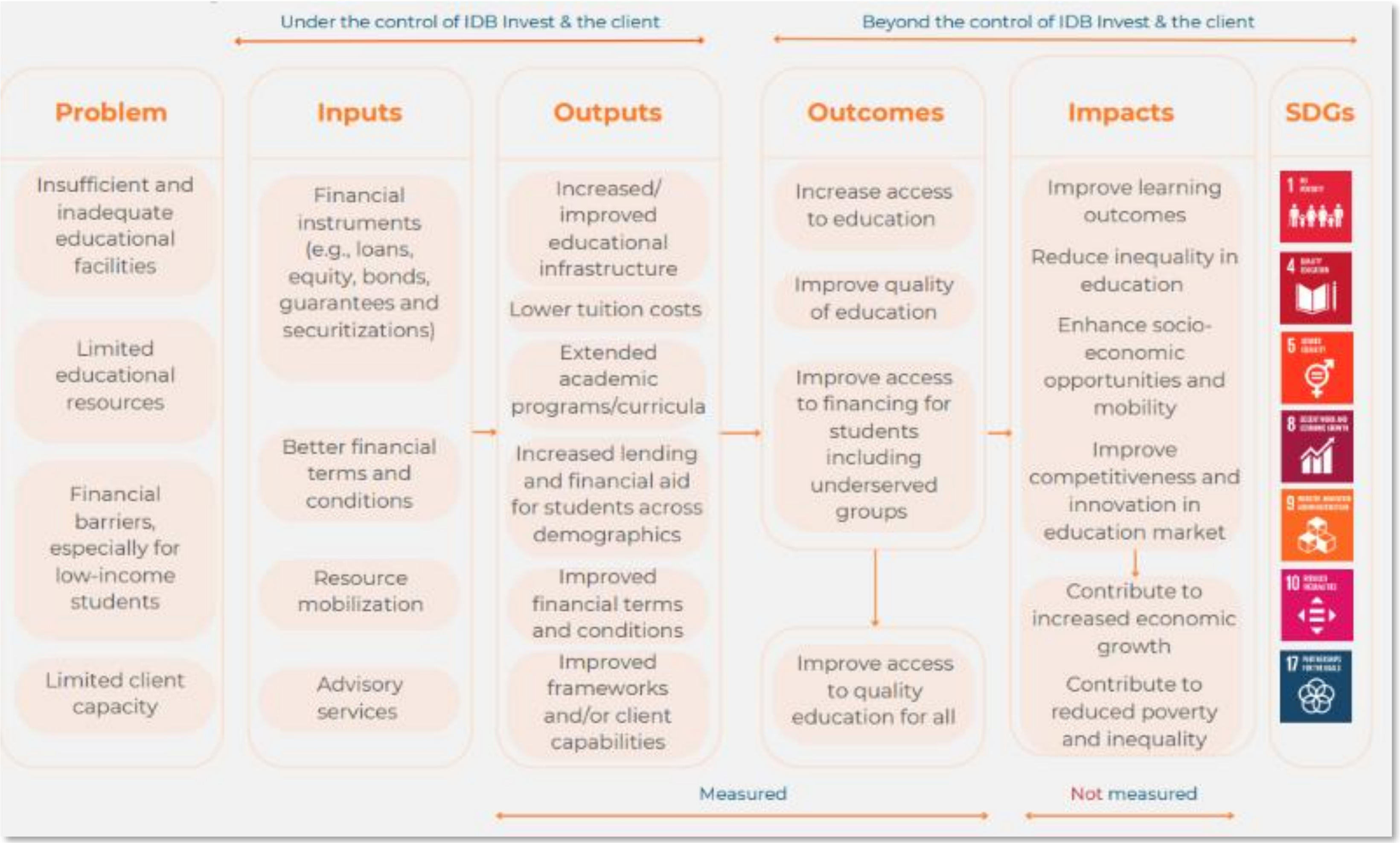
The likely or achieved short-term and medium-term effects of an intervention's outputs.

LONG-TERM OUTCOMES

The likely or achieved long-term effects of an intervention's outputs.

LEARNINGS

Theory of Change | IDB Invest's projects in education



IDB Invest have prepared a series of ToC/impact models to guide our investments.

We have also help clients to build their own.

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MAIN IMM COMPONENTS 03

Impact Scoring

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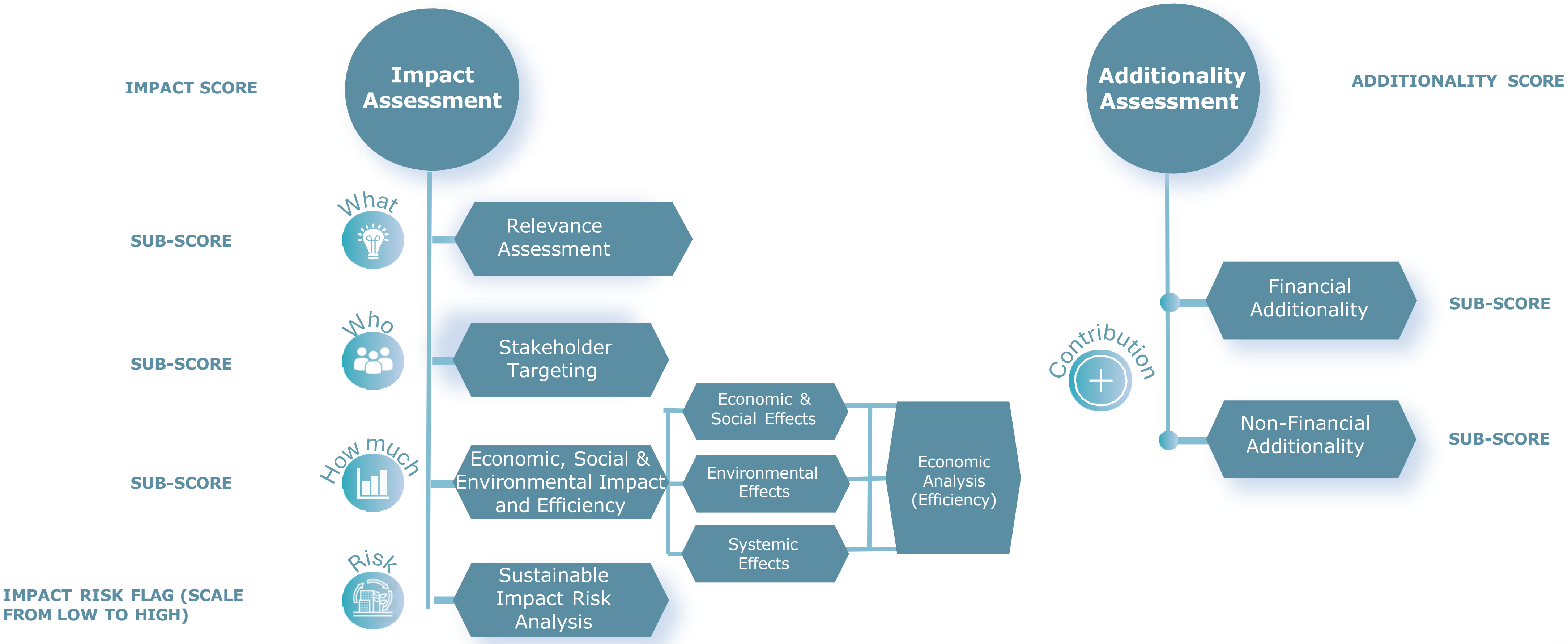
Impact Scoring Models: Key Concepts

What are they and why are they valuable?

- Impact Scoring models (also called impact ratings) assign a numeric value to an investment based on its projected impact.
- They differ in complexity across investors.
  - ✓ Must reflect investors' priorities
  - ✓ May not contemplate all dimensions of impact
- They allow to assess and compare the expected impact of different investments in a reliable and standardized way.
  - ✓ Help investors to balance impact and return at the portfolio level.
- They can also set the basis for ongoing monitoring and assessment of progress towards original objectives and targets.
  - ✓ Possibility to update during supervision
- As with any tool, a scoring model won't be perfect, nor will it capture all the nuances of each project. That is a trade off that comes with the ability to compare among different deals.

Impact Scoring Model | IDB Invest's DELTA Score



This figure depicts the DELTA's revised structure, which is still under internal discussion. It follows closely the previous approach/method, but reorders categories for greater clarity.

IDB INVEST SUPPORT ON IMM

04

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IDB Invest Support on IMM

As interest in sustainable and impact investing continues to grow, so has the push for **greater transparency and integrity** in how investors and companies **measure and report on their impact**.

IDB Invest has been sharing its expertise and providing **technical advice on impact measurement and management** to various partners.

Our Advisory Services in Building Impact Measurement and Management Capacity include:

- Preparing clients for thematic bond issuance.
- Advising clients in the design and implementation of IMM Frameworks.
- Designing and conducting impact evaluations of existing business models.
- Developing impact monitoring systems for clients to support their data collection and reporting.
- Providing **access to our impact rating tools** and advice through a cloud-based platform.

DELTA Impact Management system

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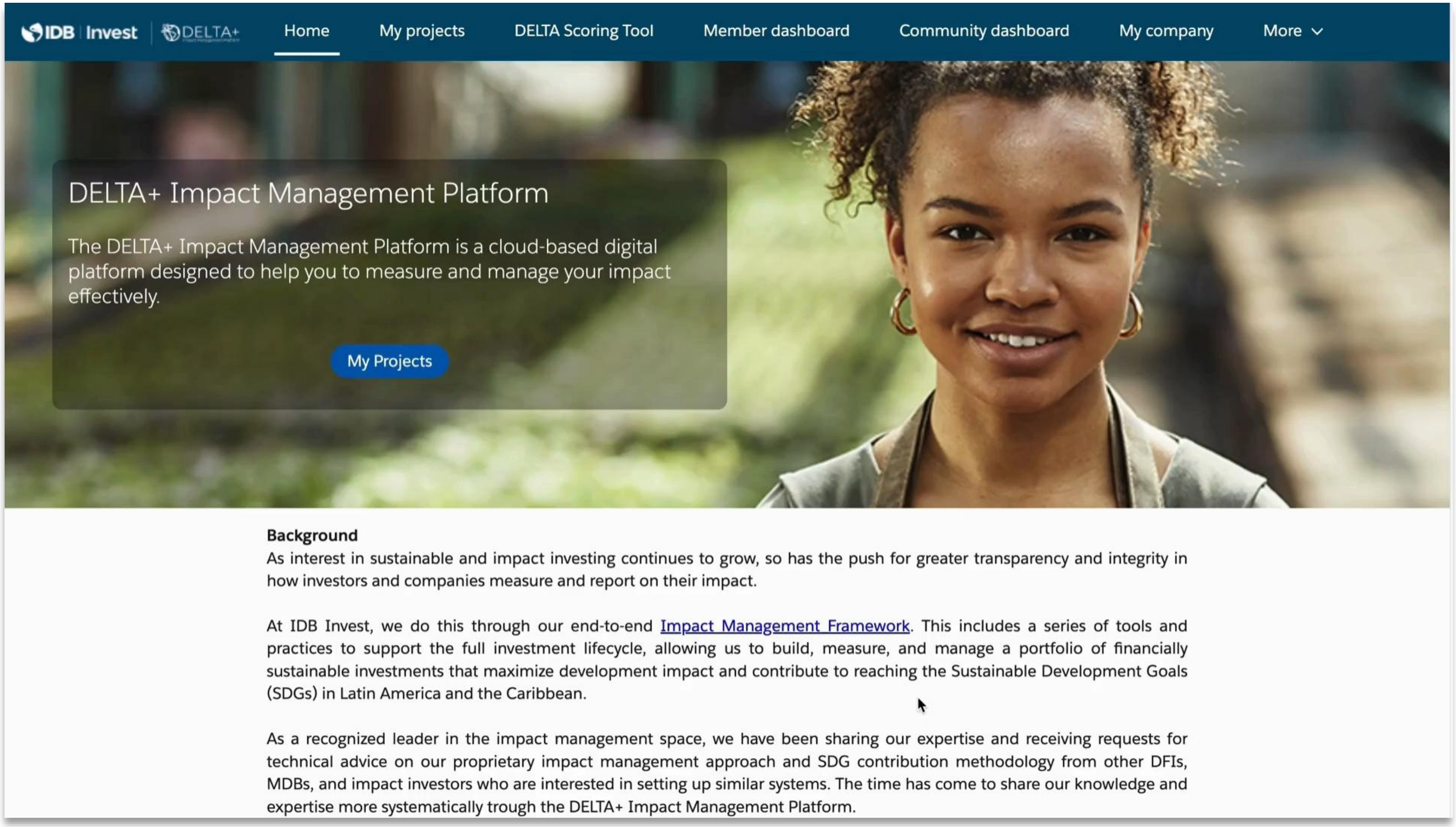
A **cloud-based digital platform** to share IDB Invest's proprietary impact management tools with members (clients, DFIs, impact investors and other partners), helping to **strengthen standards in the impact investing industry**.



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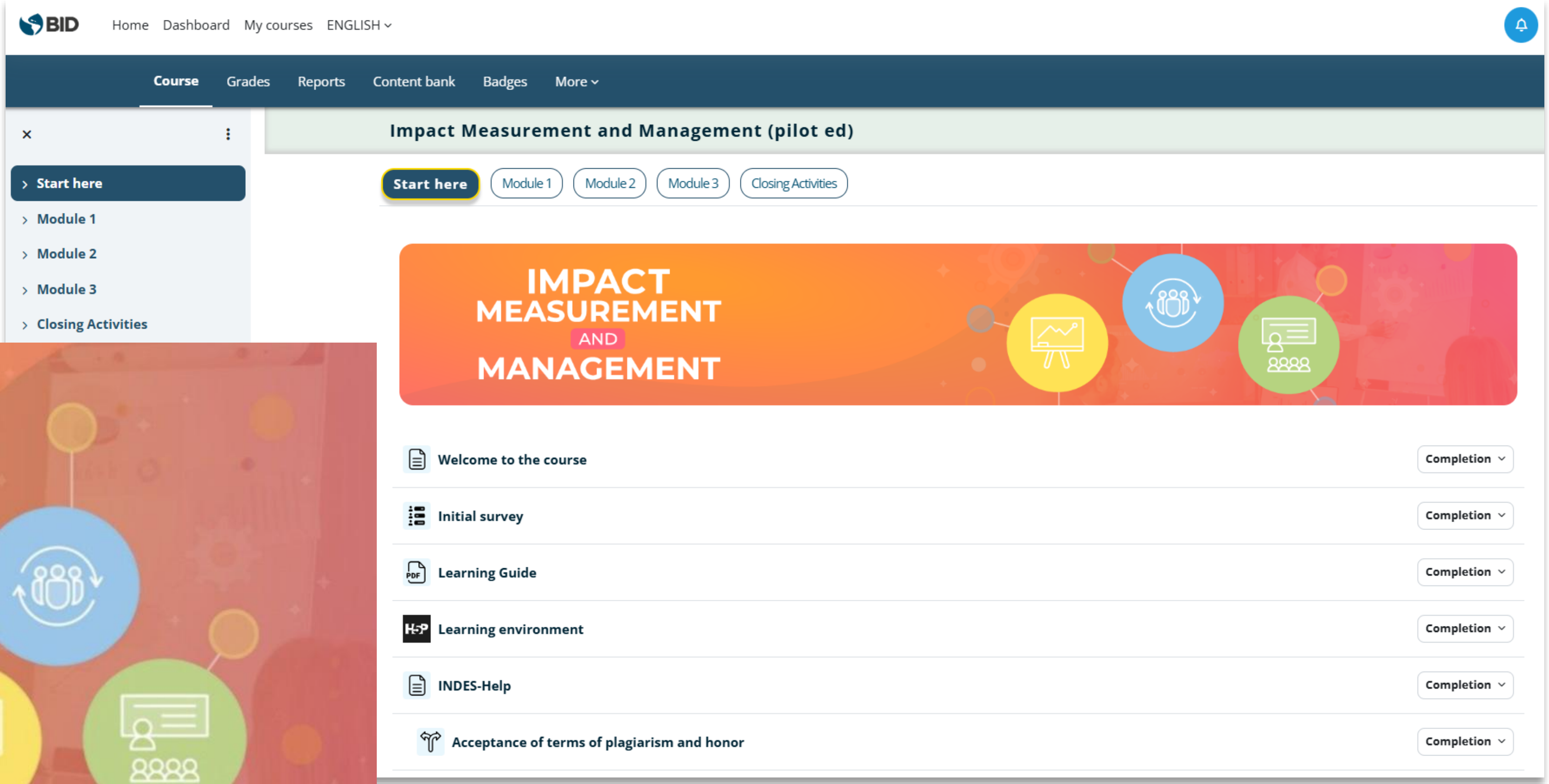
NEW! IDB Invest's Online IMM Course

Free online course designed for Investors and Fund Managers who want to learn more about the basics of IMM.



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Other Learning Resources

- Coursera – Introduction to the 5 dimensions.
- Impact Frontiers Fundamentals of IMM
- Oxford Impact Measurement Program

Thank you!

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