



Funds Task Force

Learnings and findings

#caminoalimpacto

Authors

Guillermo Casasnovas

Professor at Esade and member of the Esade Center for Social Impact

Suzanne Jenkins

Manager of the Esade Center for Social Impact

Jorge Alarcón

Research Collaborator at the Esade Center for Social Impact

Marta González Labián

Head of Impact and Sustainable Finance at SpainNAB

José Luis Ruiz de Munain

Managing Director of SpainNAB

Global Sponsor



Sponsors of the Funds Vertical



Table of Contents

WELCOME LETTER

04/05

FOREWORD

06/07

EXECUTIVE SUMMARY

08/09

INTRODUCTION

10/13

FEY FINDINGS

14/25

CONCLUSIONS

26/31

FURTHER QUESTIONS

32/33

RECOMMENDATIONS

34/35

ACKNOWLEDGEMENTS

36/37



Welcome Letter

Dear members of the impact ecosystem in Spain:

In June of 2018, a group of leaders from the investment, business and third sector communities decided it was time to act, time to place Spain where it deserved to be in the global impact investing community. One year later we achieved Spain's membership in the Global Steering Group for Impact Investment (GSG). This milestone marked the birth of SpainNAB, an association comprised of 28 leading social, business and financial organisations, that represents our country in the GSG and that works to drive impact investing in Spain, ensuring the integrity of this fast-growing market.

Spain's accession to the GSG almost four years ago was a catalyst for the growth of impact investing in our country, which reached 2,399 million euros in capital under management in 2021. However, the market still lacks the dynamism that corresponds to a country of our size, where collaboration and knowledge transfer between the different actors that make up the impact ecosystem is more necessary than ever. In this regard, 2023 will be a year of particular relevance for the sector with the celebration of the GSG Global Impact Summit on October 2-3 in the beautiful city of Malaga.

This document is precisely the fruit of a collaborative process we have undertaken via three Task Forces (TFs): Funds, Business and Social sector representatives that seek to lay the foundations for a broad consensus that will allow the sector to keep moving forward and growing in an inclusive yet rigorous manner. I could not end this welcome letter without our most sincere

gratitude to the members of the TFs, speakers and participants in the working sessions, as well as to the members of our Board and strategic allies who have accompanied us in the sessions and in the preparation of this document. We would also like to thank all our sponsors as without their support this work would have not been possible. Thank you to CaixaBank as global sponsor of SpainNAB, as well as to Amundi, Arcano and Global Social Impact Investments, sponsors of the Funds TF; Fundación BBK, Fundación Carasso and Fundación Once, as sponsors of the Social TF; and to EY as sponsor of the Business TF.

And finally, we would like to thank and acknowledge the excellent work carried out by the SpainNAB team leading the Social, Funds and Business Task Forces, respectively, Mariona González, Marta González and Beatriz García.
THANK YOU ALL!

José Luis Ruiz de Munain
Managing Director of SpainNAB



Foreword

Since its inception, SpainNAB's mission has been to promote the impact economy, to incorporate impact in the decision-making of all actors in the economy. This involves raising awareness and driving changes in the investment processes, as well as promoting the growth of impact investing as a means to direct capital flows towards specific solutions that address underserved social and environmental challenges.

To achieve this goal, and following the recommendations issued by the ecosystem during our accession to the GSG in the report "Towards an Impact Economy", SpainNAB set up three Task Forces in June of 2022. Each group has worked intensely on issues of great relevance to boost impact investing, such as the delimitation of impact investing, best practices in measuring and managing the impact of businesses, or the development of innovative financial instruments for social economy organisations.

More than 110 organisations from the financial, social and business realms met in several sessions to discuss and draw up a set of new recommendations, which were reflected in three position papers, one for each Task Force. This work adds to SpainNAB's tireless commitment to develop knowledge for the sector that is freely accessible to the entire community in our online library of publications and which, little by little, is establishing itself as the main source of knowledge in the country in terms of impact.

Knowledge that true to our philosophy, seeks to simplify and make an easy and practical understanding of impact investing accessible to everyone.

The Funds Task Force (TFF, for the acronym in Spanish) worked during four sessions with the aim of clearly differentiating impact investing from other forms of investing, especially sustainable investing. With the growing interest and rise of both forms of investment, there is a risk of confusion and impact washing practices, and therefore a need to distinguish impact investing in order to direct capital flows towards solutions to underserved social and environmental challenges. Moreover, if we are to promote the creation of incentives and innovative financial instruments that enable impact investing to grow at scale, it is crucial to develop a tool and a label or seal that clearly identifies these investments in the absence of a regulatory framework doing so.

This position paper takes a look at the main frameworks and best practices used in the sessions as a starting point, as well as the outcome of the participants' work on these proposals, from which the conclusions and consensus position emerge. This position provides a framework broad enough to encompass any form of impact investing, as long as it meets the inclusion criteria identified as essential to ensure the integrity of impact investing.

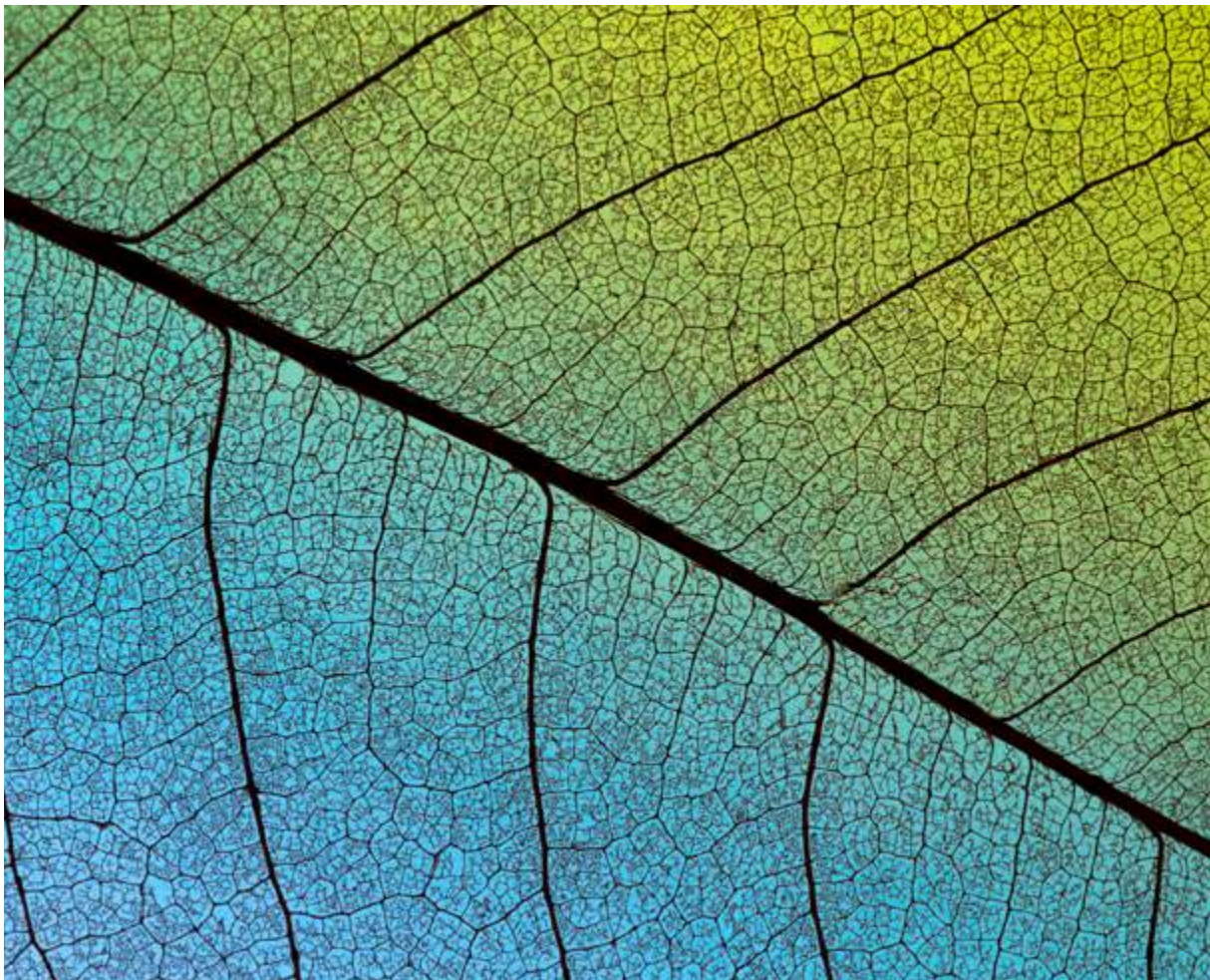
We thank the members of the Task Force, participants and attendees of the sessions for all their work and engagement with this purpose; those entities participating in the sessions as experts for their involvement, transparency and generosity in sharing their experience and knowledge; and the other entities and NABs consulted in order to inform the sessions; the Task Force sponsors Amundi, Arcano and Global Social Impact Investments; our academic

partner Esade Center for Social Impact and to the members of the Funds Commission, Agustín Vitórica, José Moncada and Luis Berruete for their involvement and support, because without all of them this outcome would not have been possible.

We hope that these conclusions and consensus may become a starting point for the creation of models to identify and scale up impact investing in our country.

Marta González Labián

Lead SpainNAB Funds Task Force



Executive summary

The objective of this Funds Task Force has been to deepen the understanding and identification of the characteristics and boundaries of impact investing. The work has aimed to develop a consensus around a common definition of impact investing (differentiating it from other types of investment, particularly sustainable investment) and approach to segmenting the different types of investor contributions within impact investing. The Task Force has combined a top-down process, learning from international experiences, and a bottom-up process, with the main actors in the sector in Spain discussing critical questions.

The starting point was a standard definition of impact investment ("investments made with the intention to generate a measurable social or environmental impact alongside a financial return"¹) and the intention to deep dive into three key characteristics to understand more deeply this type of investment, namely: intentionality, measurement and additionality. The Impact Management Project (IMP) has been used as a general framework as it is internationally recognised and allows for a differentiation between the contribution of investees (whether they act to avoid harm (A), seek to benefit all their stakeholders (B), or contribute to relevant and specific solutions that address underserved social or environmental challenges (C)) and the contribution of investors ("signal that impact matters", "engage actively in the management of impact", "grow new or undersupplied capital markets", or "provide flexible capital").

The point that generated the most debate was additionality, as it was often understood in different ways due to the different shapes or sources additionality can have. Thus, the Task Force moved forward by distinguishing two types of additionality, that of the invested company and that of the investor. As noted in the conclusions, the former allows the practice of impact investing to be restricted to those investments that finance companies providing a relevant, and probably better contribution than would have otherwise been the case, so as to solve underserved social or environmental challenges for people or the planet. The second allows for segmenting impact investing depending on the specific contribution of the investor, and the Task Force has distinguished 'additional impact investing' as a subset that has a greater capacity for transformation.

The main conclusions from the Task Force's work are:

- **Definition of impact investing:**
 - **Intentionality:** The investor should define the social or environmental challenges it intends to solve in its investment thesis, as well as a reasonable narrative of how its investments will positively impact these challenges (e.g. through its Theory of Change).

1. Hehenberger, L.; Casasnovas, G.; Urriolagoitia, L.; Blanco, L.; Ruiz de Munain, J. L. (2019): *Hacia una economía de impacto: Recomendaciones para impulsar la inversión de impacto en España*. SpainNAB.

- **Measurement:** Must include impact measurement and management, introducing impact criteria throughout the investment process and using the results to learn and improve the management of the organisation itself and of the investee organisations.
 - **Additionality** (of the investee): Impact investments are made in companies that seek to make a specific and relevant contribution to social or environmental challenges that may be considered underserved. Furthermore, the relevance of the solution and "underserved" nature of the challenge should be demonstrated explicitly in terms of variables such as who is benefiting, how much benefit they are deriving and what contribution is being made that would probably not take place otherwise (see box on the IMP's five dimensions of impact).
- **Segmenting impact investing**
 - **Impact investing:** Includes all investments that meet the above definition, i.e., investments in which there is a clear intention to generate a positive impact, in which impact is measured and managed according to sound practices and that fund solutions that make a significant contribution to underserved challenges.
 - **Additional impact investing:** Includes those investments that, in addition to meeting the above definition, contribute with financial or non-financial (investor) additionality, and therefore are expected to generate an impact that would not occur if it were not for that investment.
 - **Financial additionality:** is understood as investment in those businesses that would not find, or would struggle to find, suitable funding at a price similar to that offered by the impact investor. It can take two forms, with investors developing undersupplied capital markets and/or providing flexible capital, i.e., accepting a lower risk-adjusted return than traditional investors.
 - **Non-financial additionality** occurs when the investor engages actively in a broad and meaningful way to improve the company's impact performance. This engagement is considered 'additional' when it produces an impact that would not otherwise have occurred, and can take the form, for example, of assistance in impact measurement and management or support in improving processes, products or personnel with the aim of generating greater social impact. This engagement should be linked to the investor's own intentionality (reflected in their Theory of Change or investment thesis, for example), should be consistent with the holding period of the invested assets and normally involves participation in the governing bodies of the investee companies.

Based on these findings, SpainNAB has made the following recommendations for the sector (see the Recommendations section for further detail):

1. Continue promoting the **growth and integrity** of impact investing
2. **Segmentation** of impact investing and advancement of **innovative financial instruments**
3. **Creation of a seal** or label to identify impact investments
4. Transversal work to identify underserved challenges and solutions that are relevant and additional
5. Make progress toward **comparability in impact measurement**
6. Promote **international harmonisation**

Introduction

1. COMPOSITION AND METHODOLOGY

Sustainable and impact investing are on the rise. However, the **distinction between "sustainable" and "impact" remains blurred for many actors**, leading to confusion and impact washing practices. This highlights the importance of having **tools that help preserve the integrity of this market so that the necessary growth at scale can remain rigorous**.

In this context, the **Funds Task Force (TFF in Spanish)** was constituted with the **mandate to work towards a consensus definition of impact investing with clear inclusion and differentiation criteria, particularly with regard to sustainable investment**.

The TFF has comprised some **thirty organisations**, including **private equity fund managers, funds of funds and public equity fund managers** with varying degrees of exposure to impact investing, as well as **financial advisors and other entities with an interest and expertise in impact investing**².

The Task Force's **methodology** has combined a **top-down process—learning from international frameworks, experiences and best practices—and a bottom-up process—with the main impact investing actors in Spain discussing critical questions**.

The main international tools underpinning this work include:

- The **Impact Management Project matrix**, which provides for a distinction between the different types of impact of the investee companies (categories A, B and C) and between the possible contributions of investors (1-6).
- The **Impact Management Project's five dimensions of impact**, a framework that helps to understand to what extent a company is addressing underserved social or environmental challenges, and what its contribution is.
- The **European Venture Philanthropy Association's framework**, the fruit of an effort to **harmonise data at the European level** on the scope and segmentation of impact investing.
- The model developed by **Finance for Tomorrow for the French Impact Task Force**, based on a grid of 12 questions to identify whether a fund is "impact" or not.
- **Reports from other countries**, such as the UK, Germany, the Netherlands and Italy, which use different criteria to size and segment impact investing.

Different strategies have been used **to share and discuss the knowledge and experiences of the Spanish impact investing ecosystem**, from in-depth interviews with some participants to reflection on

2. See detail in the Acknowledgements Section

hypothetical cases inspired by real investments or the participation of sectoral experts. In the different Task Force meetings, there have been opportunities to work in small groups, to debate among all participants, to vote and express opinions through online tools and to assess the consensus points that emerged. This bottom-up process has been a very important complement to the knowledge received from international experiences, as it has allowed the group to ground certain concepts in specific realities and to corroborate the degree of acceptance of the different proposals put forward, with the aim of **generating a proven and consensus approach for the impact investing ecosystem in Spain.**

2. DEFINITIONS AND STARTING POINT

The **initial definition** of impact investing used by SpainNAB is based on that used by the Global Impact Investing Network (GIIN): "investments made with the intention to generate positive, measurable social or environmental impact alongside a financial return".³ This internationally accepted sector definition focuses on three key elements: **intentionality, measurement and the existence of a financial return.** However, it is a starting-point definition as it does not specify, for example, what level of impact or what kind of measurement is required for an investment to be considered "impact" and **does not explicitly refer to the importance of additionality.**

Internationally, it is common to point to three key variables to define impact investing: intentionality, measurement and additionality. While there is broad consensus that the first two, "intentionality and measurement", are undisputed and necessary conditions when discussing impact investing, there are different views on "additionality". In particular, this **situation resonated among Task Force members:**

- **Unanimity around the need for the variables "intentionality and measurement",** although there is a need to work on how to ensure them and on good practices to do so.
- A clear **consensus on the importance of "additionality" in understanding impact investing,** but, as explained below, there are **different types of additionality, which resulted in different views on the need to consider additionality as a defining characteristic.**



3. Casasnovas, G., Jenkins, S., Osoro, C., Hehenberger, L. (2022): *La inversión de impacto en España en 2021*. SpainNAB

For this reason, **much of the Task Force's work has focused on construing the additionality variable and on differentiating and segmenting impact investing according to its different forms. The Impact Management Project (IMP)**, fruit of a process that involved thousands of investors and sector experts, and widely used and promoted internationally, including by the Global Steering Group for Impact Investment, offers an appropriate and internationally accepted framework for understanding this additionality or contribution of investors and investee companies. For this reason, it has served as a reference framework for the Task Force work and for SpainNAB's endeavours since its inception. This framework distinguishes between:

- Different types of **contribution or additionality of the company**:
 - Those companies that **act to avoid harm (A)**
 - Those that seek to **benefit their stakeholders (B)**
 - Those that **contribute to relevant and specific solutions that address underserved social or environmental challenges (C)**.

While categories A and B can have a large positive impact, or significantly reduce negative impacts, **only category C implies that companies focus on developing solutions to some of the most urgent and relevant problems facing our society**. These impact or impact-driven entities would include per se the following social entities: special employment centres, insertion enterprises, social initiative cooperatives, foundations and social associations; as their *raison d'être* is to contribute to solving underserved social and/or environmental challenges.

- **Different types of contributions that an investor can make, ranging from "signal that impact matters" to more significant ones such as "engage actively in impact management", "grow new or undersupplied capital markets", or "provide flexible capital"**.

As a **starting point, we used the matrix formed by these two dimensions—contribution of the investee and contribution of the investor—to try to understand where each of the actors in the Spanish ecosystem positioned impact investing. The same exercise was carried out in interviews with international leaders from different National Advisory Boards (NABs)**, where we found that, to a large extent, the difficulties that arose in the different countries **were the same, but the way in which these issues were dealt with varied greatly**.

Naturally, although not unanimously, **there was already a tendency at that time to identify impact investing with investment in companies that make a category C contribution to impact**, meaning they contribute to solving underserved challenges, even though the question of **how to differentiate companies with this additionality in practice** posed major problems. At the same time, there was much debate as to **whether both forms of additionality, company and investor, had to coincide for an "impact" investment to be considered as such, or whether only one form of additionality would suffice, and if so, which one**.

In addition, we found particular interest in exploring when to consider that the impact investor is additional according to the different forms of investor contribution defined in the IMP. With all this, **the aim of the Task Force has been to delve deeper into the different variables of impact investing and to work on the elements that allow us to differentiate it from responsible and sustainable investment, as well as to understand the differences between the various types of impact investors and to segment the sector according to its capacity to contribute to the transformation of society.**

In order to set out the common understanding that was reached in the Task Force on the definition, differentiation and segmentation of impact investing, the main consensus on its three main pillars of intentionality, measurement and additionality, is presented below, with particular emphasis on the latter.



3. Key Findings

1. INTENTIONALITY

Task Force participants were clear that impact investing is about investing in companies that "do good" and not just "do well". In other words, **the focus in impact investing centres not on how the invested companies perform but instead on what they do**. The how (meeting environmental, social and governance, or ESG, criteria) is also very important, being the focus of sustainable and responsible investing and considered an integral part of impact investing.

This implies that the **investor's intention to solve a specific social or environmental problem must be defined ex ante**, included in the legal documentation of the product via its investment thesis and influence decision-making along the entire investment process. **A widely used tool** recommended by actors in the Spanish and international ecosystems is the **Theory of Change** (see box below).

The Theory of Change

This tool, which originated in the international cooperation and development sector, is increasingly used by social enterprises and impact investors. Its usefulness lies in the way it helps organisations consider and understand how their activities are producing the expected impact outcomes. An important feature of the Theory of Change is the **distinction between products or services produced (outputs) and results expected (outcomes)**, since the goal of these impact organisations should not simply be to sell more sustainable products, teach more classes or serve more patients, but rather, to continue with these examples, to produce a relevant change in the planet, or in the education or health of the target groups.

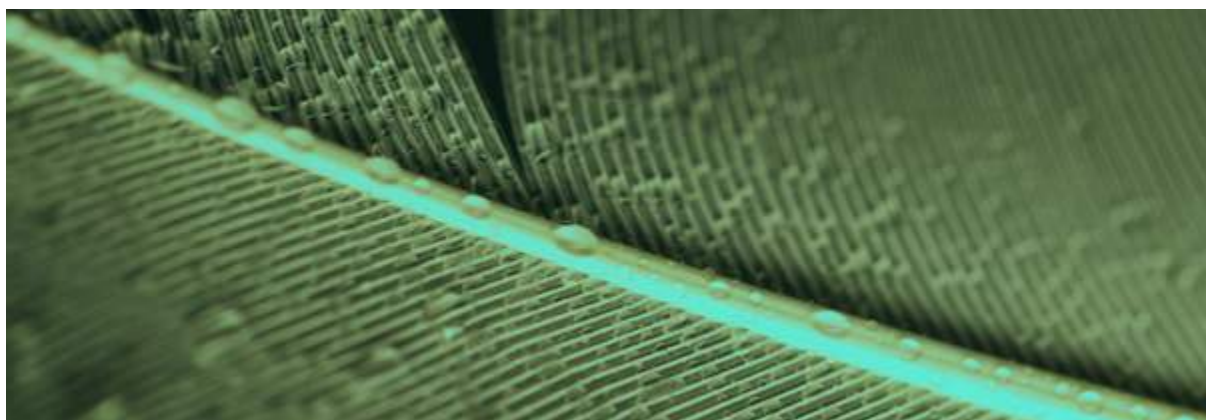
Theories of Change can be defined at different levels. It is most often done at the level of the organisation that serves the final beneficiary (i.e., the invested social enterprise or NGO with operational programmes), but it is also important to define one at the level of the investor. In this case, it allows for reflection, understanding, communication and subsequent verification of whether the investor is achieving the desired impact and how that change is taking place.



Other tools that help to understand the intentionality of impact investment managers are **communication and incentives**. Communication refers not only to using the language of impact investing (which may become a source of impact washing) but also to clearly explaining to capital providers (individual or institutional investors) what the impact goals and financial targets are, how they will be aligned or prioritised and which impact indicators will be used to assess progress in this regard.

Incentives are important because they help demonstrate whether the impact investor is "leading by example". An increasingly common measure that received much support from the Task Force consists of tying **managers' financial incentives to the achievement of impact targets**. A common format among impact fund managers is "impact carry", whereby at least part of the fund managers' variable remuneration depends on the impact achieved. Therefore, a recommendation arising from this conversation is to establish this impact carry as a standard measure in all impact funds. Additionally, it is possible to link the invested companies' senior leadership team's remuneration to their own impact targets or to make it possible that capital providers' financial return is also linked to the impact generated. In all cases, the objective is to ensure that the interests of the different actors involved in the investment process are aligned with the achievement of the expected impact.

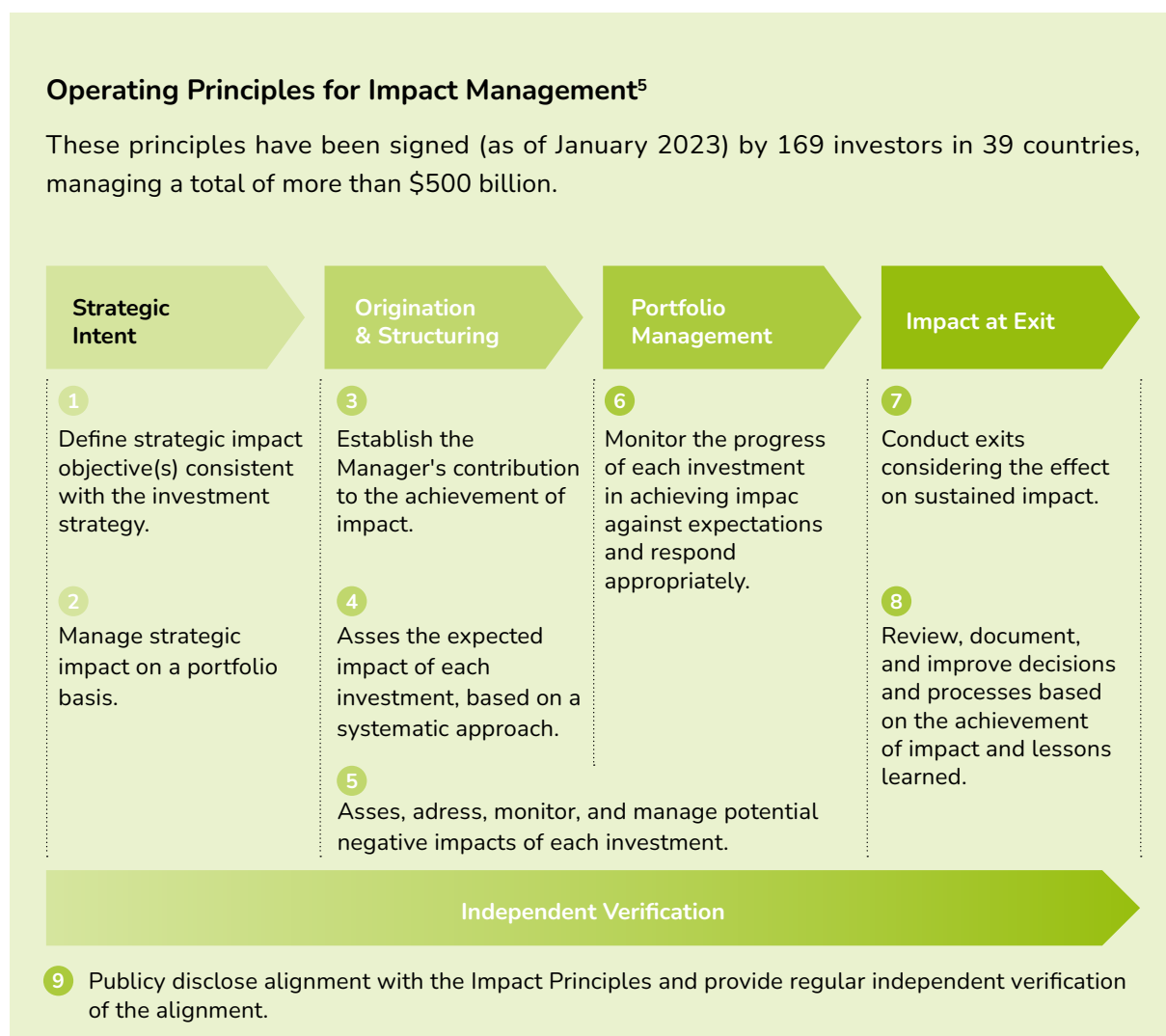
Another important consideration that is helpful in **understanding investor intentionality is the percentage of activity focused on impact**. It was clear in Task Force discussions that a fund cannot be considered an impact investing fund if only 20% of its invested companies have a clear focus on contributing to solutions to underserved social or environmental challenges. Likewise, it was understood that some investees could have several business lines and not necessarily all of them must be exclusively linked to impact. **The general consensus is that minimum percentages of impact-focused activity should be established, both for companies and for the funds themselves. The Task Force worked with a 70% percentage, taking as a reference the threshold required in the European social entrepreneurship funds (EuSEF), and this proved appropriate for participants in the practical exercises.** To delve deeper into how this percentage can be applied in practice, it will be necessary to assess how to calculate it in different cases. The starting proposal is to do so for companies on the basis of revenue or capex, depending on the development stage or business model of each company, and to do so for funds on the basis of the proportion of their assets under management whose underlying assets meet the same criteria.



2. MEASUREMENT

By impact measurement **we mean impact measurement and management**, as there is a clear consensus in the Task Force and in the industry that **establishing a set of impact indicators is not enough, but rather it is necessary to use these results to learn and improve from within the organisation**⁴.

The **consensus is to focus on process, seeing that the rigorous attribution of a given impact is usually difficult and costly** (studies with control groups are required), and thus beyond the reach of most companies and investors. To this end, in line with the framework of the **Operating Principles for Impact Management**, promoted by the International Finance Corporation (IFC), a series of **tools are established as best practices when incorporating impact measurement in the different phases of the investment process** (see box below).



4. Hehenberger, L., Buckland, L., Gold, D. (2020): *From measurement of impact to learning for impact*. Esade-BBK

5. Operating Principles for Impact Management.

The **summary of best practices** identified in the Task Force regarding impact measurement and management is the following:

- Focus not only on measuring but also managing impact, using metrics to understand and improve the impact of companies.
- Use the **Theory of Change** (see box above) and include it in the financial product's legal documentation to establish *ex ante* and then monitor impact objectives, as well as the causal relationship between the investor's activity and the achievement of those objectives.
- **Emphasise the measurement of intended results or changes (outcomes)** and not only of the products sold or services offered (outputs).
- **Measure not only positive but also negative outcomes**, and report results on all indicators determined *ex ante*, to avoid reporting only the most positive results (cherry-picking).
- **Combine custom indicators** that are clearly adapted to the organisation's own **reality with indicators from a common catalogue (such as IRIS+)** that allow for a **comparison of impact** with that of other organisations.
- Communicate **alignment with and contribution to the Sustainable Development Goals (SDGs)** through specific indicators and associated practices.
- Use the **five dimensions of the Impact Management Project (what, who, how much, contribution and risk)** to **determine and monitor the breadth and depth of the impact achieved** (see box in next section).
- Undertake **an external verification of impact results** or, alternatively, of how impact measurement and management is embedded in the investment process.

These practices are highly recommended, but **this does not mean that all are strictly required to fall within the definition of impact investing**. The consensus of the Task Force is that impact investors should focus on measuring and managing outcomes (i.e., trying to go beyond measuring outputs); dedicating resources to measurement and management; and remaining rigorous and transparent in communicating the impact achieved, as it is not enough to simply be aligned with certain SDGs or investing in certain sectors.



The European sustainable finance regulations: the Taxonomy and SFDR (Sustainable Finance Disclosure Regulation)

A relevant aspect of impact measurement and management is its communication. In this sense, European regulation establishes two communication and dissemination tools relevant for the development of responsible and sustainable investment in general:

- The **Taxonomy** is a classification system that aims to develop a common language and criteria that clearly differentiate what is sustainable from what is not. In this case, an activity may be defined as sustainable if it makes a significant contribution to at least one of the six environmental objectives of the EU while not doing any harm to the others, under the Do No Significant Harm (DNSH) principle. There is also a Social Taxonomy under development, which focuses on 3 objectives. The substantial contribution must, in the framework of the Taxonomy, involve three elements: (1) avoid negative impacts, (2) enhance positive impacts and (3) enabling factors.
- The **SFDR** establishes, through a technical standard, non-financial disclosure obligations for participants in the European financial markets, including financial managers, financial advisors and others. The SFDR is designed to make it easier for investors to distinguish and compare different sustainable investment strategies, providing greater transparency as to the extent and manner in which various financial products consider ESG features or have sustainable objectives. Against the threat of greenwashing, the SFDR defines 3 types of financial products in relation to sustainability:

"Article 6" products: financial products that integrate ESG risk considerations, but without meeting the criteria to be "Article 8" or "Article 9".

"Article 8" products (also referred to as "light green"): products that promote social or environmental features but do not have sustainable investment as a core objective.

"Article 9" products (also referred to as "dark green"): products that place sustainable investment as their primary objective. Impact investing is included here because it integrates sustainability in its quest for solutions, but it is worth noting that **not every Article 9 investments will qualify as an impact investment**.

The ultimate objective of the Taxonomy is, through classification, to incentivise the flow of capital towards sustainable activities, with SFDR as key to the specific technical implementation for financial markets⁶. At the same time, SFDR has its limitations; while it forces financial products to be identified with an article for disclosure purposes, it does not capture all possible ESG strategies in a differentiated way and, in particular, **it does not explicitly capture impact investing**. Thus, Article 9 groups together very different investment products, and not all of them fund organisations that clearly contribute with relevant solutions to underserved challenges.

6. Alarcón, J., Jenkins, S., Robin, S. (2022): Nuevos estándares europeos e internacionales de sostenibilidad de impacto. ESImpact.

Furthermore, it focuses on the economic activities of the invested companies and does not consider the different strategies investors may use to contribute to and enhance the impact of their invested companies. Finally, the *Regulatory Technical Standards (RTS) on ESG disclosures* show that their objective is to demonstrate how funds are doing no harm to the six objectives of the taxonomy rather than demonstrating how it is contributing to achieving its primary sustainable objective.

3. ADDITIONALITY

The concept of additionality, as mentioned at the beginning, has generated the most debate in the sector and in the Task Force as well. Most actors in the national and international impact ecosystems consider it **a key variable, whether as a necessary condition for impact investing** or as essential to understanding different forms of impact investing, recognising that there may be impact investing without additionality.

Through various interviews and discussions in the first session of the Task Force, we explored why this divergence arises and how to deal with it. As is common, the crux of the matter lies in how this variable is understood. To provide as much transparency as possible, the sessions dedicated time to **distinguishing and analysing the different sources of additionality—investee additionality and investor additionality—to then build a common understanding of the role of additionality in the definition and practice of impact investing.**

3.1 Additionality of the invested company or asset

The Task Force considers that an **invested company has additionality when it contributes with specific solutions to social or environmental challenges that may be considered underserved**—which falls in the C column in the IMP framework.

We highlight the **usefulness of the five dimensions of impact framework**, also developed by the IMP (see box below), to **identify in practice whether the investee is class C**, namely:


- whether the **challenge** addressed by the investee can be considered as **underserved**;
- and whether the investee's **activity** is aimed at achieving **relevant outcomes**;
- and whether it can be considered as **making an additional contribution** because **the business model provides a new or clearly better solution to that challenge than the existing ones.**

In proposing this framework as a tool to distinguish the additionality of the investee company, **Task Force participants agreed** that these five dimensions, particularly **the first four, are very useful to reflect on the extent to which a firm can be considered to have additionality.** However, there was also **consensus** that proper evaluation of these dimensions in each **specific case requires in-depth sectoral knowledge, with studies, data or experts** that can indicate which services, groups or segments of the population are genuinely in need of the positive impact provided by the company

and what other solutions exist in the market, in order to understand whether the company in question makes a contribution that would not have happened otherwise. In other words, to understand whether **the company is additional and can therefore be classified as a type-C investment.**


All this analysis, together with a similar position put forward at a Task Force session by the European Venture Philanthropy Association (EVPA)—which is leading a consortium to harmonise criteria for the size of the impact investing market in Europe—led to the necessary identification of impact investing **with investing in type C companies, with A and B being clearly associated with other investment or financing practices within the impact economy, such as responsible investment or sustainable investment.**

IMP Five dimensions of impact




WHAT

¿What outcomes does the effect drive, and how important are they to the people (or planet) experiencing it?




HOW MUCH

How much of the outcome occurs in the time period?




WHO

Who experiences the outcome and how underserved are they in relation to the outcome?








CONTRIBUTION

How does the outcome compare to and contribute to what would have likely happened anyway?



RISK

Which risk factors are material and how likely is the outcome to be different than expected ?

	Act to avoid Harm	Benefit stakeholders	Contribute to solutions
 WHAT	Important negative outcomes	Important positive outcomes	Specific important positive outcome
 HOW MUCH	Marginalized and for a few	Various	Deep change, for many and/or long-term
 WHO	Underserved	Various	Underserved
 CONTRIBUTION	Likely same or better	Likely same or better	Likely better
 RISK	Various	Various	Various

For an enterprise to have additionality, and therefore be funded by an impact investment: **What** must be a **clearly important positive outcome** for the target population. How much should ideally show a **profound effect, or for many people and lasting over time**. **Who** is also essential to determine the "underserved" character of the social or environmental issue, as it should be a **group with a fundamental need that is not currently met**. **Contribution** refers to **the differential effect produced by the company by providing new or clearly better solutions (which otherwise**

would not have occurred), and Risk refers to the likelihood that this effect or impact will actually happen. In all five cases, it is interesting to be able to collect quantitative data that demonstrate (both for external communication and internal strategy and monitoring) the relevance and depth of the impact that the company is having or intends to have.

The IMP 5 dimension framework therefore has emerged as essential to differentiate between impact investing and other forms of investing such as sustainable investing.

The inclusion of this distinction between investee and investor additionality, together with the outcome of the Task Force's analysis and discussion of the former, clearly indicate that this form of investee additionality (and therefore the consideration of the investment within category C of the IMP) is essential to distinguish impact investing.

Thus, additionality, understood as the relevant contribution made by the investee by offering a new or clearly better market solution to an underserved challenge, is a necessary condition for impact investing.

3.2 Investor additionality

Investor additionality, sometimes called investor contribution, can be further divided into financial and non-financial additionality. This variable makes it possible to take into account the differences between a greater or lesser focus on the investor's impact and, therefore, the differences between a greater or lesser transformative capacity of the investment as a whole. Once the additionality of the invested company has been accepted as a necessary element in impact investing, the Task Force concluded that investor additionality does not always occur and is not considered essential for the definition of impact investing. However, the Task Force understands, with a very high degree of consensus, that:

is important to distinguish when investor additionality occurs and when it does not, making additionality a useful variable to segment the impact investing market with the view to highlight the value of the most additional tranche, i.e., the one in which, in addition to investing in type C companies, investor additionality is also present. After several approximations, participants' consensus was to call this segment additional impact investing.

This approach is fully consistent with that used by EVPA in its recent harmonisation exercise of the impact investing market in Europe, which was presented to the Task Force. Although a variety of international frameworks were studied and proposed, the work of the group's participants converged precisely with EVPA's rationale subsequently implemented in its publication *Accelerating Impact*⁷.

The following summarises the results of an **analysis regarding which investor contribution strategies outlined by the IMP were considered to imply investor additionality**.

3.2.1 Financial additionality

Financial additionality refers to two concepts highlighted in the IMP framework: growing new or undersupplied capital markets and providing flexible capital. These concepts are interesting to differentiate between different types of impact investments, but further work is needed to identify them in practice. The Task Force used some exercises and discussions in the working sessions to ground these variables.

- **Underserved capital markets.** The idea of growing new or undersupplied capital markets **involves financing opportunities that are attractive in terms of impact and financial return, but which for some reason have been overlooked by the market**. For example, it may be because they have **additional complexity, greater illiquidity or there is a perception of disproportionate risk**⁸. Debate arose within the Task Force as to whether the existence of other investors or competitors precludes the possibility of being an undersupplied capital market, or whether there can be other investors as long as they are also impact investors. Similarly, another question raised around whether certain markets such as the Spanish venture capital market or developing countries could be considered undersupplied per se given their chronic shortage of capital and liquidity. Therefore, it can be argued **that the existence of a "market failure"** (understood as the fact that a firm cannot find financing despite being able to offer a risk-adjusted financial return at market level) is an interesting condition to determine that financial additionality exists. However, there are questions about how market failure may be proven. **The most common practice is to base it on studies or statistics reflecting the amounts of funding that would be needed to solve the market failure.**
- **Flexible capital.** The idea of providing flexible capital implies that investment to **solve certain challenges will require the acceptance of a worse-than-market risk-return ratio**, i.e., that on certain occasions the impact investor will expect a return below market levels, accept a higher-than-market level of risk, or accept other more flexible conditions such as a longer repayment period.

This is not the most common practice in the sector (for example, the GIIN data suggest that two-thirds of impact investors seek market returns, and one-third below-market returns⁹), nor was it

7. Gaggiotti, G., Gianoncelli, A., De Felice, R. (2022): *Accelerating impact*. European Venture Philanthropy Association.


8. Impact Management Project. *Impact Frontiers*.

among Task Force members. However, there is consensus that **some types of social enterprises or impact are very difficult to finance with market returns, so there is a need for investors willing to sacrifice typical market conditions for the sake of the impact sought.** Sometimes this flexible capital can be part of a blended finance scheme, where some investors accept a lower financial return (or higher risk) in order to attract or catalyse other investors seeking market returns. In many blended finance schemes, a grant to fund technical assistance is also provided alongside the investment to the investee company, lowering its cost of capital. The importance of impact investments in the form of flexible capital, and in particular their use as catalytic capital to pull in other investors with market returns, must be highlighted as the only possible way to fund certain underserved challenges. Otherwise no transformation would be possible precisely where it is most needed.

At the same time, although there is a theoretical distinction between those investors who expect to obtain "market" returns by investing in sectors that are undersupplied with capital and those who accept somewhat lower returns, it is not always easy to distinguish the two situations in practice because in every case the risk of the sector, the maturity of the company, the information available, the growth potential, etc. come into play. For this reason, the Task Force often considered it appropriate to speak of financial additionality as a whole when investors are providing capital to companies or sectors that are underfunded by the market.

Despite some difficulties in measuring or demonstrating it, there is broad consensus that **financial additionality is a relevant concept and is understood as investment in those enterprises that would not find, or would encounter difficulties to find, adequate financing at a price similar to that offered by the impact investors. This segment of impact investing is not the most common, but it is the one with the greatest potential for social transformation.**

As a result of this analysis and the usefulness of investor additionality as a variable to segment impact investing, it seems clear that;

 **Where an impact investment involves financial additionality as a form of investor contribution, it shall be specifically classified as a case of additional impact investing.**

3.2.2 Non-financial additionality

Non-financial additionality refers to the active involvement of the investor in improving the impact outcome of enterprises, **generating an impact that would not have taken place otherwise.**

9. 2020 Annual Impact Investor Survey. The Global Impact Investing Network.

This form of investor additionality relates to the investor contribution strategy in the IMP framework of active engagement. However, it is very important to note that **active engagement as a practice does not always imply additionality**. In discussions on this issue, the Task Force concluded that in order to be additional, **investor engagement must be geared towards enhancing the impact of investees and not just supporting them in their strategy or operations, highlighting the importance of:**

- **Linking the investors' engagement to their intentionality (role of engagement in the investor's theory of change)**, which makes it possible to distinguish between the active engagement actions typical of a classical venture capitalist and those of an impact investor who intends to be additional.
- Ensuring the **holding period of the assets is consistent with the time needed to deploy active engagement and achieve the intended change**, as it does not seem possible to make an impact as an investor by buying and selling shares in the short term.
- **Participating in the company's governing bodies with a position that makes it possible to exert influence.**

The Task Force also emphasised that, to be considered additional, this engagement must go beyond simple monitoring or the so-called shareholder engagement, whereby shareholders of listed companies question or pressure management to adopt certain policies related to environmental, social or governance factors. Under this scenario, we conclude that it is highly complicated, although not impossible, **for shareholder engagement to be aligned with an investor's theory of change, even more so if it is carried out through platforms or collaborative engagement**; at the same time, deploying these practices individually is very costly in terms of time and dedication of resources and very ineffective as it is dependent on the size and reputation of the investor, the number of shares, etc.

On the other hand, the consortium for the harmonisation of impact investing data in Europe, led by **EVPA**, has reflected on the same issue of non-financial additionality in the active engagement of investors. Their conclusion, which they presented to the Task Force, and which has been **validated by the participants, is that active engagement** must lead to an impact that would not otherwise have occurred so that an instance of non-financial additionality may be identified. EVPA points out that this specifically implies that **the investor must provide support, in the form of a large and significant non-financial contribution, which includes deploying in parallel various forms of engagement**, for example:

- Assistance in measuring and managing impact
- Support in improving processes, products with the aim of generating greater impact
- Training of staff on impact-related issues

Therefore, **this variety of actions must necessarily be linked to the achievement of the impact intended** by the investor's intentionality. **If these have other purposes**, such as improving sustainability factors other than the intended impact, **this is a case of non-additional engagement.**

Thus, each assumption of active engagement in impact investing will need to be considered in order to determine whether it involves engagement with the investee in various ways and that these lead

to an increase in impact that would not otherwise occur. This degree of involvement will make it possible to distinguish between impact investing and additional impact investing.

Where an impact investment involves active engagement as a form of investor contribution: it shall be classified as an impact investment or, specifically, as an additional impact investment, depending on whether this investor engagement entails additionality or not.

These reflections on financial and non-financial additionality are key to segmenting the impact investing sector on the basis of investor contribution or additionality in a way that provides transparency, preserves the integrity of the sector, and makes it possible to attract capital to the most transformative segments where it is most needed.

The main conclusions are provided on the next page.



Conclusions






The Task Force's work has been very robust, based on both international trends and the direct knowledge of a group with extensive experience in the sector. The different discussions and consensus that emerged pointed to **two main conclusions** concerning the **definition** and **segmentation** of impact investing.

With regard to the definition of impact investing, the Task Force confirmed the importance of intentionality and impact measurement and management and affirmed that it should also include the concept of additionality of the invested enterprise.

- **Intentionality:** The investor should define the social or environmental challenges it intends to address in its investment thesis, as well as a reasonable narrative of how its activity will positively impact these challenges (e.g., through its Theory of Change). Demonstrating this intentionality by linking part of the manager's remuneration to the achievement of certain impact indicators is a highly recommended practice. Such aspects ought to be incorporated into legal documentation, like the fund's prospectus.
- **Measurement:** The investor must measure and manage impact, introducing impact criteria throughout the investment process and using the outcomes to learn and improve the management of the investor's organisation and the invested organisations.
- **Additionality** (of the invested company): Impact investing is aimed at companies that seek to make a direct and relevant contribution to social or environmental challenges that may be considered underserved. Furthermore, it is important to demonstrate that the contribution is better than would likely occur otherwise, providing a relevant solution to an "underserved" challenge, in terms of variables such as *who* is benefiting, *how much* benefit they are getting, or whether the *contribution* being made would not otherwise take place because market solutions do not exist or are clearly worse. In terms of the IMP, this corresponds to underlying assets with category C impact (see box on the IMP five dimensions of impact).

On the one hand, **this more precise definition should preserve the integrity of impact investing, avoiding situations of impact washing** where investors lack clear objectives about generating impact on underserved groups (see matrix below). On the other hand, it should also promote that capital providers with clear objectives to contribute to relevant solutions to the main social and environmental challenges facing society be able to identify investment opportunities that work towards those objectives.

CONCLUSIONS

CONTRIBUTION OF UNDERLYING ASSETS				5 DIMENSIONS
	Act to avoid harm	Benefit stakeholders	Contribute to solutions	
 WHAT	Important negative outcomes	Important positive outcomes	Specific important positive outcome	
 HOW MUCH	Marginalized and for a few	Various	Deep change, for many and/or long-term	
 WHO	Underserved	Various	Underserved	
 CONTRIBUTION	Likely same or better	Likely same or better	Likely better	
 rISK	Various	Various	Various	CONTRIBUTION OF THE INVESTOR
Signal that impact matters <ul style="list-style-type: none"> Engage actively Grow new or undersupplied markets Provide flexible capital 				
Signal that impact matters <ul style="list-style-type: none"> Engage actively Grow new or undersupplied markets Provide flexible capital 				
Signal that impact matters <ul style="list-style-type: none"> Engage actively Grow new or undersupplied markets Provide flexible capital 				
Signal that impact matters <ul style="list-style-type: none"> Engage actively Grow new or undersupplied markets Provide flexible capital 				
Signal that impact matters <ul style="list-style-type: none"> Engage actively Grow new or undersupplied markets Provide flexible capital 				

Source: Own elaboration based on the Impact Management Project

Impact Investing

With regard to the **segmentation** of impact investment, the Task Force has identified the **need to highlight the practice of those investors who make a special contribution to enhancing the impact of their investees**. This investor contribution is not sufficient by itself to identify impact investing, as investors can make a significant contribution to assets that fall into categories A and B (see graph above), but it does make it possible to differentiate between different practices within impact investing.

CONCLUSIONS

While the **IMP framework mentions four types of contribution** (signal that impact matters, engage actively, grow undersupplied capital markets and provide flexible capital), through **dialogue and analysis of international experiences the Task Force found an opportunity to make a clearer distinction between those investors who provide additionality and those who do not** (see matrix on the next page).

- Firstly, "signal that impact matters" is a must in impact investing and is understood to imply proactive and systematic consideration of the measurable positive and negative impacts of assets as part of the investment decision-making process, as well as communicating this consideration to investors and the wider market. However, it is not understood as a differentiating factor, whether deployed with market or non-market signals, as it usually does not entail any concrete commitment from investors, has substantial limitations to be able to influence any kind of outcome and the evidence of its possible effects would be based on narrative. Therefore, **if the only contribution of the investor in an impact investment is to indicate that impact matters, it clearly cannot be considered additional impact investment.**
- Secondly, the contribution of "engage actively" was the subject of intense debate within the Task Force. What kind of engagement is necessary to be considered additional? The answer is active engagement that generates impact outcomes that would probably not have occurred otherwise. As reflected in the results of the previous section, this means that it must go beyond the monitoring of certain factors and shareholder engagement. Instead, it should be clearly focused on enhancing the company's impact through a broad and significant non-financial contribution that involves deploying various means of engagement, including specific staff training, support in measuring and managing impact results, improving processes and products with the aim of generating a greater social or environmental impact, and taking part in the company's governance bodies. **Only when there is this type of substantial active engagement it is possible to speak of non-financial additionality and therefore such an impact investment will be considered as an additional impact investment.**
- Thirdly, "grow undersupplied capital markets" and "provide flexible capital" were understood to be part of what can be called **financial additionality**. They clearly make an additional contribution to the impact of enterprises, as it would be difficult for the enterprises to find financing through traditional capital markets, and therefore they would not be able to sustain or scale their business models. For this reason, **in impact investing, both of these forms of contribution will give rise to additional impact investment.**

CONCLUSIONS

CONTRIBUCIÓN DE LOS ACTIVOS

	Act to avoid harm	Benefit stakeholders	Contribute to solutions	5 DIMENSIONS
<div>WHAT</div>	Important negative outcomes	Important positive outcomes	Specific important positive outcome	
<div>HOW MUCH</div>	Marginalized and for a few	Various	Deep change, for many and/or long-term	
<div>WHO</div>	Underserved	Various	Underserved	
<div>CONTRIBUTION</div>	Likely same or better	Likely same or better	Likely better	
<div>RISK</div>	Various	Various	Various	CONTRIBUTION OF THE INVESTOR
<div>Signal that impact matters</div> <div>· Engage actively</div> <div>· Grow new or undersupplied markets</div> <div>· Provide flexible capital</div>				
<div>Signal that impact matters</div> <div>· Engage actively</div> <div>· Grow new or undersupplied markets</div> <div>· Provide flexible capital</div>				
<div>Signal that impact matters</div> <div>· Engage actively</div> <div>· Grow new or undersupplied markets</div> <div>· Provide flexible capital</div>				
<div>Signal that impact matters</div> <div>· Engage actively</div> <div>· Grow new or undersupplied markets</div> <div>· Provide flexible capital</div>				
<div>Signal that impact matters</div> <div>· Engage actively</div> <div>· Grow new or undersupplied markets</div> <div>· Provide flexible capital</div>				
<div>Signal that impact matters</div> <div>· Engage actively</div> <div>· Grow new or undersupplied markets</div> <div>· Provide flexible capital</div>				

Impact Investing

Additional Impact Investing

Source: Own elaboration based on the Impact Management Project

Source: Own elaboration based on the Impact Management Project

Impact Investing Additional Impact Investing



CONCLUSIONS

These conclusions can be summarised in the graph below, which shows how impact investing is a subgroup within sustainable and responsible investing, and how additional impact investing is a subdivision within impact investing.

Sustainable and responsible investing	Impact investing	Additional impact investing
<ul style="list-style-type: none">Has environmental and/or social objectives and considers or seeks to improve environmental, social and governance factors of its investees in its investment strategy.	<ul style="list-style-type: none">Has a clear ex ante intention to contribute to solving social or environmental problems, andMeasures and manages the impact generated by its investments, andFunds companies whose primary mission is to make a significant contribution to addressing underserved social or environmental challenges.	<ul style="list-style-type: none">Actively engages with investees in a broad and significant way with the objective of maximizing the impact of its investments, and/orFunds underserved sectors or activities, and/orExpects a worse-than-market risk/return ratio, offering patient, concessional or tailor-made financing.



Source: elaborated by SpainNAB and Esade Center for Social Impact

In the framework of the Impact Management Project, sustainable and responsible investment would correspond to categories A and B, impact investment to category C, and additional impact investment to subcategories C2 (in part), C3, C4, C5 and C6.



Further questions

Due to time constraints, the Task Force was not able to address in depth all the issues under discussion in the impact investing sector. In addition to format constraints, it was advisable to leave some issues open because there is ongoing work on those same issues in a relevant international forum. Specifically, we are referring to a very important issue brought forward on several occasions: impact investing in listed assets. During the Task Force's work in 2022, we waited to learn the results of The GIIN's Listed Equities Working Group, so the international guidance provided by this group could inform discussions and constitute the starting point for an analysis in the Spanish ecosystem.

With this in mind, we reflect below the state of the matter for this Task Force.

On listed assets in general:

- While the framework proposed in this report is a priori suitable for all types of assets, its usefulness for classifying listed assets has not been specifically explored.
- However, listed assets should meet the same criteria as unlisted assets to be considered as impact investment (funding companies that contribute significantly to underserved challenges) and as additional impact investment (bringing clear financial and/or non-financial additionality).

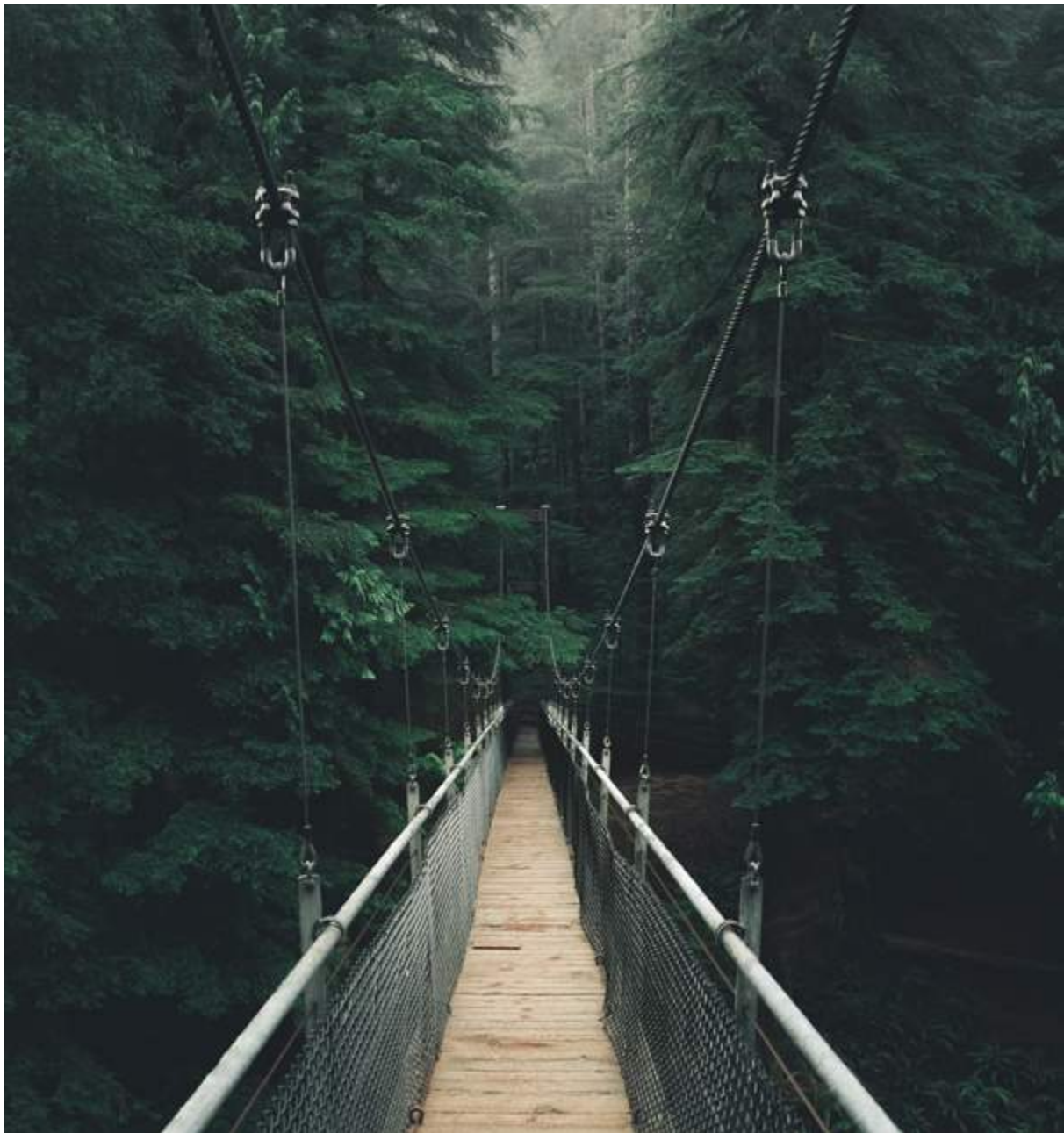
On listed equities:

- In principle, it seems difficult to find cases of investment in listed shares that can generate financial additionality (by definition, they are companies with access to capital markets) or non-financial additionality (as the investor's capacity to engage in an additional way and exert influence tends to be smaller and is usually directed towards objectives of improving "how" the company does business). For this reason, it seems that investment in listed shares could in some cases (studied on a case-by-base basis) come to be defined as impact investment, but only exceptionally as additional impact investment.
- The GIIN has worked in particular on impact investing in listed equities through a specific Task Force, with the participation of some Spanish actors and public consultation responses by SpainNAB and other GSG ecosystem actors. Results will be published in the coming months, and we believe that the report by the GIIN Task Force can help advance towards a much needed international consensus as a milestone to prevent impact washing and confusion arising from the different treatment and understanding of the issue by different actors and in different geographies.

The case of **listed green, social and sustainable bonds**:

- Similarly, they could be considered as impact investments if they meet the criteria of intentionality, measurability and additionality included in the definition, which would need to be determined on a case-by-case basis.
- To this aim, a thorough study of the use of proceeds in each bond is required to ensure that there is project additionality, i.e., that they are dedicated to meaningful, new or better solutions to underserved challenges.

- Intentionality can be reflected, for example, in the length of time the asset is held and the investor's theory of change.
- Measurement should focus on impact management and not only on monitoring certain factors. In this sense, the requirements of the International Capital Markets Association (ICMA) are somewhat lax, as they refer to reporting on the allocation of funds and the expected impact. Meanwhile, best practices around harmonized reporting of KPIs or verification, albeit very positive, are merely recommendations, not requirements. As for investor additionality, both financial and non-financial, it is not clear that this is possible in the case of investment in listed bonds. An in-depth study of the issue is required.



SpainNAB

recommendations

1. Continue promoting the growth and integrity of impact investing

Mobilise capital while maintaining the integrity of the impact investing market so that it is truly differential from other types of investing that use ESG criteria.

2. Segmentation of impact investing and advancement of innovative financial instruments.

Make use of impact investing segmentation to attract capital to the additional impact investment segment: in particular, we highlight the value of bringing capital to those segments to which it does not flow naturally and where flexible capital is needed, i.e., where there is financial additionality.

- It is important to place value on the investment of flexible capital, both as concessional or patient capital that funds certain challenges that require profound transformations and that are difficult to address without this type of capital and as catalytic capital that pulls in other investors with market returns.
- In particular, catalytic capital should be used to create innovative financial instruments and vehicles, like Blended Finance, that make it possible to direct money at scale toward these more capital-starved sectors or activities.
- To build the catalytic tranches of such structures, we recommend calling in particular on public or philanthropic money and highlight the opportunity currently presented by the European Union's Next Generation Funds, InvestEU guarantees and venture philanthropy.

3. Creation of a seal or label to identify impact investments

To fulfill recommendations 1 and 2, it is necessary to create a label or seal based on the consensus and methodology informing this work to enable investors to clearly identify impact investing products and make informed investment decisions. Furthermore, a Spanish label would make it possible to distinguish impact investing that is additional according to the criteria in this document. This initiative would help asset owners to clearly identify “impact investing” vs. “additional impact investing” vehicles or financing products. In order to implement this proposal, we recommend:

- Firstly, that the conclusions drawn from the work of this Task Force be translated into a code of good practices to be adopted by the sector, with the Spanish supervisor participating in the conversation to ensure it is developed according to the highest standards.
- Subsequently, that the first implementation of the model as a seal be a private initiative, so that the identification and certification may move forward with agility, following the example of the French seal *Finansol*.
- Ideally, that these criteria eventually be adopted by a public label with a separate regulatory

framework subject to oversight, as is the case with labels contained in the proposal for Sustainability Disclosure Requirements and Investment Labels of the UK's FCA. Moreover, this Spanish label would make it possible to differentiate additional impact investing according to the criteria set out in this document, making it clearly identifiable to asset owners, with the aim of encouraging capital to flow in particular to the part of the impact investing market where it is most needed and where the greatest potential for transformation lies.

4. Transversal work to identify underserved challenges and solutions that are relevant and additional

Understand which challenges are underserved and identify entities that are additional. Establish through sector-wide exercises, bringing together the supply, intermediation and demand sides of the impact capital market, practical guidelines for the use of and compliance with the IMP's five dimensions of impact as a fundamental tool to distinguish an investment in a company with sustainability objectives (type B) from an impact investment (type C). In addition, the study on the demand for impact capital that SpainNAB is pioneering this year yield a tool to identify type C companies.

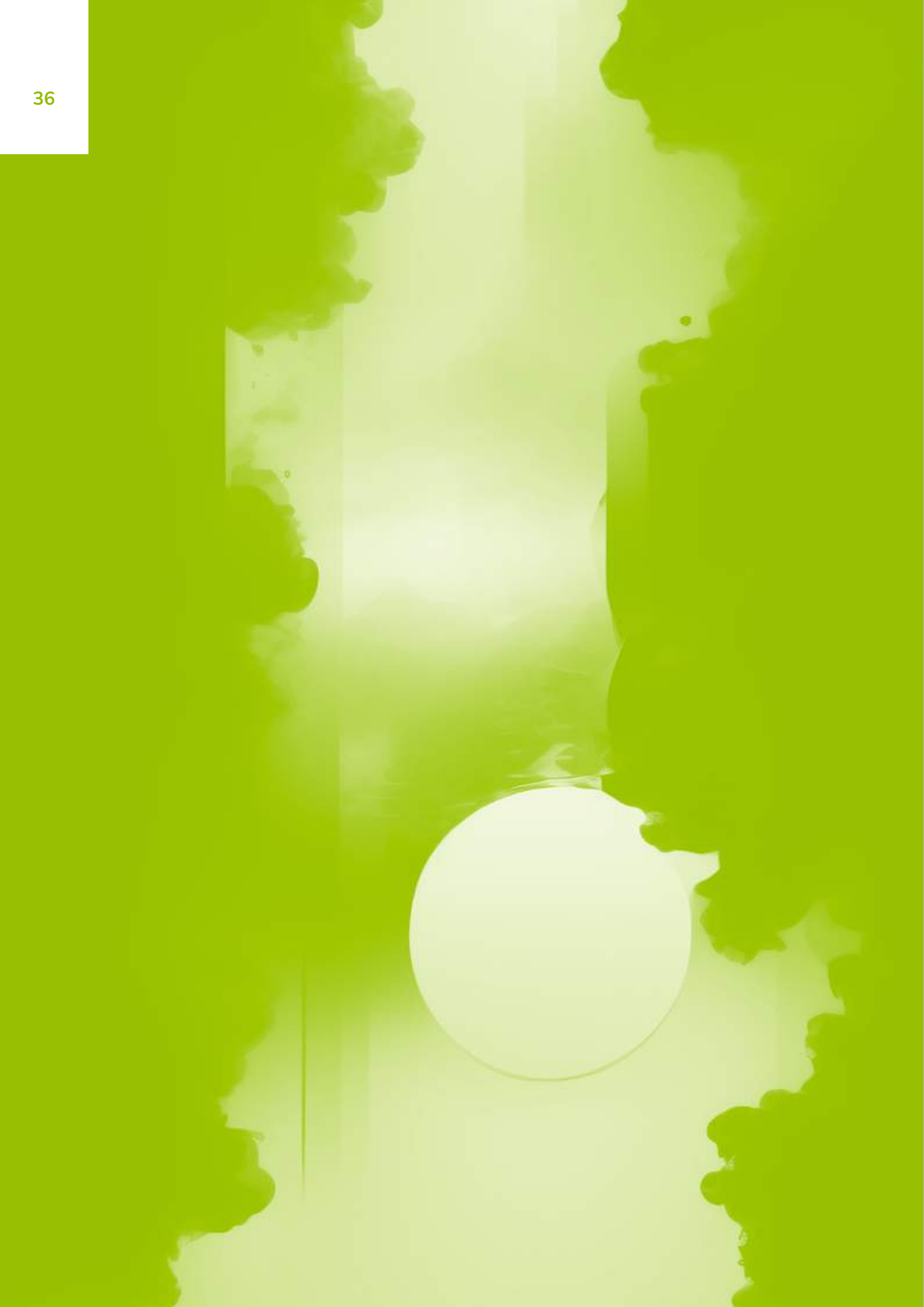
For the time being, in order to evaluate this distinction between B and C in practice, it is necessary to complete the five dimensions framework with company, sector and competitor data and, above all, to understand very well when a specific population or the planet is underserved with respect to a specific outcome and when there are no market solutions or the existing ones are clearly worse or insufficient. The Task Force's practical exercise yielded a recommendation that this assessment should rely on sectoral studies, analysts or experts who can put the activity or outcome in context and help answer the questions posed by the five dimensions in an informed manner.

5. Move forward into impact measurement comparability

In the absence of a single impact measurement tool that is useful in all cases, we encourage the approach of combining custom indicators that are clearly adapted to the reality of the organisation with indicators from a common catalogue that allows the comparison of an organisation's impact with that of other organisations. Accordingly, it is necessary to delve deeper into tools that can provide a common language that makes it possible to compare investments.

6. Continue promoting international harmonization

Follow international developments closely to continue aligning the Spanish ecosystem's and SpainNAB's practice with the evolution of the global ecosystem. In particular, continue to participate in and follow The GIIN's work of on impact investing in listed equities; continue conversations with other NABs, especially European ones, about practices for distinguishing and sizing the impact investing market; and continue to be one of the promoters of the consortium for harmonizing impact investing market data in Europe, in the group led by EVPA. For all this, the next GSG Global Impact Summit 2023, which SpainNAB will host in Malaga on October 2nd and 3rd, provides a great opportunity to strengthen knowledge and build bridges of collaboration.



Acknowledgements

EXPERTS:

We would like to thank every person and organization that supported us by participating as experts in the Task Force sessions.

EVPA: Research Manager, Gianluca Gaggiotti,

Finance for Tomorrow by Paris Europlace: Chief Scientific Officer at 2 Degrees Investing Initiative and Leader of Finance for Tomorrow Impact Task Force's rating scale, Mickaël Mangot.

Bridges Fund Management: Partner and Head of Impact at Bridges Fund Management and Head of Content at IMP, Olivia Prentice.

Fundación Biodiversidad: Circular Economy Area Coordinator, Irene Díez.

Ship2B Ventures: Quality of Life Investments Director, Jordi Ferrer.

Fondo SAADSS de Cuidados, SEPIDES (Grupo SEPI): Business Development Directorate and Specific Programmes Subdirector, M^a Dolores Flores.

PARTICIPANTS IN THE WORKING SESSIONS:

We would like to thank all those who have participated in this Task Force and worked to reach the consensus encapsulated by this paper.

- **Anna Pellicer**, Abac Capital
- **José Ballesteros**, Absolute Impact
- **Claudia Antuña**, Afi Inversores Globales
- **Marisa Aguilar**, Allianz Global Investors
- **David Anglés**, Allianz Global Investors
- **Maria Treviño**, Amundi AM
- **Sandra Conde-Plouzen**, Amundi AM
- **Teresa González**, Arcano Partners
- **Alicia Rubi**, EY (former Attalea Partners)
- **Fatima Basagoiti**, EY (former Attalea Partners)
- **Alberto Gómez-Reino**, BBVA AM
- **José Moncada**, Bolsa Social
- **Ana Martín de Santa Olalla**, CaixaBank AM
- **Jose Carlos Villena**, COFIDES
- **Emilio Ayanz**, Creas
- **Luis Berruete**, Creas
- **Pablo Alonso**, Eurocapital EAF
- **Carlos Capela**, Federated Hermes
- **Isabel Goiri**, Fundación Anesvad
- **Patricia Gabeiras**, Gabeiras y Asociados
- **Agustín Vitórica**, Gawa Capital
- **Adrián Landa**, Global Social Impact Investments
- **Pedro Goizueta**, Global Social Impact Investments
- **Álvaro Navarro**, Impact Bridge
- **Elena Rico**, Impact Partners
- **Nicolas Touboulic**, Impact Partners
- **Esther Sarsa**, Miura Partners
- **María Merry del Val**, MJ Hudson
- **Teresa Guardans**, Oryx Impact
- **María Oliva**, Oryx Impact
- **Ana Guzmán**, Portocolom AV
- **Rebeca Cordero**, Portocolom AV
- **Pablo Valencia**, Q-Impact
- **Paula Martínez**, Robeco
- **Santi Pagès**, Roca Junyent
- **Lourdes Amigó de Bonet**, Roca Junyent
- **Augusto Caro**, Santander AM
- **Laura Blanco**, Santander AM
- **Pilar Vila**, Schroders
- **Oscar Ugarte**, Seed Capital Bizkaia
- **Daniel Sánchez**, Ship2B Ventures
- **Maite Fibla**, Ship2B Ventures
- **Marc Miralles**, Suma Capital
- **Cristina Martinez**, Triodos Bank
- **Jose Nistal**, Zubi Capital

