



Impact Measurement  
and Management

# GIMPACT

March 2022

# Overview

Fundo Vale, in line with its strategic vision for the next 10 years, declares that one of its guiding principles to have **transparency, governance and efficiency leveraged by an impact measurement and management system**. To support this principle and move forward with the development of flows and practices, this document presents **GIMPACT, a model built for managing and measuring Fundo Vale's impacts**.

This model was designed to **monitor the portfolio of initiatives supported by Fundo Vale, encompassing both business promotion and investment, aimed at achieving results and impacts**. Based on this, the approach intends to add efficiency to the decision-making process and add transparency to governance, as well as paving the way to robustly and effectively demonstrate Fundo Vale's contributions to changes in the short, medium and long terms, in line with its 2030 Theory of Change.

Accordingly, this document compiles information about the conceptual foundations that underpin GIMPACT, the flow for implementing it, the indicators to be tracked and criteria for decision making regarding other strategies that are part of the model, such as assessments.

It is worth bearing in mind that this model is the first version of a work in progress. It is essential for GIMPACT to continue to improve over time, as part of an adaptive process, which will require contributions from partner organizations and the absorption of lessons learned by Fundo Vale itself and best practices in the field.

This is the first step in a long journey.  
We are counting on to contribute regularly.

**Fundo Vale**

<b>Fundo Vale’s 2030 Theory of Change</b>	<b>04</b>
<b>Introduction to GIMPACT</b>	<b>06</b>
<b>GIMPACT’s Flow</b>	<b>12</b>
<b>Stage 1</b>	<b>14</b>
<b>Stage 2</b>	<b>15</b>
<b>Stage 3</b>	<b>16</b>
<b>Stage 4</b>	<b>19</b>
<b>Indicator Matrix</b>	<b>20</b>
<b>Data Collection Instruments</b>	<b>29</b>
<b>Evaluation Approaches</b>	<b>31</b>

# Fundo Vale's 2030 Theory of Change

In 2020, Fundo Vale constructed its **2030 Theory of Change**, a set of **principles, strategies, results, impacts and commitments** that will guide how its resources are allocated. These strategic guidelines provided the basis for building Fundo Vale's impact management and measurement model.

## Mission

To promote positive social and environmental impact solutions that strengthen a sustainable, fair and inclusive economy.

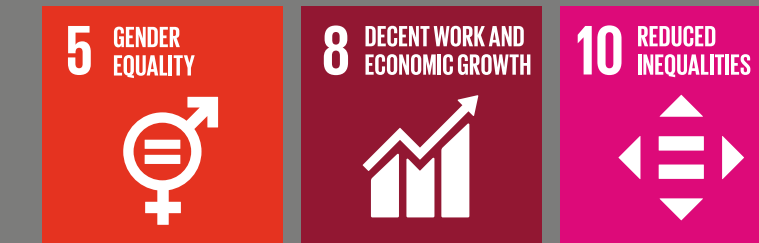
## Areas of activity

**Fundo Vale** will work in regions in which there are opportunities to pursue its mission, with a special focus on the Amazon region.

### Main SDGs



### Transversal SDGs



## Impacts

Protected and restored natural ecosystems, enabling the sustainable use of their resources

Local communities, traditional and forest peoples and farmers working in a cooperative, organized way, generating wealth sustainably from natural resources, with greater access to services and products, boosting the quality of their lives

A regenerative economy based on the harnessing of natural resources and the fair, egalitarian and equitable distribution of their benefits throughout the value chain

**Vale** considering the social and environmental impact business agenda in the transformation of its organizational culture and long-term strategies

## 5C strategy

### Act in COALITIONS

Build CAPACITIES

CATALYZE social and environmental impact businesses

Invest and unlock financial CAPITAL

CONTRIBUTE to Vale's sustainability commitments

## Stakeholders

Academia and research institutions

Community associations and cooperatives

Local communities, traditional peoples, forest peoples and rural producers

Companies with positive impact agenda

Foundations and corporate institutes

Traditional and impact investors

Bilateral and international cooperation organizations

Civil society organizations

Dynamizing organizations in social and environmental impact ecosystem

Social and environmental impact businesses

**Vale**

## Results

2025

Structured social and environmental impact businesses, generating financial returns and with scalability

Dynamizing organizations in the social and environmental impact ecosystem with organizational capacity to support entrepreneurs in all stages of business development

Employees of **Vale** and partner organizations and companies, engaged in the positive social and environmental impact agenda, focused on a sustainable, fair and inclusive economy

Financial instruments leveraging resources for the social and environmental impact sector

Innovative solutions with social and environmental impacts, contributing to Vale's sustainability commitments in forest and climate change agendas

2030

Structured value chains of social and environmental products and services

Financial resources leveraged for forest protection and restoration, climate change mitigation and adaptation, and other sustainability initiatives

**Vale's** 2050 carbon neutrality strategy, considering forest protection and fight against illegal deforestation in the Amazon, social and environmental impact businesses and consolidation of a bioeconomy

## Principles

We are here to generate positive social and environmental impacts.

Our impacts are aligned with **Vale's** 2030 sustainability goals.

Our capital is patient, catalytic and flexible.

Our approach is systemic, understanding, coordinating and working with different stakeholders in the ecosystem.

Our transparency, governance and efficiency are leveraged by a system for managing and measuring impacts.

# Introduction to GIMPACT

GIMPACT is Fundo Vale's model that will guide the behavior of its strategy and achievement of its results. The model is designed to lay the foundations for Fundo Vale to robustly demonstrate its effective contributions to high-level changes in the short, medium and long terms, mapping which 2025 and 2030 results are being attained to a greater or lesser extent, based on its 2030 Theory of Change.

The construction of the GIMPACT model is based on approaches and concepts that are being developed by other organizations and movements in the impact community.

# Benchmark Approaches

In general, GIMPACT is inspired by:

[Global Impact Investing Network \(GIIN\)](#)

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[IRIS+](#)

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[Impact Management Project \(IMP\)](#)

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[UN Sustainable Development Objectives](#)

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[IFC Operating Principles for Impact Management](#)

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The construction of the GIMPACT model is based on approaches and concepts that are being developed by other organizations and movements in the impact community.

It is also aligned with technically rigorous impact management perspectives, based on the **World Bank's network of researchers** and impact assessments that shed light on causality through scientific evidence (Gertler et al, 2018).

# Fundamental Concepts

## What are impacts?<sup>1</sup>

“An impact is a change in a result caused by an organization. An impact may be positive or negative, intentional or unintentional.”<sup>2</sup>

Everything we do has an impact on people and the planet. To understand any impact, we need to understand five activity dimensions: what, who, how much, the contribution and the and risks.”<sup>3</sup>

“Impact addresses the ultimate importance and potentially transformative effects of an intervention. It seeks to identify the social, environmental and economic effects of the intervention that are longer term or broader in scope than those already captured using the criterion of effectiveness. In addition to the immediate results, this criterion seeks to capture the indirect, secondary and potential consequences of the intervention. It does this by examining holistic and lasting changes in systems or norms and the potential effects on people’s well-being, human rights, gender equality and the environment.”<sup>4</sup>

## What is impact management and measurement?

“Impact management and measurement includes identifying and considering the positive and negative effects of business actions on people and the planet, and then finding out ways to mitigate these negative effects and maximize the positive ones in alignment with your goals. Impact management and measurement is iterative in nature.”<sup>5</sup>

## What are the significant characteristics of an impact management and measurement model?

“Three main characteristics are critical: a consistent and disciplined approach, transparent due diligence and impact reports, and the use of appropriate approaches and tools.”<sup>6</sup>

“Although the tendency is to focus on quantitative measures, qualitative data can also be robustly collected and analyzed to help understand what

types of impacts have occurred and why – and what is yet to come.”<sup>7</sup>

## What are the reasons for managing and measuring impacts?

In a survey carried out by the Global Impact Investing Network (GIIN),<sup>8</sup> interviewed organizations gave the following reasons for managing and measuring impacts:

- Better understanding of whether impacts are moving toward their goals;
- Proactively reporting impacts to their main stakeholders;
- Improving impact performance;
- Capturing the commercial value of impact-related data;
- Communicating impacts for marketing and/or fundraising purposes;
- Meeting customers’ demand for this information;
- Complying with government regulations requiring them to measure and report impacts.

1. The same concept of impact is not shared universally by all stakeholders in the area, but the definition given by the Impact Management Project (IMP) is close to Fundo Vale’s idea. Other ways of defining the concept of impact can be found in the literature on program assessments.
2. [Impact Management Project \(IMP\)](#)
3. [Impact Management Project \(IMP\)](#)
4. [OECD, Applying Evaluation Criteria Thoughtfully \(2021\)](#).
5. [Global Impact Investing Network \(GIIN\)](#).
6. [Rockefeller Foundation Impact Investing Handbook, 2020.\(p.122\)](#)
7. Idem.
8. [Global Impact Investing Network \(GIIN\). The State of Impact Measurement and Management Practice, 2017.](#)



## What are impact investments?

Fundo Vale's impact businesses and investments are underpinned by four criteria, as described by the [Alliance for Impact Investments and Businesses](#):

- 1 The intention to solve a social and/or environmental problem;
- 2 The company's core business is an impact solution;
- 3 Pursuit of financial returns;
- 4 Commitment to monitoring the impacts generated.

In accordance with these criteria and across the spectrum of investment possibilities, Fundo Vale proposes to prototype innovative financial solutions that may be scaled up in future. This investment strategy may be implemented through financial instruments that use hybrid models between philanthropy and investment, known as blended finance.

**GIIN defines impact investing as that carried out with the intention of generating positive and measurable social and environmental impacts and financial returns, encompassing four main elements:**

### **Intentionality**

Impact investing intentionally contributes to social and environmental solutions.

### **Financial return**

Impact investing seeks a financial return on capital, which can range from below the market rate to the risk-adjusted market rate.

### **Range of asset classes**

Impact investing can take place across all asset classes.

### **Impact measurement**

One hallmark of impact investing is the investor's commitment to measuring and reporting the social and environmental performance of the investments made.<sup>9</sup>

9. Global Impact Investing Network (GIIN). [Core Characteristics of Impact Investing](#).

# GIMPACT's Objectives and Principles

## Objectives

**Make decisions** based on evidence.

**Monitor your impact performance.**

Maintain **transparent relationships** with stakeholders.

**Guarantee impact intentionality** when you scale up solutions.

**Learn lessons** and contribute to practices in the field.

## Principles

**Presence** in all stages of the partnership with impact ecosystem organizations, from initial negotiations to departure.

**Continuous**, longitudinal, disciplined and long-term monitoring of initiatives.

**Adaptation** to the needs and development phases of the initiatives, from the initial stage to scaling up, using specific techniques, adapted to each stage.

**Diversity** in the use of data collection approaches.

**Rigorous** criteria for recording, organizing and visualizing data.

# GIMPACT's Components

## GIMPACT's Flow

This provides information about how the model is expected to function, i.e., what data about initiatives will be obtained, when, by whom and using what instruments. The flow is divided into four stages.

## Indicator Matrix

This presents the indicators defined by Fundo Vale, segmented by the role given to each one (macro, performance and qualification), their connection with the Theory of Change's results, and information needed to apply them (including description, calculation formulas and frequency). At the moment, the Indicator Matrix is composed of 65 indicators, split into three implementation phases (waves 1, 2 and 3).

## Data Collection Instruments

Forms designed to obtain data and information about the evolution of the indicators to be reported by the dynamizing organizations, fund managers, impact enterprises and Fundo Vale's own team.

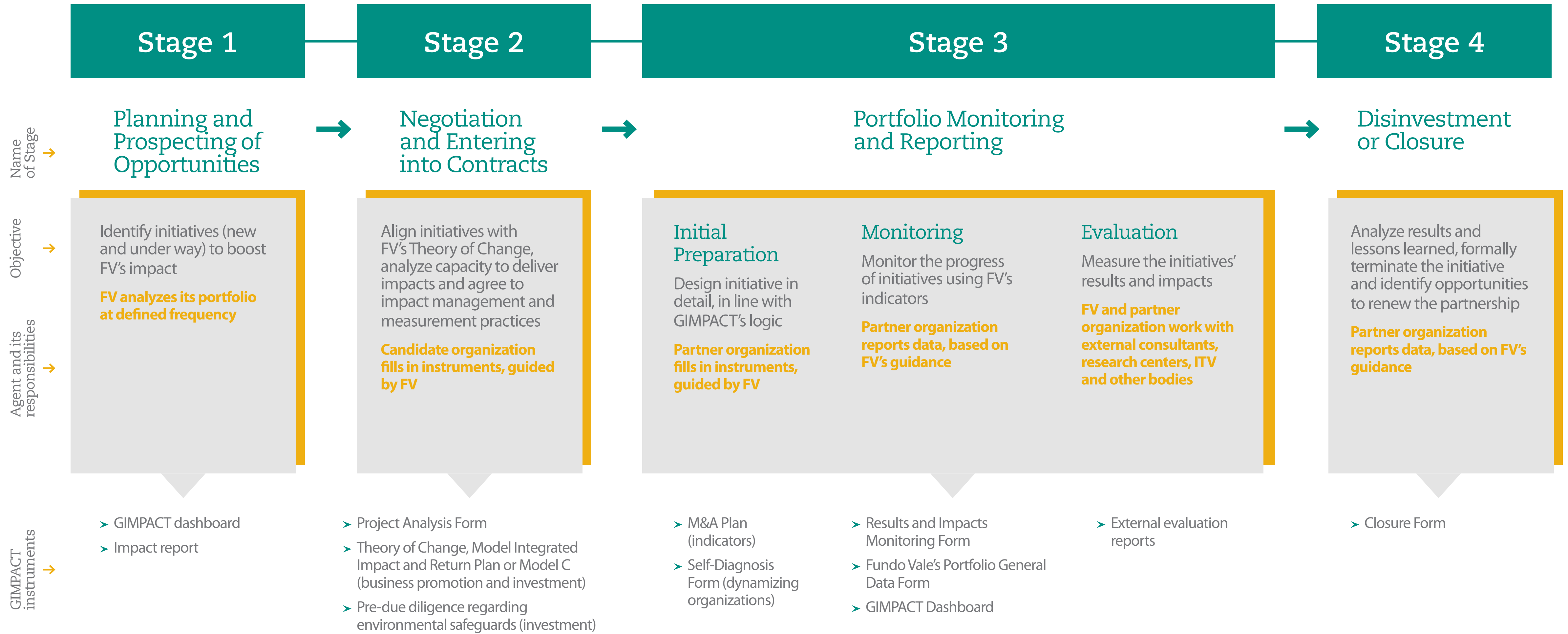
## Evaluation Approaches

They present suggested methodological options for assessing Fundo Vale's initiatives and portfolio based on specific criteria for each one.

# GIMPACT's Flow

GIMPACT's flow aims to **explain how the model should work together with business promotion initiatives** (through partnerships) and **investment by Fundo Vale**, proposing standard procedures that should be incorporated into agreements with organizations that Fundo Vale supports and invests in.





## Fundo Vale's Learning, Communication and Evaluation Cycle

- Impact Report and Evaluation Reports
- Specific articles for publication

- Meetings/seminars with partners
- Fundo Vale's management and planning meetings

## Stage 1

# Planning and Prospecting of Opportunities

Internal stage exclusively for Fundo Vale's teams, using data from GIMPACT and external data from other sources.



## Stage 2

# Negotiation and Entering into Contracts

### Fundo Vale

- Request/receive proposals for potential business promotion and investment initiatives.
- Ask candidate organizations for their Theory of Change, Integrated Impact and Return Plan or Model C.
- Present Fundo Vale's indicators and establish agreements about monitoring and evaluation. The indicators are selected in the next stage, but we recommend recording the candidate organization's commitments and needs in the contract.
- Guide candidate organizations about the pre-due diligence process regarding environmental safeguards (in the case of investments).

### Candidate Organization

- Fill in the Initial Project Analysis Form with basic details about the initiative and its connections to Fundo Vale's 2030 Theory of Change (strategies, results, impacts and UN Sustainable Development Goals).
- Present its Theory of Change, Integrated Impact and Return Plan or Model C, even if it is preliminary form, for Fundo Vale to analyze.



## Stage 3

# Portfolio Monitoring and Reporting

## Initial Preparation

### Fundo Vale

- Ask for Monitoring and Evaluation Plan to be filled in.
- Ask for Self-Diagnosis Form for Dynamizing Organizations to be filled in (in the case of business promotion).
- Offer guidance on due diligence regarding social and environmental safeguards – remote audits (in the case of investment).

### Partner organization / company invested in

- Fill in Monitoring and Evaluation Plan (with selected indicators).
- Fill in Self-Diagnosis Form for Dynamizing Organizations (in the case of business promotion).
- Construct Baseline (in the case of investment, and depending on the initiative's maturity and type of evaluation to be carried out).

### Fundo Vale + partner organization / company invested in.

- Meeting to agree on indicators (selected by the organization and mandatory for Fundo Vale) and monitoring and evaluation processes.
- Joint construction of institutional strengthening (based on Self-Diagnosis Form for Dynamizing Organizations, aligned with expectations of Result 2 (2025) of Fundo Vale's 2030 Theory of Change).





## Stage 3

# Portfolio Monitoring and Reporting

## Monitoring

### Fundo Vale

- Monitor the portfolio of partnership management and financial instrument management processes.
- Fill in the Portfolio General Data Form.
- Update the database for mirroring on monitoring dashboards.
- Consolidate annual data on which to base production of Fundo Vale's Impact Report.

### Partner organization or company invested in

- Fill in the Results and Impacts Monitoring Form for dynamizing organizations and fund managers.
- Dynamizing organizations and fund managers coordinate with supported enterprises to fill in Impact Enterprise Monitoring Form.
- In the case of a partnership to be entered into directly with an impact enterprise, an Impact Enterprise Monitoring Form should be filled in.



## Stage 3

# Portfolio Monitoring and Reporting

## Evaluation

### **Fundo Vale + partner organization / company invested in**

- Apply the prioritization criteria<sup>11</sup> to determine the methodology for evaluating the business/initiative.
- In line with the prioritization criteria, classify the business/initiative using technically rigorous evaluation methods (the adapted Maryland Scientific Methods Scale) and other criteria (such as availability of data, the total value of the business, potential of knowledge generated by the assessment, the business' strategic

importance to Fundo Vale, and potential social and environmental benefits).

### **Independent evaluator**

- Carry out evaluation in line with the approach that best suits the initiative in question.

<sup>11</sup> The criteria for determining the evaluation approach can be found in the "Evaluation Approach" section of this document.



## Stage 4

# Disinvestment or Closure

### Partner organization / company invested in

- Fill in Results and Impacts Monitoring Form (as appropriate for each partnership).
- Fill in Self-Diagnosis Form (in the case of dynamizing organizations).
- Fill in Closure Form.

### Fundo Vale

- Make a simple comparison of the data reported in two moments when the Self-Diagnosis Form is filled in, focusing on institutional development. (This action may be complemented with an interview about the points addressed on the form.)

### Fundo Vale + partner organization / company invested in

- Closing meeting to:
  - systematize experiences (analyze results and lessons learned) and identify success stories to report to the market / impact ecosystem.
  - assess the sustained investment exit impact (in the case of impact investments).



# Indicator Matrix

Fundo Vale's Indicator Matrix is structured in a specific document that presents a list of indicators with 2025 results within the scope of Fundo Vale's Theory of Change, as well as data sources, suggested monitoring frequency, each indicator's role in relation to a result and its association with the IRIS+ database.

Considering indicator data collection expectations and feasibility, a logic was constructed for applying the indicators, segmented into three moments called waves.

**Wave 1: essential indicator that can feasibly be calculate in GIMPACT's first cycle**

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**Wave 2: essential indicator that cannot feasibly be calculated at the present moment**

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**Wave 3: desirable indicator in future, which cannot feasibly be calculated at the present moment**



## Entry Indicators

No.	Indicator	Description	Information source	Monitoring frequency
E1	Name	Organization's trade name	All	Annual
E2	Organization's head office	Municipality and state of organization's formal head office	All	Annual
E3	Year founded	Year when the organization was formally founded	All	One-off
E4	Formalization	Social and environmental impact enterprise, dynamizing organization or fund manager is already formalized	All	Annual (until "yes")
E5	Legal nature	Legal nature of social and environmental impact initiative or dynamizing organization	Individual data for each initiative	Annual
E6	Business model	Business model (B2B, B2C, B2B2C, B2G, etc.) of partner social and environmental impact initiative	Individual data for each initiative	Annual
E7	Value chain in which it operates	Value chains in which the dynamizing organization, fund manager or social and environmental impact enterprise operates, whether by investing in, supporting, producing or selling goods and services	All	Annual
E8	Size of team	Number of people directly working in the dynamizing organization or social and environmental impact enterprise, broken down by gender, color and age range	All	Every 6 months
E9	Number of founders / main leaders	Total number and breakdown by gender, color and age range	All	Annual
E10	Presence of impact monitoring and assessment practices	Presence of practice under way to monitor and evaluate social and environmental impacts at dynamizing organization, fund manager and impact initiative	All	Annual
E11	Revenue/budget range in previous year	Total revenue range of social and environmental impact enterprise or total budget of dynamizing organization / fund manager at end of year prior to monitoring of indicator	All	One-off
E12	Extent of portfolio	Number of social and environmental impact enterprises that have received investments from dynamizing organization or fund manager	Dynamizing organization / fund manager	Every 6 months
E13	Value of portfolio	Total amount invested by fund manager in set of social and environmental impact enterprises	Dynamizing organization / fund manager	Every 6 months
E14	SDGs	United Nations Sustainable Development Goals with which the social and environmental impact enterprise, fund manager or dynamizing organization is linked, through its main institutional practices (in the case of an impact enterprise, focusing on its production model for goods and services)	All	Annual

# Overview of Fundo Vale's Indicators

Wave	No.	Indicator	Description	Information source	Monitoring frequency
1	1	Impacted value chains	Description of value chains impacted by social and environmental impact enterprises that are receiving investment and/or support from the dynamizing organization, fund manager or directly from FV.	Dynamizing organization / fund manager + impact enterprise	Every 6 months
1	2	Total dynamizing organizations	Total number of dynamizing organizations, broken down by journey phase; legal nature; business model; location of head office; state; and type of investment by FV.	Dynamizing organization / fund manager	Every 6 months
1	3	Total fund managers	Total number of investment fund managers, broken down by location of head office; state; value chain invested in; total investment; impact investment's proportion of portfolio (up to 5%; 5% to 10%; 10% to 20%; 20% to 30%; 30% to 50%; 50% to 75%; 75% to 90%; or more than 90%. Ranges beginning at lower limit and ending at upper limit).	Dynamizing organization / fund manager	Every 6 months
1	4	Total impact enterprises	Total number of social and environmental impact enterprises supported by dynamizing organization, fund managers or directly by Fundo Vale, broken down by type of investment; journey phase; legal nature; business model; state in which head office is located; and value chain.	Dynamizing organization / fund manager + impact enterprise	Every 6 months
2	5	Impact enterprises by area*	Ratio between social and environmental impact enterprises that are receiving investments from FV and Area Impacted.	Dynamizing organization / fund manager + impact enterprise	Every 6 months
3	6	Impact enterprises by Vale carbon offset*	Ratio between social and environmental impact enterprises that are receiving investments from FV and Vale carbon offset.	Fundo Vale	Annual
1	7	Strategies offered by the organization	Description of strategies offered to social and environmental impact enterprises by the dynamizing organizations or fund manager, broken down by business development phase.	Dynamizing organization / fund manager	Annual

# Overview of Fundo Vale's Indicators

Wave	No.	Indicator	Description	Information source	Monitoring frequency
1	8	Total organizations impacted*	Sum of indicators 2, 3 and 4 (Total impact enterprises; Total dynamizing organizations; Total fund managers). Total organizations impacted, directly or through dynamizing organizations and fund managers, broken down by journey phase; legal nature; business model; location; value chain in which operates; type of FV contribution (partnership, sponsorship, financial instrument, or memorandum of understanding).	Dynamizing organization / fund manager	Every 6 months
2	9	Scale potential	Ratio between change in EBITDA and change in operating expenses in last two years of activity of the social and environmental impact enterprise. (Not applicable to businesses that have been operating for under two years. In this case, use the Projected scale potential indicator.)	Impact enterprise	Annual
1	10	Team diversity	Breakdown of team at social and environmental impact enterprise, dynamizing organization or fund manager, by gender, color, youth, riverside dwellers, indigenous people, residents of quilombos (settlements composed of descendants of runaway slaves) or other marginalized groups.	Dynamizing organization / fund manager + impact enterprise	Every 6 months
1	11	Diversity in leadership positions	Proportion of total leadership positions at the social and environmental impact enterprise, dynamizing organization or fund manager held by non-white people (broken down by declared color); non-male people (by declared gender); youth; riverside dwellers; indigenous people, residents of quilombos (settlements composed of descendants of runaway slaves) or other marginalized groups.	Dynamizing organization / fund manager + impact enterprise	Annual
1	12	Products and services sold	Description of goods and services produced, processed and/or sold by each social and environmental impact enterprise.	Impact enterprise	Every 6 months
1	13	Types of financial instruments	Types of financial instrument provided by fund manager or dynamizing organization (if they exist).	Dynamizing organization / fund manager	Annual
1	14	Co-investment amount	Amount raised until formal start of initiative (t = 0), by social and environmental impact enterprise.	Impact enterprise	Única

# Overview of Fundo Vale's Indicators

Wave	No.	Indicadores	Description	Information source	Monitoring frequency
1	15	Rural strengthening activities	Number of rural strengthening activities in social and environmental impact initiatives organized by Fundo Vale (e.g., courses, seminars, conferences, workshops, technical assistance, etc.)	Fundo Vale	Annual
1	16	Employees' participation in rural strengthening activities	Number of Vale employees participating in rural strengthening activities held by Fundo Vale.	Fundo Vale	Annual
1	17	Knowledge production for rural strengthening	Number of publications based on information produced, consolidated or systematized through partnerships with social and environmental impact enterprises, by type of output.	Dynamizing organization / fund manager	Annual
3	18	Engagement for impact	Perception of accelerated / invested-in business regarding qualification, innovation or expansion of impact model (impact monitoring structure and practices – contribution to impact model).	Impact enterprise	Annual
1	19	Overall performance index	Score in 8 evaluated dimensions of the impact initiative (Financial Management; Operational Management; Human Capital Management; Impact Management; Markets and Alliances; Governance and Compliance; Carbon; and Technology and Innovation).	Dynamizing organization / fund manager + impact enterprise	Annual
1	20	Distribution of impacted families	Distribution of impacted families by state and municipality.	Impact enterprise	Every 6 months
1	21	Impacted families	Number of families impacted positively by the activities of social and environmental impact enterprises.	Impact enterprise	Every 6 months
1	22	Area conserved	Land area conserved since FV provided investment or support, broken down by type of area (legally mandated minimum areas of native habitat, permanent preservation area, conservation unit, etc.)	Impact enterprise	Every 6 months



# Overview of Fundo Vale's Indicators

Wave	No.	Indicadores	Description	Information source	Monitoring frequency
1	23	Area restored / being restored	Land area restored or in environmental restoration process since FV provided investment or support, broken down by type of area (productive area on small rural property with up to 4 fiscal modules, productive area on rural property with more than 4 fiscal modules, legally mandated minimum areas of native habitat, permanent preservation area, conservation unit, etc.)	Impact enterprise	Every 6 months
1	24	Distribution of conserved areas	Distribution of conserved land areas since FV provided investment or support, broken down by state.	Impact enterprise	Every 6 months
1	25	Distribution of restored areas	Distribution of restored land areas or those undergoing restoration since FV provided investment or support, broken down by state.	Impact enterprise	Every 6 months
1	26	Description of environmental restoration actions	Description of environmental restoration strategies implemented by each social and environmental impact enterprise.	Impact enterprise	Every 6 months
1	27	Area impacted*	Sum of total land area restored, conserved or undergoing sustainable production management since FV provided investment or support, broken down by type of area (productive area on small rural property with up to 4 fiscal modules, productive area on rural property with more than 4 fiscal modules, legally mandated minimum areas of native habitat, permanent preservation area, conservation unit, etc.)	Impact enterprise	Every 6 months
2	28	Carbon sequestered	Amount of carbon sequestered and stored through sustainable farming practices, per business partner, per evaluation period since FV provided investment or support, in metric tons.	Impact enterprise	Annual
3	29	Carbon credits per area for solutions	Ratio between carbon credits obtained and area used by enterprise to produce these credits.	Impact enterprise	Annual
3	30	Carbon chain's impact on family income	Change in average income of families impacted by impact enterprises, by value of carbon credits sold by the enterprise.	Impact enterprise	Annual

# Overview of Fundo Vale's Indicators

Wave	No.	Indicadores	Description	Information source	Monitoring frequency
3	31	Proportional value of carbon credits	Ratio between average cost of carbon credits sold by the impact enterprise and average market value.	Impact enterprise	Annual
2	32	Carbon sinks	Description of carbon sinks used by the institution to deliver the Sequestered carbon indicator, e.g., above-ground biomass, below-ground biomass, carbon in the soil, forest litter and dead wood.	Impact enterprise	Annual
1	33	Additionality – distribution of resources	Distribution of financial resources provided directly by FV or through dynamizing organization or fund manager to partner social and environmental impact enterprises, as proportion of total investment in venture, broken down by type of investment; value chain; location of enterprises' main office; financial instruments; and investment vehicle.	Dynamizing organization / fund manager + impact enterprise	Every 6 months
2	34	Projected scale potential	Ratio between projected change in EBITDA and projected change in operating expenses of social and environmental impact enterprise for the next year, in relation to the evaluated year.	Impact enterprise	Annual
2	35	Net revenue	Net revenue of each partner social and environmental impact initiative, by value chain in which it operates.	Impact enterprise	Every 6 months
2	36	Business' EBITDA	EBITDA of each partner social and environmental impact enterprise.	Impact enterprise	Every 6 months
1	37	Productivity	Ratio between total value produced by the social and environmental impact enterprise through sustainable management of agricultural areas and total area used for production, by value chain.	Impact enterprise	Every 6 months
2	38	Amounts contributed by other investors	Amounts raised throughout the initiative's life cycle ( $t > 0$ ), by social and environmental impact enterprise. (Compare with Co-investment amount indicator.)	Impact enterprise	Every 6 months

# Overview of Fundo Vale's Indicators

Wave	No.	Indicadores	Description	Information source	Monitoring frequency
2	39	Change in average family income	Monthly family income of direct partners of social and environmental impact enterprises since FV provided investment or support.	Impact enterprise	Annual
1	40	Additionality – Fundo Vale's percentage contribution	FV's contributions as a percentage of total contributions by foundations and institutes in the impact investment ecosystem (according to an external database such as GIFE), by type of FV contribution.	Fundo Vale	Every 6 months
2	41	Average ratio between revenue and area impacted by partners*	Ratio between net revenue of social and environmental impact enterprises and Area impacted indicator.	Impact enterprise	Every 6 months
2	42	Ratio between amount invested and area impacted*	Ratio between total amount contributed by dynamizing organization or fund manager to social and environmental impact enterprises and Area impacted indicator related to the dynamizing organization or fund manager, for each impact enterprise, broken down by type of contribution.	Impact enterprise	Every 6 months
3	43	Carbon market solutions	Description of innovative commercial solutions created, combining income generation for local communities with carbon sequestration and storage.	Dynamizing organization / fund manager	Annual
1	44	Proportional amount invested	Ratio between amount contributed by Fundo Vale to fund manager or dynamizing organization, and total amount contributed by fund manager or dynamizing organization to social and environmental impact enterprises in their portfolio. (Compare with indicator E13, Value of portfolio.)	Dynamizing organization / fund manager	Every 6 months
2	45	Proportional amount leveraged	Value unlocked by fund manager or dynamizing organization in its portfolio, for every R\$1 provided by FV to the fund manager or dynamizing organization.	Dynamizing organization / fund manager	Every 6 months

# Overview of Fundo Vale's Indicators

Wave	No.	Indicadores	Description	Information source	Monitoring frequency
2	46	Invested project consolidation rate	Number of impact enterprises that received support from FV and continue to operate after each year of support, by journey phase at the moment of support.	Dynamizing organization / fund manager	Annual
3	47	Satisfaction with partnerships	Satisfaction of partner social and environmental impact enterprises with the institution that received direct support, broken down by journey phase and value chain. Enterprises may respond in relation to FV's contribution in the case of direct support, or in relation to the dynamizing organization or fund manager in the case of indirect support from FV.	Impact enterprise	Annual
2	48	Vale employees engaged in rural strengthening	Number of Vale employees working to support the strengthening of social and environmental impact enterprises that received support from FV, with guidance from technical managers.	Fundo Vale	Every 6 months
3	49	Impact of rural strengthening strategies on employees' activities	Perceptions of employees at Vale and partner organizations and companies about the impact of participation in rural strengthening activities and/or technical support for impact enterprises in their main activities within the organization where they work.	Fundo Vale	Annual
3	50	Vale employees' contribution to impact enterprises	Number of employees at Vale and partner organizations and companies who are supporting social and environmental impact enterprises. [It would be interesting to break down this indicator by area of activity in the company/organization, position and gender, but this level of detail depends on the capacity to survey and monitor this indicator. We suggest including the institution in which people work; the area of activity; gender; type of contribution; range of support; and return range].	Fundo Vale	Annual
3	51	Engaged partner organizations and companies	Number of partner organizations and companies, not including social and environmental impact enterprises, dynamizing organizations and fund managers (already considered in other indicators) working on rural strengthening.	Fundo Vale	Annual

# Data Collection Instruments

The data collection instruments were built to enable Fundo Vale to collect information related to its portfolio in a standardized way. In general, these instruments are structured as forms that must be filled in by partner organizations / companies that Fundo Vale is investing in.



GIMPACT's Stage	Objectives of Stage	Data Collection Instruments	Filling in Data
Stage 2	Align initiatives with FV's Theory of Change, analyze the capacity to deliver impacts and agree to impact management and measurement practices	Initial Project Analysis Form	Candidate organization fills in form for Fundo Vale to analyze
		Theory of Change, Model Integrated Impact and Return Plan or Model C	Candidate organization fills in form for Fundo Vale to analyze
Stage 3	<b>Initial Preparation</b> Design initiative in detail, in line with GIMPACT's logic	Monitoring and Evaluation Plan	Partner organization constructs proposals and discusses them with Fundo Vale
		Self-Diagnosis Form	Dynamizing organization constructs possible strengthening strategies and discusses them with Fundo Vale
	<b>Monitoring</b> Monitor the progress of initiatives using FV's indicators	Monitoring Forms Dynamizing organizations and fund managers	Filled in by partner organizations
		Impact Enterprise Monitoring Forms	In the case of enterprises directly supported by Fundo Vale, Fundo Vale sends the form to the enterprises for them to fill in  In the case of enterprises supported by dynamizing organizations or invested in by fund managers, these organizations send the form to the enterprises for them to fill in
<b>Evaluation</b> Measure the initiatives' results and impacts	Portfolio General Data Form	Fundo Vale fills in form with general data about its portfolio	
Stage 4	Analyze results and lessons learned, formalize closure and identify opportunities to renew the partnership	Closure Form	Partner organizations fill in form

# Evaluation Approaches

Evaluation approaches refer to an integrated package of options (methods, processes and techniques) for conducting evaluations. Considering that evaluations are periodic and objective analyzes of a planned, ongoing or completed initiative, used to answer specific questions related to design, implementation and results, their design, method and cost will vary depending on the type of question the evaluation tries to answer (Gertler et al, 2018). Therefore, the choice of approach will depend on the questions that FundoVale and its partners will need to answer via the evaluation processes to be conducted.

In GIMPACT, regardless of the type of approach used, it will be important for all processes to observe the Impact Management Project's five dimensions of impact to a greater or lesser extent:

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**WHAT:** What **results** does the initiative contribute to, to what extent are they positive or negative, and how important are they for people and the planet?

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**WHO:** Which **groups** experience the results, and what are their needs, aspirations and relationship with the initiative?

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**HOW MUCH: Numbers** related to outcomes experienced by groups, their scale, depth and duration (how long this experience lasts).





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**CONTRIBUTION:** How does the initiative **help** achieve results? That is, what transformations can be connected to the initiative's implementation?

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**RISK:** The risk of results not happening, meaning the probability that impacts will be different from what was expected.



Dimensions of IMP	In GIMPACT	How this will be done in GIMPACT, and with which tools
	Stage 2. Negotiation and Entering into Contracts	<p><i>Project Analysis Form</i> will indicate <b>which</b> results of Fundo Vale's Theory of Change the initiative will contribute to</p>
	Stage 3. Portfolio Monitoring and Reporting	<ul style="list-style-type: none"> <li>• <b>Management and measurement through self-reported data:</b> <i>monitoring forms</i> will show the advances obtained by the initiative in terms of the selected indicators</li> <li>• <b>Monitoring of areas of activity of businesses supported by 2030 Voluntary Forest Commitment</b></li> </ul>
	Stage 2. Negotiation and Entering into Contracts	<p><i>Project Analysis Form</i> will indicate which stakeholders will benefit from the initiative</p>
	Stage 3. Portfolio Monitoring and Reporting	<ul style="list-style-type: none"> <li>• <b>Management and measurement through self-reported data:</b> <i>monitoring forms</i> will show <b>how much</b> the initiative is advancing regarding each indicator</li> <li>• <b>Monitoring of areas of activity of businesses supported by 2030 Voluntary Forest Commitment:</b> This will show the extent to which the recovery of 2030 Forestry Goal areas is advancing</li> </ul>
	Stage 3. Portfolio Monitoring and Reporting	<ul style="list-style-type: none"> <li>• <b>Exploratory external assessments of initiatives</b> (<i>only evaluations of results using mixed methods and contribution analysis</i>)</li> <li>• <b>Conclusive external assessments of initiatives</b> (<i>all approaches</i>)</li> <li>• <b>Experimental conclusive external assessments</b></li> </ul>
	Stage 2. Negotiation and Entering into Contracts	<p><i>Project Analysis Form</i> will identify threats and risks to the smooth execution and success of the initiative, as well as future opportunities that the initiative may leverage</p>



Periodic monitoring of the indicators set out in the matrix, most of which will be self-reported by partners, may provide valuable information about “what,” “who” and “how much.” However, analysis of contribution, additionality and functions requires specific evaluation processes. Thus, we propose carrying out assessments at different moments in the cycle of an initiative or financial instrument, taking into account the prioritization criteria explained below. In general, evaluations will be conducted at the end of an initiative’s investment cycle (outcome assessment or impact assessment) or during the implementation of an initiative if the investment cycle is longer than 12 months, whenever there is a need for intermediate analysis to review ongoing strategies (process assessments).

## Process assessments

Evaluation of the internal dynamics of implementing organizations, which occurs during implementation. These assessments look at instruments, service delivery mechanisms, management practices and the relationships between them (OECD Glossary of Terms).

## Outcome assessments

These take place to analyze the extent to which a program achieves its objectives. It focuses on analyzing outputs and outcomes (including unintended effects) to assess the effectiveness of a completed initiative. In addition, an outcome assessment (or final evaluation) can analyze how the processes adopted during the implementation work contributed to achievement of the observed results (USAID Glossary of Terms).

## Impact assessments

These seek to answer a specific cause-and-effect question: what is the impact (or causal effect) of an initiative on a specific outcome? In other words, it focuses on identifying which changes are directly attributable to an initiative (Gertler et al, 2018).

## Evaluation Approaches and Levels of Impact Management and Measurement in GIMPACT

Level	Approach	Nature	Requirements*			Feasibility**
			Business promotion cases	Business stages	Type of contribution	
A1. Management and measurement through self-reported data	Analysis of individual data Set of initiatives over time	<b>Mandatory</b>	Everyone responsible			Not applicable
A2. Snapshots: succinct insights of key stakeholders	NPS / Lean Data / PPR	<b>Selective</b>	No requirements for initiatives Selective application, depending on information needs			Not applicable
A3. Monitoring of areas of activity of businesses supported by 2030 Voluntary Forest Commitment	Remote monitoring of areas of activity of businesses supported by 2030 Voluntary Forest Commitment via satellite images	<b>Mandatory for 2030 Voluntary Forest Commitment</b>	All of them will be monitored			Not applicable
A4. Exploratory external assessments of initiatives	Case studies / contribution analysis / benchmark analysis	<b>Selective</b>	Investment > 200,000 < 2 million	Creation / activation Origination	Pre-seed acceleration	Not applicable
A5. Conclusive external assessments of initiatives	Comparison of negotiations with aggregated local or regional data (when possible)	<b>Selective</b>	Investment > 2 million < 10 million	Origination / validation / Acceleration	Seed	Not applicable
	Quasi-experimental (RDD, DID, PSM, CS, IV)	<b>Selective</b>	Investment > 2 million < 10 million	Origination / Validation / Acceleration	Seed	Yes
A6. Experimental conclusive external assessments	Randomized controlled trial (RCT)	<b>Selective</b>	Investment of more than 10 million	Traction / growth	Series A	Yes
A7. Analysis of return on SOCIAL investment	SROI	<b>Selective</b>	No requirements for initiatives Selective application, depending on information needs			

\* Initiatives must meet at least one of the requirements to qualify for a certain level. If an initiative meets requirements at different levels, it should follow the higher-level assessment approaches.

\*\* The criteria related to the Feasibility Analysis will be detailed in the "Evaluability analysis for the application of experimental and quasi-experimental methodologies" section.

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