

THE IMPACT LICENSING BUILDER



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Impact Licensing Builder

The Impact Licensing Builder is a structured digital tool and methodology designed exclusively for use by clearing houses—neutral intermediary organisations that facilitate the transfer of intellectual property for sustainable technologies. The primary function of this tool is to design Impact Licensing Agreements (ILAs) that enable responsible technology diffusion and promote measurable societal outcomes aligned with the UN SDGs.

At the core of the Builder's utility is its capacity to generate first drafts of Impact Licensing Agreements by applying the Impact Licensing Framework. This framework is presented as a hierarchical decision structure comprising four integral elements: **Key Components**, **Claims**, **Criteria**, and **Clauses**. This structure guides users through a step-by-step process to construct licensing agreements that embed impact objectives into the legal foundation of the contract.

Key Components represent the foundational concepts that distinguish impact licences from traditional commercial IP agreements. They reflect the underlying goals of the agreement, such as equitable access, sustainable deployment, or local capacity-building. Each component addresses systemic shortcomings in conventional licensing models and introduces mechanisms to promote technology transfer that is both inclusive and ethically grounded.

To operationalise these components, the framework introduces **Claims**, which are formal assertions indicating the presence of certain impact-focused features within the licence. These claims are not merely aspirational; they must be substantiated by specific **Criteria**—well-defined conditions that make the claims verifiable. Criteria are constructed to ensure clarity, measurability, specificity, relevance, achievability, and time-boundedness. They serve as the evaluative backbone for both drafting and assessing the integrity of the ILA.

Each criterion is further translated into one or more legal clauses that can be inserted into the final agreement. These clauses are categorised by their level of enforceability: those based solely on the licensee's intention, those requiring reporting and transparency, and those with binding legal obligations. This gradation allows users to tailor the agreement's enforceability to the needs and capacities of the licensee, while also aligning it with the technology owner's expectations for accountability. Clauses with higher enforceability contribute to a stronger impact assurance and may influence future certification under the Impact Licensing Quality Label. (See tool Quality Label).

The Builder enables users to navigate this entire framework through an intuitive, interactive platform. As they work through the tool, users can review, select, and configure which claims and criteria to include and how to formulate each clause. The Builder proposes standardised legal language, helping streamline the drafting process and promote consistency across agreements. Users can also access a curated repository of legal clauses and best practices derived from other organisations.

The Impact Licensing Builder can be employed in multiple modalities to support different stages of the agreement process. As a **reference tool**, it provides a comprehensive overview of the various categories and options available for impact licenses. As a **design tool**, it enables clearing houses to configure a draft agreement by weighting the relative importance of different impact areas and generating corresponding clauses. In negotiation contexts, the Builder can facilitate discussions between technology owners and users by comparing their respective preferences and identifying alignment or divergence in priorities.

Moreover, the Builder supports **customisation**, allowing users to incorporate specific sustainability commitments or ethical standards already adopted by technology owners or users. It also facilitates deal structuring, enabling users to define core IP terms such as scope, duration, exclusivity, territory, return on assets, governance mechanisms, and relevance to specific UN SDGs.

Ultimately, the use of the Impact Licensing Builder results in a **structured draft agreement** that is legally sound, impact-oriented, and aligned with best practices in responsible licensing. By empowering users to develop robust and context-sensitive ILAs, the tool enhances the capacity of IP ecosystems to contribute meaningfully to sustainable development.

Key components explained:

Completeness ensures an all-encompassing approach to technology transfer by providing the licensee with comprehensive access to all relevant information and resources. This includes technical, market, and operational data, as well as ongoing support for innovation and capacity-building. The agreement guarantees sufficient exclusivity and duration to allow for long-term adoption and impact. It also facilitates continuous access to improvements and adaptations, ensuring the technology's evolution aligns with the intended societal and environmental goals.

Intentionality refers to the deliberate aim to address a social challenge and not merely the capacity to do so. The impact licensing agreement is granted to address a clearly defined societal and/or environmental need, with the explicit goal of achieving measurable outcomes. It ensures that the technology is produced and used in alignment with sustainable practices and ethical standards. The licensee is obligated to use the technology to create societal and environmental value within the designated territory. The agreement incorporates provisions to address unmet needs, sustainability (environmental, social, and economic), and adherence to global ethical standards, while preventing intentional delays or withholding of the technology's development and use.

Additionality in impact licensing agreements clearly defines the additional market segment in terms of geography, beneficiaries, and other relevant factors, ensuring it is separate from and does not endanger the markets that are reserved for the technology owner. To promote inclusive access and adoption, the agreement includes measures to facilitate and accelerate market entry for the target societal market. Additionally, the agreement ensures the economic protection of the traditional market and product, safeguarding the stability and sustainability of existing markets while enabling the successful introduction of the technology.

Return On Assets (=ROA) and (shared) value of IP is enhanced for the technology holder by driving broader utilization, increasing demand, and facilitating entry into new markets. Licensing the technology across diverse sectors fosters open and frugal innovation, improving the existing IP and generating new intellectual property. This approach aligns with ESG regulatory trends, attracting impact investors and securing public incentives. Additionally, it boosts brand loyalty and strengthens intrinsic motivation and job satisfaction among employees and stakeholders.

Key components explained (continued):

Measurability defines clear indicators to measure the technology's contribution to achieving the intended outcomes, while ensuring compliance with ethical and sustainable standards. It includes procedures for continuous monitoring of the technology's effectiveness in reaching its goals and impact. The agreement guarantees third-party verification and transparency regarding the technology's intended use. Additionally, it outlines provisions for the responsible reuse of monitored data, ensuring that data is leveraged for societal purposes and public value.

Participation involves the clear definition of the roles, responsibilities, and motivations of all key stakeholders involved in the technology transfer process. It establishes governance principles that promote participation, collaboration and ensure alignment with the shared objectives and mission. Independent mechanisms are included to monitor compliance and address potential conflicts of interest. Additionally, the agreement provides provisions for flexibility, mediation, and risk mitigation, ensuring that unforeseen challenges in the societal market are managed effectively to optimize social and environmental impact.