



## Editorial

For a long time, philanthropy and traditional investing were treated as separate spheres, one driven by the goal of creating social value, the other by financial performance. Combining the two within a single approach, where investments could generate both profit and positive societal impact, was often seen unrealistic. This perception is now shifting. Impact investing, which intentionally seeks to deliver measurable social and environmental outcomes alongside financial returns, is gaining momentum as a valuable approach for both investors and philanthropic actors.

While there is still no universally agreed framework for impact investing and perspectives continue to evolve as knowledge builds over time, it is commonly framed in terms of measurable outcomes: reduced carbon emissions, improved livelihoods, and expanded market opportunities. Yet behind these visible results lies a quieter force: intellectual assets. Far from being merely a legal technicality, intellectual property (IP) plays a defining role in shaping who can access, scale, and ultimately benefit from research and innovation (R&I). For impact-driven ventures, the way knowledge is protected, shared, or licensed can determine whether solutions remain niche or achieve systemic reach. As impact investing continues to mature, rethinking IP not as a barrier but as a strategic enabler of equitable impact is becoming central to the future of responsible investment.

This Bulletin edition explores impact investing from multiple perspectives and examines its connection to IP management, with a particular focus on responsible IP practices such as impact licensing. In our opening interview, Alessandro Fazio from the European Commission's Competence Centre on Technology Transfer shares his insights on impact investment, drawing on his extensive experience in technology transfer. He emphasises that impact licensing and impact investing should be seen as complementary to, rather than replacements for, traditional technology transfer approaches, and highlights the central role that intellectual property plays in this evolving landscape.

As a recognised leader in civil society and impact investing, with a long track record of driving transformational change and strategic development, in the next piece, global expert Cliff Prior shares his perspective on the evolution of impact investing and its future direction. While highlighting encouraging progress and standout success stories, he also addresses some of the recent global challenges shaping impact investment.

At this point, a question emerges naturally: what solutions are already in place, and how can they be applied? In the next article, Bjoern Struwer, Founder and Co-CEO of Roots of Impact, addresses this by highlighting pioneering approaches developed with his team, including Social Impact Incentives and Impact-Linked Finance. He explains how these mechanisms function in practice and how they can serve as effective instruments for integrating impact into financial systems. To continue with the practical implementation, we turn our focus to impact licensing, which is a strategic tool for catalysing technology transfer, designed to maximise societal impact and contribute to the achievement of the United Nations Sustainable Development Goals (UN SDGs). As a key instrument within the impact investing landscape, impact licensing is explored in more detail by Silvie Daniels from the Impact Licensing Initiative. Silvie provides a concise guide to the concept, outlining its core principles and explaining the roles of the main actors within the impact licensing ecosystem.

In the following interview, Steven Serneels, a serial entrepreneur, impact investor and board member of several leading impact organisations, shares insights into key investment strategies, which apply equally to individual investors, funds, or institutions. Steven spotlights the main activities of the impact organisations and discusses ongoing efforts to establish impact as a third standard dimension—alongside risk and return—systematically considered by investors, banks, and public authorities.

Small and medium-sized enterprises (SMEs) are widely recognised as the backbone of the global economy. Yet technology licensing remains significantly underutilised among SMEs compared to their larger counterparts. Many do not yet incorporate licensing into their technology strategies, and only a small share actively licenses out their innovations. Against this backdrop, a Taskforce on Impact Licensing and Impact Investment, bringing together experts from the Impact Licensing Initiative, Impact Licensing Studio, Infinira Ventures, and the broader impact investing community, has joined forces in the next article, to explore the strategic value of impact licensing, particularly for SMEs. The taskforce members highlight its key benefits and demonstrate how it can open up new pathways to impact investment opportunities.

Lastly, the edition is rounded off with reflections from a high-level workshop jointly organised by the Impact Licensing Initiative and the Medicines Patent Pool, hosted by the European Commission's Directorate-General for Research and Innovation (DG RTD). Bringing together a unique group of philanthropic funders and policy actors, the workshop focused on inclusive access, societal impact, and strategic licensing.

Wishing you an insightful and inspiring read,

***The European IP Helpdesk editorial team***

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“There is growing interest, curiosity, and experimentation around impact across universities and research and technology organisations. However, the landscape remains highly heterogeneous across Member States, regions, and types of institutions.”



*Alessandro Fazio joined the European Commission in 2011 and currently serves as Head of the Joint Research Centre's Competence Centre on Technology Transfer. In recent years, he has developed a strong interest in supporting the transfer of advanced technologies to low- and middle-income countries, with a particular focus on strengthening local technology absorption capacities and leveraging innovative business and financing models. In this interview, he shares his perspective on impact investment, drawing on his broader experience in technology transfer activities.*

**The Joint Research Centre (JRC) is the European Commission's in-house scientific and technical service and operates as one of its Directorates-General (DGs). Could you please elaborate on the role of the JRC, its key areas of activity, as well as your specific role within the JRC?**

The Joint Research Centre provides independent scientific and technical evidence in support of EU policymaking. Its research activities span a broad range

of domains, largely reflecting the policy areas for which the European Union is responsible, and are underpinned by substantial in-house scientific expertise and research infrastructures. This combination of multidisciplinary capacity and institutional independence places the JRC at the core of evidence-based policymaking at EU level.

My role at the JRC relates to technology transfer and knowledge valorisation. I work on supporting the identification, protection and exploitation of research results with potential societal or economic value, in close

coordination with other services across the organisation. This includes contributing to the development of approaches and practices that help translate publicly funded research into real-world applications, while remaining aligned with the JRC's policy-driven mission.

**The Competence Centre on Technology Transfer (CC TT) provides technology transfer policy related expertise and services to the European Commission and other institutions of the EU and operational support services to a broader range of stakeholders. Could you please explain the Centre's concrete activities, including the types of services it delivers and examples of its practical support?**

As part of the European Commission, the JRC is not a traditional research and technology organisation (RTO) focused on generating commercially exploitable technologies. Its primary mission is to support EU policies through scientific evidence, analysis, and applied research. As a consequence, a significant share of its outputs take the form of knowledge, data, models, or methodologies that are intended to inform policymaking rather than to be protected or commercialised. This institutional reality shapes the nature of the JRC's technology transfer activities.

A second dimension of the activity relates to the broader operational expertise of the technology transfer team. In addition to supporting the commercialisation and exploitation of JRC technologies and know-how, the team makes its hands-on experience available to policy development efforts across the European Commission in areas related to innovation, translational research and technology transfer. This contribution brings practical insight into processes such as patenting, licensing, intellectual property (IP) strategy and engagement with investors, and helps anchor policy discussions in an understanding of how research results are actually

translated into market and societal applications. It is delivered through close interaction with policy services, inter-service work and practitioner networks, including the European Technology Transfer Offices (TTO) Circle. In addition to the above, we have historically conducted targeted capacity-building to address disparities in technology transfer ecosystems across Europe, including in several “widening countries,” the Western Balkans, and neighbouring eastern and southern countries, with a focus on strengthening innovation ecosystems and technology transfer capabilities.

Since 2012, the JRC has coordinated the Technology Transfer Offices Circle, an informal network of around 35 major European research and technology organisations. The network serves as a forum for peer exchange among practitioners and as a channel for sharing operational insights relevant to EU research commercialisation policies.

Together, these activities show how technology transfer, capacity building, and policy engagement are closely integrated.

**From the EC perspective, how do TTOs across the EU perceive and engage with impact-oriented approaches, such as impact licensing and impact investment, and what are the main challenges and opportunities they face in integrating these approaches into their existing technology transfer practices?**

There is growing interest, curiosity, and experimentation around impact across universities and research and technology organisations. However, the landscape remains highly heterogeneous across Member States, regions, and types of institutions. A technology transfer office in the Netherlands, for example, is typically far

more advanced and engaged with these concepts than organisations in less developed ecosystems.

While impact is often implicitly present—given universities' public missions, public funding, and alignment with goals such as the SDGs—it has rarely translated into day-to-day operational practices. Impact considerations are seldom embedded in standard licensing templates, Key Performance Indicators (KPIs), deal structures, or governance models. As a result, many institutions view impact as an interesting concept linked to impact investing, but commercial imperatives still tend to dominate decision-making.

In practice, there is a clear mismatch between mandates and incentives. Technology transfer offices are still primarily assessed against traditional metrics such as deal revenue, patent counts, and the number of spin-outs, while impact-related metrics are often optional, or even perceived as risky. This creates hesitation around integrating impact more systematically. There are also skills and capacity gaps. Many TTOs across Europe lack the expertise to define robust impact clauses, establish meaningful impact indicators, or monitor and enforce impact commitments post-deal. Perhaps most significantly, there is an unspoken concern that introducing impact conditions could deter traditional investors or licensees by adding perceived friction.

These challenges are further compounded by the conservative nature of many public-sector organisations, where change is slow and concerns around compliance, legal certainty, and risk aversion are prevalent. Combined with the diversity of legal systems across 27 Member States, this makes it difficult to apply a one-size-fits-all approach to impact-oriented technology transfer.

That said, there are also clear opportunities. Impact licensing offers a compelling way to repurpose underused intellectual property, whether by exploring new fields of application, new geographies, or secondary markets. It can also help de-risk non-commercial or hybrid adoption pathways, recognising that value creation does not always follow a purely commercial route.

Beyond this, impact licensing has relevance from a broader public and policy perspective. Many research institutions are publicly funded, and there is a strong argument that the returns they generate for society, beyond purely financial outcomes, are both legitimate and important. This societal return on public investment is a credible narrative that can be actively leveraged alongside traditional commercial objectives.

**Do you consider that impact investment and impact licensing could serve as effective instruments to support the EU's broader knowledge valorisation and innovation policy objectives? If so, in what ways?**

Of course. But it is important to view impact licensing and impact investment as complementary to—not substitutes for—traditional technology transfer. Technology transfer and knowledge valorisation are, by definition, already about increasing the societal value and impact of public investment in research. Introducing impact-specific instruments is therefore a natural extension of this logic. By adding impact-oriented approaches alongside traditional commercial pathways, institutions simply expand the range of possible routes to deployment. Impact-driven deployment does not need to replace commercial exploitation; rather, it can run in parallel, for example through differentiated applications, geographies, or user groups. This is particularly relevant for areas that require **patient capital**, such as climate change, health, and decarbonisation, where solutions may take longer to scale but deliver substantial

societal returns. In these cases, traditional venture capital models focused on rapid financial returns may be insufficient, while impact investment can play a critical enabling role. In this sense, impact approaches strengthen and complement existing efforts in knowledge valorisation, technology commercialisation, and research exploitation, regardless of the specific terminology used.

**Does CC TT have a specific role in guiding or supporting national TTOs and competence centres in the adoption of impact-oriented licensing and investment practices?**

Not at this stage, but it is something I find extremely interesting. It is time to have a more structured conversation with technology transfer offices, as this topic has largely remained on the fringes and now needs to be brought into the mainstream. From my perspective, progress requires a diverse ecosystem. Large institutional investors matter because of their market power, public financiers can help de-risk and crowd in capital, and agile impact and venture funds bring sector expertise and robust impact measurement. Corporate investors are also critical in sectors such as energy, mobility, and decarbonisation, where deployment through value chains is essential. Alongside this, we need credible standards for impact measurement and assurance to avoid impact washing. Universities, TTOs, accelerators, and incubators all have a role to play, as does the public sector, particularly through procurement, which can accelerate adoption and scaling.

**Are there specific sectors or types of enterprises where you see particular promise for impact-driven investment to make a difference?**

I see that there are three key characteristics. First, these are areas that deliver public goods and generate high positive externalities. Second, they typically involve long time horizons. Third, they are often deep-tech in nature, with high technological complexity. This includes fields such as climate mitigation and adaptation, industrial decarbonisation, covering hydrogen, advanced

materials, carbon capture and storage, energy systems and storage, healthcare, particularly prevention, diagnostics, and vaccines, as well as agrifood and water. It also spans the circular economy, mobility and logistics, cybersecurity for critical infrastructure, and broader public resilience. Across most of these areas, deep tech is a defining feature.

**Impact investment contributes to fostering innovation and to ensuring equitable access to sustainable solutions. Do you see value in connecting impact investment initiatives with EU-level support programmes for intellectual property?**

At a more general level, intellectual property is undeniably a central part of the equation. Minimising friction and increasing investability are critical objectives, and the fact that an investor is impact-oriented does not eliminate the need for credible, well-structured intellectual assets. Ownership must be clearly defined, freedom to operate ensured, and organisations must be prepared to license their technologies where appropriate.

Any form of support that strengthens these foundations, such as advisory services, IP Helpdesk support, and capacity-building initiatives, can significantly improve the quality and robustness of intellectual property within projects and investee companies. In particular, spreading and standardising good practices in IP management through tools such as model templates, standard clauses, and practical playbooks can help integrate IP considerations more seamlessly into innovation processes while ensuring that projects remain bankable and attractive to investors.

This need is especially evident given the high level of heterogeneity across the European landscape. Increasing awareness, training, and overall sophistication in the understanding of IP protection and management can therefore only have positive effects, both in terms of strengthening individual projects and improving the broader innovation ecosystem.

**How should the EC address potential tensions between impact-driven licensing conditions and investors' expectations for scalability and financial returns?**

From my perspective, it is not very helpful to see this as a choice between impact and financial returns. The real question is how to design and implement impact objectives in a way that preserves investability, scalability, and legal clarity. In practice, this means using flexible and proportionate licensing and investment structures rather than one-size-fits-all solutions.

Impact licensing can run alongside traditional commercial licensing, for example through field-of-use or territorial approaches, while impact conditions can be time-bound and linked to clear milestones or sunset clauses as technologies evolve. The type of licence also matters. In some cases, non-exclusive licensing works best where impact depends on wide diffusion. In others, exclusivity may be necessary to attract capital and enable scaling. The aim is not to limit commercial deployment, but to integrate impact without undermining it.

Measuring impact is essential, but it needs to be practical. Clear KPIs and reporting are important, yet they must not overburden founders and investors with excessive bureaucracy. People should be building businesses, not filling in forms.

At the policy level, my sense is that the European Commission is taking a cautious and pragmatic approach. Rather than imposing requirements, it is experimenting through guidance, codes of practice, and pilot initiatives—such as the Impact Licensing Initiative—to build evidence and learn what works before considering more prescriptive measures.

**Looking ahead, how would you wish impact investing to evolve in the next decade? And what role, do you think, Europe can play on a global scale in setting a standard for sustainable and impact-driven finance?**

In an ideal scenario—acknowledging that this is aspirational rather than predictive—I would like to see a move away from broad environmental, social, and governance (ESG) narratives toward measurable, verified, and actionable impact. Impact claims need to be concrete and testable: where impact occurs, when it materialises, how it is delivered, and who benefits. Without this level of rigour, impact risks remaining abstract.

I would also like to see greater use of blended finance structures that crowd in private capital, supported by public de-risking where appropriate. This should be accompanied by stronger secondary markets for impact assets, enabling easier exits and allowing capital to circulate rather than remain locked into individual investments.

A stronger connection between impact, procurement, standards, and regulation is also essential. Demand-side levers can play a decisive role in accelerating adoption and scaling. At the same time, the understanding of impact itself needs to broaden. Beyond commonly measured categories, greater attention should be paid to impacts related to strategic autonomy, resilience, critical infrastructure, and clean industrial capacity, which are becoming increasingly important in the current geopolitical context.

Europe is well positioned to lead in this area by building on its strengths in regulation and standard-setting. By advancing robust approaches to impact measurement,

transparency, and governance—essentially delivering “impact with evidence”—the EU can help shape interoperable standards with global relevance. The EU’s single market continues to carry significant international influence, and practices developed in Europe often resonate beyond its borders.

EU programmes can also serve as testbeds for scalable and replicable models, generating evidence and learning. Initiatives can demonstrate how pilot actions can help translate ambition into practical frameworks.

Finally, sustainability and competitiveness should not be viewed as opposing objectives. When impact is understood not as charity but as a driver of industrial strategy, competitiveness, and long-term resilience, the false binary disappears. Integrating these dimensions allows impact and economic performance to reinforce each other, rather than compete.

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**TTO Circle**  
The European Technology Transfer Offices Circle

EXPLORE MORE

# Developments in Impact Investing

*Cliff Prior is a recognised leader in civil society and impact investing, with a long track record of driving transformational change and strategic development. He currently advises and serves on several boards in the impact and innovation space. In this article, he shares his perspective on the evolution of impact investing and its future direction.*

## An introduction to impact investing

Impact investing is intentional: it is managed, measured, and reported. It is focused on achieving results for positive improvements for people and planet, and at the same time making a return— from below market to above market rate, depending on goals and situations. The impact investment market provides capital to address the world's most pressing challenges.

So where does impact fit in the investment spectrum? From “profit only”, through “acting responsibly” and “providing sustainability”, to impact and onward to philanthropy and donations.

## Origins and development of impact

Impact investing developed in earnest in 2008, with small scale, high intentionality, to create deep impact. Later in the next decade, large scale asset managers started to create environmental, social, and governance (ESG) framed funds; others developed funds with intentional sustainability. Around 2016, impact funds also started to launch at large scale, substantially

increasing the total volume of impact investments. Soon, the European Union (EU) led the field of reporting regulations, providing transparency around impact and sustainability. Now today, we can see international standards and impact valuation, investment at global scale, where impact and sustainability move towards becoming better known, better understood, and significantly regulated.

## Scale and data

Funds framed with impact investment approaches have now reached around \$1.7 trillion. This is certainly substantial, yet just 1% of the circa \$140 trillion of visible assets globally. To give a comparison, there are around



\$36 trillion of assets under management which are in ESG framed funds, although the recent backlash in the US may have hidden this figure.

As impact investing has developed, we have much more data and greater understanding in the market. The Global Impact Investing Network (GIIN) creates the most exhaustive annual report on the size and diversity of impact investing. Countries in the [Global Steering Group for Impact Investment \(GSG Impact\)](#) network, an independent organisation catalysing impact investment and entrepreneurship to benefit people and the planet, often have even more detailed information in their individual jurisdictions.

## Development and diversification

Impact is gaining new tools: investment which includes concessional, blended, catalytic, insured, or guaranteed; with outcome-based finance, sustainability linked bonds and loans, debt swaps, wholesale funds, advance market commitments, and other instruments. Impact is used in gender lens investment and increasingly integrated into global policy frameworks, including the [United Nations Framework Convention on Climate Change \(UNFCCC\)](#), [Conference of the Parties \(COP\)](#), [Just Energy Transition Partnerships \(JETPs\)](#), [Climate Investment Funds](#), [Green Climate Fund](#), [Energy Transition Mechanism](#), and indirectly also with [Loss and Damage](#) initiatives.

Looking more broadly, funds which are either framed with ESG, sustainability or impact, delivered superior financial returns over recent years. There is a coherent view that the growth areas for investment are principally sustainable and impactful – from healthcare and decarbonisation, to technologies, healthcare and education.

## Key organisations in the field

- [GSG Impact](#) works for a better future for people and planet by putting impact at the heart of every investment decision. It helps working groups in each country, currently around 50, each working on impact in their country, sharing ideas, tools and actions.

- [GIIN](#) is a global champion of impact investing, dedicated to increasing its scale and effectiveness around the world.
- [Social Value International \(SVI\)](#) is a global network dedicated to changing how the world accounts for social value and impact, promoting better decision-making for people and the planet.
- [International Foundation for Valuing Impacts \(IFVI\)](#) now in merger with the [Capitals Coalition](#). It is bridging the gap between financial accounting and impact measurement.
- [International Sustainability Standards Board \(ISSB\)](#) of the International Financial Reporting Standards (IFRS), creates global baseline standards for sustainability-related financial disclosures, aiming to provide consistent, comparable information for investors by focusing on sustainability-related risks and opportunities impacting company value, integrating ESG factors with traditional financial reporting.
- [Venture Philanthropy Networks \(VPNs\)](#) are associations that support organisations and individuals engaged in venture philanthropy which embraces both donations and impact investing. [Asian Venture Philanthropy Network \(AVPN\)](#), [African Venture Philanthropy Alliance \(AVPA\)](#), [Impact Europe](#), formerly [European Venture Philanthropy Association \(EVPA\)](#), [Latimpecto](#), are the main examples.
- [Convergence](#) is a leading organisation for blended finance strategies, to mobilise private capital for sustainable development projects, particularly in emerging markets. There are many organisations which use blended finance at smaller scale, e.g. for small and medium enterprises (SMEs).
- Following the success of dormant asset funds in the UK, which led to the creation of [Better Society Capital](#) as a **wholesale impact fund**, over a dozen countries have developed similar wholesale funds, some from dormant assets such as Japan, others such as Canada, Ghana and Portugal using other tools. The [European Impact Fund](#), a part of the [European Investment Bank](#), operates for similar goals.



### Positive progress

Impact investing covers a range of investment activity: bespoke, mixed, and mainstream investment. It includes investment types from small, to family offices, to large scale, and with governments, development finance institutions, mainstream asset managers, corporates, pension funds and asset managers. The field has become much more diverse in recent years.

When impact investing first expanded into mainstream work, many practitioners in the field identified greenwashing issues. This remains as an ongoing challenge, however it has also been significantly blocked through the establishment of dedicated oversight bodies and the use of more advanced technologies to improve transparency and accountability.

Many governments are actively supporting impact investing, from the EU and UK to Japan and several in Southeast Asia. For example, the Japanese Government has promoted a vision of “new capitalism” which encourages sustainable development and includes many aspects of impact investing.

### Examples of success

**Leapfrog:** Over the past 20 years, Leapfrog has built a \$7 billion entity, creating 33 million jobs, and 24 million new entities, reaching 559 million customers, all through impact investing.

In 2025, the UK Government launched a **Better Futures Fund (BFF)** designed to finance programmes that improve outcomes for vulnerable children, young people and families across the UK. It focuses on prevention and early intervention around issues such as education, crime and employment. This is the world's largest outcome based finance initiative.

The UK Government has also launched another £500m fund focused on youth services including relevant buildings, staffing, and hubs, and a £30m for more rapid work also for youth services.

**Triodos Bank (Netherlands / EU-wide)** is one of Europe's pioneers in sustainable finance. Triodos channels retail deposits into loans for renewable energy, organic farming, and social enterprises, run entirely on impact-first principles.

**Philanthropy-backed Climate Fund (Germany):** The **GLS Bank**, together with German foundations, structured blended-finance vehicles to de-risk renewable energy projects in Eastern Europe. By absorbing early losses, philanthropic capital attracted private investors into climate solutions that otherwise wouldn't have been bankable.

**Women in Safe Homes Fund (UK):** Resonance and Patron Capital created the world's first gender-lens property impact fund, purchasing and refurbishing homes for women escaping domestic violence. Investors earn returns from long leases to specialist charities, while delivering measurable social outcomes.

**BlueOrchard Microfinance Fund (Switzerland, global),** was launched with support from the United Nations in 2001, **BlueOrchard** pioneered impact investing in microfinance, channelling institutional capital into loans for low-income entrepreneurs across Asia, Africa, and Latin America. Since then it has grown into billions under management.

**Community Energy Cooperatives (Denmark & Germany)** are local investors of pools of capital to finance wind turbines and solar parks, with profits reinvested or distributed to members. These grassroots models have made citizens co-owners of Europe's clean energy transition.

**Investisseurs & Partenaires (IETP) (France / Africa)** focuses on investing in small and growing African businesses, combining capital with hands-on management support. It shows how European impact capital can drive SME growth and job creation in emerging markets.

**Fairphone (Netherlands):** Impact investors backed this ethical smartphone company to redesign supply chains around fair minerals, reparability, and labour rights. The

example of Fairphone illustrates how impact capital can challenge and reshape norms in the global consumer technology sector.

*Looking at some of the impact investors in low- and middle-income countries:*

**Alitheia Capital (Nigeria)** is a trailblazing impact investing private equity and advisory firm, headquartered in Lagos that identifies and grows high potential African businesses with strong social impact – especially in gender lens investing, job creation and essential services.

**Novastar Ventures (Kenya/Nigeria)** is a venture capital firm with a strong social impact mission, founded with the purpose of backing entrepreneurs transforming markets in Africa and targeting businesses serving the low income / mass market, expanding access to education, information, mobility and energy.

**WIC Capital (Senegal)** is focused on women-led small and growing businesses in West Africa and noted for leadership in impact fund committees.

**Impact Investing Ghana** is a Ghana based, African led impact investment ecosystem builder and capital mobiliser. Its work includes supporting blended finance vehicles, including the Ci-Gaba Fund of Funds in Ghana.

### Some recent developments

**Outcome-Based Finance** has developed from its UK initiative into many countries. This financial model pays only when set goals are achieved, often with investors taking risk by investing in the development path. Most of

the Outcome Based Funds are at modest scale, but the World Bank launched an Amazon Reforestation-Linked Bond at \$225 million, and a UNICEF Bond at \$100 million. In 2025, the UK Government has put forward a £500 million outcome-based fund, seeking co-investment to double the support. Several organisations are seeking new ways to make Outcome Based Finance, making it “tradeable”, such as World Economic Forum (WEF) and the [Schwab Foundation for Social Entrepreneurship](#), Center for Social Value Studies (CSES) in South Korea, and, a decentralized impact outcomes marketplace (DIOM) developed by Impact Scope.

Blended finance has become a growth area, both at small and large scale. At small scale, government funds or donors provide a measure of grant, to make an investment feasible. At large scale, development finance institutions may collaborate with donors, impact investors and other investors, and may work together to create a stack which is viable for the project and acceptable to each organisation.

Example: The **SDG Loan Fund** (often referred to in the context of the SDG Finance Fund) is a major USD 1.11 billion blended finance vehicle designed to mobilise institutional capital for the United Nations Sustainable Development Goals in emerging and frontier markets. Launched through a partnership between [Allianz Global Investors \(AllianzGI\)](#) and the Dutch development bank [FMO](#), the fund utilizes a sophisticated three-tier capital structure to de-risk investments for private sector participants. This “three-level” approach typically includes:

- **Class A (Senior/Commercial):** Approximately USD 1 billion contributed by institutional investors (such as Allianz and Skandia), who benefit from the highest level of protection.

- **Class B (Junior/First-Loss):** A USD 111 million “first-loss” layer provided by FMO, which absorbs initial losses to protect senior investors.

- **Catalytic/Credit Enhancement:** An additional layer of protection provided by a USD 25 million unfunded philanthropic guarantee from the MacArthur Foundation, acting as a further “safety net” to enhance the fund’s credit profile.

Systemic finance has become more widely seen as crucial to our shared futures. It refers to the risk associated with the failure of an entire financial system or market, rather than the failure of individual entities. It encompasses risks that can lead to cascading failures, such as the collapse of an entire industry or economy due to interconnectedness and interdependencies within the financial system.

Conversely, systemic investing focuses on the interconnected nature of social, ecological and economic systems. It aims to address complex challenges by recognising that these issues cannot be solved in isolation. Instead of targeting individual problems, systemic investing seeks to create synergistic portfolios that enhance overall system health and resilience.

Systemic finance can also address long held problems by using multiple tools – including but not solely financial. For example, the [Fair by Design](#) campaign in the UK seeks to address the higher costs of basic goods and services which are experienced by people on low incomes. The organisation addresses this “poverty premium” using investment, regulators, government, foundations, media, and universities.

The tipping point at which CO2 levels may become unmanageable are becoming seen right now. In 2024, \$229 billion of harms, 4 billion people at least one month in extreme heat, 400,000 people flooded in the EU, and 800,000 globally displaced. Many scientists now see that 2035 is the key tipping point, rather than the

2050 key date set in the Paris Accords. On the positive side, many of the solutions to the climate crisis are also coming rapidly, again at around 2035. The technology is developing quickly, with tech which is already along the pathway to scale, with artificial intelligence (AI) tools, and soon quantum tools - altogether creating better and cheaper solutions for people and planet more quickly than previously thought.

Impact investing is key to financing many of these positive solutions.

### Growth challenges

There are highly significant gender and minorities gaps in venture capital, including in impact investing. This creates a situation so profound as to make these founders “invisible by default”. Life is not easy for any start-up or SME, but although SMEs typically make up over 90% of all companies in each country by number, only 10% of them are seen by investors. For female founders this figure is even lower at just 2%.

Most high-income and middle-income countries have specific initiatives to improve the development of start-ups, often using impact investing and sustainability approaches, as governments seek new companies with new ideas to boost their future prospects. However, they have different ways of achieving these goals. The UK offers tax incentives to investors, whilst most other countries including those in the EU provide more subsidies to the founders. Some government agencies provide more targeted support on founders with impact and sustainability focus.

In far too many countries, there is no smooth pathway for start-ups to become SMEs and growth companies. Instead, they encounter blockages or gaps along the way which hold back development. As a result, many of them fail unnecessarily, and many that have early success get to a point where scale of impact investment is only available in the US. Even major financial centres such as London, Berlin, Singapore and Dubai, struggle

to be able to provide essential investment along the full pathway to success. The use of AI tools to assist start-ups and SMEs, such as Giffid.ai, may improve the situation.

Focusing intensely into **highly specific areas for investment** can be a solution – for example, the Cambridge-Oxford-London health technology zone, and the universities and SMEs around the Large Hadron Collider (LHC) and its expected next version. These approaches at highly focused areas of support can be very successful but may reduce the opportunities for other areas in their countries.

### Recent challenges

A backlash has developed against ESG, sustainability and (to a lesser extent) impact, most extensively in the US. Experts in the field signal growing backlash against sustainability with stark regional differences: For example 90% of experts in the US note a backlash, 70% in Europe, and 30% in South-East Asia. Some investors are continuing their actions whilst adjusting their terminology.

Most developed countries have been reducing their official development assistance (ODA) contributions, with some taking it down to zero. This has highly significant implications for impact investment into low-income countries.

Uncertainty is being created by the consequences of unstable tariffs.

In terms of regulatory issues, the EU stepped rapidly ahead of the market, providing systems of regulation and reporting requirements which were widely regarded as world leading and indeed world affecting, given that its requirements applied to any company doing business with the EU regardless of their base of operations. Some investors questioned whether this was a step ahead too far before the market was ready.

As of January 2026, there is a switch to simplification and calibration, with new regulations coming in over the year. Sustainable Finance Disclosure Regulation

(SFDR) 2.0 moves from disclosure to categorisation. Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) has an “omnibus simplification” with narrower scope and only the largest organisations involved and only topics material to their business. The EU Taxonomy becomes simpler and more usable for the real economy. A new “Impact Test” requires a financial product to demonstrate intentionality, theory of change, measurability, and investor contribution.

**Impact investing has become complex.** There is a question as to whether impact investing has created too much complexity, too many labels, too many regulations, thereby losing the sight of its key focus on the real intentions of impact investing: i.e. making life better for people in difficulties, whilst still making returns. This diversity and complexity may be useful for experts in the field but may also reduce connection to the public which is ultimately crucial in supporting development.

The impact and sustainability finance sector has created a litany of labels, which are helpful for the sector, though challenging for the public. Below are some of the most commonly used systems:

#### **Potential future issues for impact investing**

It is important to consider the future population. In reality, impact investing is only available for people with money to spare. For most, except those working directly in the field, impact investing is only partially understood by the interested ones, and most of the population do not understand at all.

This issue of public understanding is diverse across the EU: some positive examples:

In France, the 1.2 billion Finansol-labelled solidarity funds have reached many people when joining a new job, and the ChangeNow sustainable event brings in 36,000 people.

In the UK, the “[make my money matter](#)” online campaigns reached 31% of the public and two thirds of British savers now want a sustainable pension. However, in many jurisdictions, the level of interest in sustainability and impact for their pensions and savings are very low.

There are some surprising positives within the challenges: the Cali Declaration on Outcome Based Finance gave official agreement for the current US administration to create more transparency and cost effectiveness, which is likely to expand outcome-based finance and related new tools.

#### **The new geography and future of impact**

The West is experiencing challenging times. Yet despite the uncertainty surrounding tariffs, the majority of the world – from the Gulf to India to South-East Asia, China and Japan – is thriving. Many of those countries are developing their approach to impact investing, and some have already developed it fully.

The situation in Africa is far more fragile. Investment into the continent has been highly dependent on ODA and investors specifically focused on Africa, both of which are experiencing difficulties. Although, Africa does have personal and governmental investments totalling trillions of dollars, these are mostly deployed in developed countries rather than internally, as their Treasuries are dependent on keeping their funds in stable countries. Problematic skills gaps in investments are emerging, and there are only a few university schools for impact finance. Recent substantial cuts in ODA are also leading to deeply worrying increases in major health challenges.

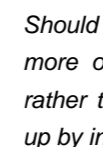
AI and its consequences will rapidly become the new focus for all governments and most companies. Whilst some aspects of AI in impact investing are already in place and well managed – e.g. handling data and screening potential opportunities – many other aspects are still unknown and in development. AI is likely to reduce the number of jobs at start-up level, and there is no clear reason to believe that this would not be the case for jobs in impact investing and sustainability. Impact investors are struggling with new questions and challenges. At one extreme, there is a question of whether investment into defence work can ever become a part of impact investing. Of course, there have always been some aspects that are included such as post event restoration, lifesaving, de-mining, emergency

healthcare, and similar examples. But going further, the example of Ukraine, which has been violently invaded forces us all to confront very challenging questions about impact and sustainability.

We are witnessing an increase in armed conflicts – Russia/Ukraine, Israel/Palestine, Sudan, Ethiopia, the Democratic Republic of the Congo, Iran - as well as a rise in cyber wars, such as Russia’s disruption of undersea data lines, and the cryptocurrency scams linked to North Korea.



*Can impact investment be part of defending against these situations? Should it have a place in defending a country and its people?*



*Should impact investment focused much more on the outcomes on the ground, rather than the complexity that has built up by investors?*



*How can we continue the highly valuable and increasingly important impact investment into low- and middle-income countries, whilst questioning our model of impact investing?*

### **Disclosure & Reporting Frameworks**

1. **TCFD** – Task Force on Climate-related Financial Disclosures
2. **TNFD** – Taskforce on Nature-related Financial Disclosures
3. **SFDR** – Sustainable Finance Disclosure Regulation (EU fund disclosure rules).
4. **CSRD** – Corporate Sustainability Reporting Directive (EU corporate reporting).
5. **ISSB** – International Sustainability Standards Board (global disclosure standards).
6. **SASB** – Sustainability Accounting Standards Board (sector ESG metrics).
7. **GRI** – Global Reporting Initiative (broad sustainability reporting).
8. **IFRS S1/S2** – Sustainability and climate disclosure standards.
9. **CDP** – Carbon Disclosure Project (environmental impact reporting).

### **Impact Measurement & Standards**

10. **IRIS+** – GIIN’s system for impact metrics.
11. **SROI** – Social Return on Investment (monetising social impact).

12. **SDG Impact Standards** – UNDP guidance for SDG-aligned investment.
13. **IFC Performance Standards** – ESG safeguards for investments.

### **Certification & Benchmarks**

15. **B Corp Certification** – Third-party certification of social/environmental performance.
16. **GRESB** – Real estate and infrastructure ESG benchmark.
17. **UNGC** – United Nations Global Compact (corporate sustainability principles).

### **Finance Instruments**

18. **EU Taxonomy** – EU classification for sustainable activities.
19. **ICMA Green Bond Principles** – Guidance for green bond issuance.
20. **ICMA Social Bond Principles** – Guidance for social bond issuance.

# The Role of Impact-Linked Finance in Strengthening Impact Licensing Models

“My biggest drive is to unleash the power of business and finance for real-world impact. Every business and every investment has an impact, so let’s optimise for the positive one.”



*Bjoern Struwer is Founder and Co-CEO of [Roots of Impact](#), and has more than 20 years of experience in the finance sector, including 12 years at [Credit Suisse](#), most recently as a Managing Director. After leaving the banking industry, he started working closely with public funders and impact investors across the globe to scale high-performing enterprises and innovations with strong potential for impact. With his team at Roots of Impact, Bjoern developed pioneering solutions such as [Social Impact Incentives \(SIINC\)](#) and [Impact-Linked Finance](#). In this article, Bjoern spotlights how these solutions function and how they can serve as effective instruments for integrating impact into financial systems.*

If there is one single paradigm shift that has the potential to have a far-reaching positive impact on society, it’s changing the rules of finance. There is no doubt that our economic system needs a reset, and what drives it at the core are flows of money. The good news is that transforming the system only requires a small tweak. Humans designed the rules, so humans can change them. But how exactly can we do this tweak?

Reinventing finance is actually quite simple: Embed rewards for positive impact – into ANY type of finance. At Roots of Impact, we call this “Impact-Linked Finance” or “better terms for better impact”. This proven model can be adopted by anyone looking to unlock the full potential of business. The vision is no less than creating a blueprint for a financial system that truly serves people and planet.

*What is Impact-Linked Finance all about?*

It incorporates financial incentives (“the tweak”) for enterprises that achieve exceptional positive outcomes. These outcomes are independently verified, and can take many forms, such as increased incomes for the poor, greater gender equality, reduced plastic waste, or improved learning outcomes for children. The more social or environmental value a company creates, the lower its cost of capital will be. This has a powerful effect: The world’s best companies – those with the most positive impact – can suddenly raise large amounts of low-cost capital to scale up. Even more importantly, they can further optimise their impact. As a result, resources flow to what matters most to society, creating mutually reinforcing effects:

- Empowering the “impact champions” for even bolder missions: Impact entrepreneurs who can demonstrate the effectiveness of their innovations can access investment at an exceptionally low cost. This enables them to unleash their full impact potential achieving more than was previously thought possible. With fresh capital, they are encouraged, so-to-speak, to be truly “impact-bold”.

- Nudging the do-gooders to become do-betters: Responsible companies that are already doing good, are strongly incentivised to improve further. They will start measuring, managing, and optimising their impact. For them, creating a positive impact will become a business that pays off. In other words, they will discover a new way to thrive and be successful.

- Transforming the “tankers” towards improved net impact: large corporations in sensitive sectors are given the tools and incentives to transform their businesses and advance their net impact. It’s not only limited to energy giants. It also extends to food, pharmaceutical, fashion and big tech industries. The effects of this transformation would be significant, considering the sheer size of these often global “tankers”. It’s therefore time to start offering positive incentives and ramping up low sustainability standards and lax regulations.

Needless to say, innovations delivered through impact licensing are perfectly suited to financing models that reward impact. Impact-Linked Finance keeps the focus exactly where it should be - on maximising social and environmental outcomes. In this model, purpose is not an add-on, but it is embedded in the very structure from the outset – which is fully in line with the leading principles of impact licensing.

The idea of reinventing finance to serve society - and our planet - is no longer just a bold vision. Everything we need to make it happen already exists. It’s rather a design question. Impact licensing models are uniquely positioned to benefit directly:

1. There are catalytic capital providers across the globe who seek to have a deep impact and create social value;
2. There is an increasing number of impact investors and venture capitalists who are keen to get access to high-quality impact deals;
3. There are many great, courageous, and inspiring entrepreneurs out there who are ready to scale up proven and impactful solutions.

Many seem to believe that we must accept the system as it is. They have doubts that rewarding verified impact can be done efficiently. But it's already happening. At Roots of Impact alone, we have structured more than 65 Impact-Linked Finance transactions in 17 countries over the past eight years. Many others are also joining this exciting journey. Initial market reports (e.g. [Review report](#) published by [Investing for Good](#)) and independent research studies (e.g. [SIINC data analysis report](#)) confirm that the results are convincing<sup>1</sup>. This gives me confidence to believe that now is the time to implement Impact-Linked Finance on a large scale. However, given the huge challenges facing our planet, Roots of Impact and a few like-minded players alone should not be the only ones to implement this practice.

Every financial intermediary, advisory firm and professional involved in impact investing should do so too. We need to make a much bigger effort, and this starts with capital. Here's what everyone needs to know to make this work:

### *Impact-Linked Finance is (more) effective blended finance*

It would be unrealistic to expect that today's investors (the "private sector") to willingly sacrifice their returns for greater impact. This is simply not how our financial system functions at present. The vast majority of impact investors are neither able nor willing to do that, as stated in the report published by Global Impact Investing Network (GIIN) in 2024, and this phenomenon hasn't changed a bit since the rise of the impact investing movement. However, we are in the era of blended finance: Catalytic capital on concessional terms has the power to unlock and mobilise substantial flows of commercial capital.

<sup>1</sup> See the case study: <https://roots-of-impact.org/wp-content/uploads/2021/04/SIINC-Case-Studies-CDA-Final-Results-2021.pdf>

There are billions in public and catalytic capital<sup>2</sup> waiting to be deployed in partnership with the private sector. So, what could be more effective than using these funds to incentivise impact and embed this "tweak" into investments? There is no need for resource-consuming and complicated structures. Impact-Linked Finance can be channelled to high-performing enterprises and enabling them to unleash their full impact potential at the source. Currently, blended finance is primarily used to take over risk from investors in anticipation of future impact. However, it is arguably more effective and transformative to provide it in return for impact, based on evidence, rather than assumptions.

### *Investors are ready to engage – in smartly designed solutions*

Investors who engage in Impact-Linked Finance do not have to forego financial returns. Sounds impossible? This is where the providers of blended finance and catalytic capital come in. They are willing to pay for additional impact and compensate investors for lower returns, it's simply a matter of intelligent design. Impact-Linked Finance, for example, successfully works with investors seeking returns and impact-focused funders. One instrument called [Social Impact Incentives \(SIINC\)](#) uses time-limited premium payments that enterprises receive for achieving social impact. In parallel, these companies raise investments to grow, without investors needing to adjust their typical risk-return-impact mindset. Furthermore, if these investors wish to incorporate additional impact into their financing, they can easily build direct rewards into any financial instrument they provide, such as with Impact-Linked Loans or Impact-Linked Revenue-Share Agreements.

<sup>2</sup> See the data: <https://www.convergence.finance/blended-finance#market-size>

### *Impact measurement is key – and has multiple benefits*

An old piece of wisdom says that you cannot manage and optimise what you do not measure. This is especially true for enterprises supported through Impact-Linked Finance: Solid impact measurement and management (IMM) are essential. A good understanding of the value that an enterprise creates for its customers and stakeholders is an investment into the future. IMM provides valuable insights that can directly be fed into the enterprise's business model. When done right, this creates multiple and huge dividends. You could say that solid IMM is just the key to success, but it opens many more doors. Eventually, companies will be well prepared once social and environmental impact is considered as important as financial performance. Only then, will we be able to achieve a true [impact economy](#).

### *Impact-Linked Finance goes beyond commoditisation of externalities*

In a sense, financial incentives for positive impact are quite similar to carbon credits. Indeed, there are many promising attempts to implement reward systems that monetise positive social outcomes ("externalities"). However, there are some fundamental differences between Impact-Linked Finance and carbon finance. Social impact is not a commodity. In order to improve outcomes beyond carbon emissions, the focus must shift from demand to supply by considering a company's specific impact potential and context. Also, combining impact incentives with investment enables these incentives to be leveraged and companies be nudged towards meeting society's greatest needs. Creating appropriate incentives and pricing them accordingly means striking the right balance between maximum

additionality and maximum alignment with a company's business strategy. These incentives should enable and encourage a company to do more. Defining these incentives is an art form, supported by science.

### *So much for the arguments – but what's next?*

The simple idea of offering better terms in exchange for a greater impact ("the tweak") has the potential to transform the way we finance impact. It could even change the way we use finance in general. In any case, I'm excited to see many practitioners, including renowned Development Finance Institutions, starting to embed impact into finance in meaningful ways<sup>3</sup>. Looking back at the past few years since SIINC was introduced, there are many signs that the idea of rewarding impact is gaining significant traction (e.g. see the [journey of Impact-Linked Finance](#)). At Roots of Impact, we are among many pioneers of this movement, and we are happy to invite others to join us. There are great opportunities to unlock the full potential of impact licensing by scaling proven innovations - and doing so in a way that directly rewards their positive impact.

<sup>3</sup> [British International Investment: Impact-linked finance - lessons so far and current market practice](#)

# The Impact Licensing Ecosystem Model

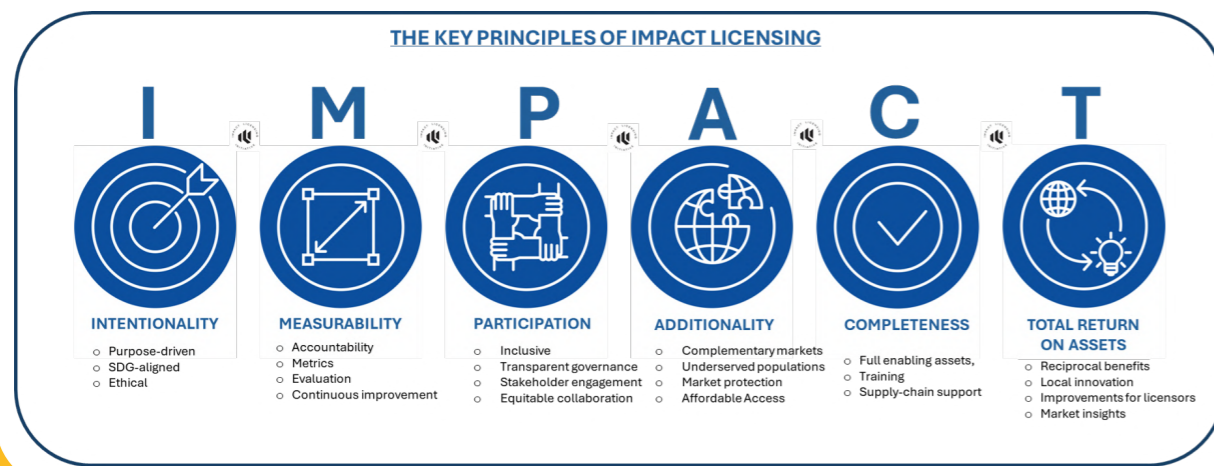
By *Silvie Daniels, European Network Coordinator, Impact Licensing Initiative*

The concept of impact licensing has developed in response to the persistent shortcomings of conventional technology transfer and the limited uptake of innovation in settings with societal unmet needs (e.g. low- and middle-income countries, post-conflict regions and refugee communities). Intellectual property (IP) management has a history of focusing on surrendering IP entirely to public use or monetisation through exclusive commercialisation. Impact licensing has innovated IP management by offering a hybrid approach whereby licensing access can be provided in the pursuit of predefined societal or environmental objectives. This strategic blend unlocks the full potential of intellectual assets for societal value without losing sight of economic sustainability and return on investment, while nurturing innovation, access, and sustainable impact. This hybrid licensing approach is enabled through innovation in licensing adoption pathways.

## A quick guide to Impact Licensing

Impact licensing is a strategic tool to catalyse technology transfer, aiming to maximise societal impact and contribute to the achievement of the United Nations Sustainable Development Goals (UN SDGs). It is defined as: **“a time-bounded permission granted by a technology owner to bring at preferred rates or reduced price an intellectual property, a technology, a product or a service to a pre-defined (social) market for societal value creation”**

Impact licensing agreements are rooted in six **I.M.P.A.C.T principles**: Intentionality, Measurability, Participation, Additionality, Completeness, and Total return on assets.



**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.

**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.

**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 optimise social and environmental impact

**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.

**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.

**Total Return on Assets (=ROA)** and (shared) value of IP is enhanced for the technology holder by driving broader utilisation, 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 environmental, social, and governance (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.

*The Impact Licensing Ecosystem Model:  
Establishing a network of technology  
transfer facilities and partnerships with the  
Global South to achieve societal impact*

- 1

**United Nations  
Technology Bank**

Conducting **Technology Needs Assessments (TNAs)** in LDCs to identify core development challenges and recommend practical technology-based solutions
- 2

**Tech Transfer  
Facilities for Impact**

**Network of TT4Is screening technologies and brokering impact-driven licensing agreements** with EU-based companies and universities
- 3

**Impact Licensing  
Institute**

Managing **compliance and standardisation** of Impact Licensing Agreements and **Impact IP pools** promoting technology adoption
- 4

**Impact Licensing  
Studio**

Establishing and investing in EU-based **impact ventures, re-purposing technologies and implementing pilot & demonstration projects** with Global South Partners
- 5

**Impact Ventures**

**Sub-license IP and business models** and **invest** in multiple companies in the Global South
- 6

**Global South  
Partnerships**

Exponential & scalable **social, economic and environmental impact**, through local innovation, production & ownership



The **Impact Licensing Ecosystem Model** is a coordinated framework of complementary actors, each performing an enabling role across the pathway from screening and selecting key enabling technologies to ensuring their effective translation into societal value for low- and middle-income countries (LMICs). It can be conceptualised as a systemic configuration of interrelated entities, providing a structured framework to align technological innovation, licensing, and technology transfer mechanisms with the goal of contributing to the United Nations Sustainable Development Goals and the Paris Climate Agreement.

1 Impact Licensing is firmly grounded in a demand-side approach, underpinned by the strategic collaboration agreement with the [United Nations Technology Bank for the Least Developed Countries \(UN Technology Bank\)](#). As part of its mandate, the UN Technology Bank conducts **Technology Needs Assessments (TNAs)** to identify binding development constraints and translate them into prioritised, actionable technology requirements and deployment pathways. In Least Developed Countries (LDCs), TNAs support accelerated, evidence-based decision-making on science, technology and innovation interventions, while also informing longer-term capability development for sustained growth, structural transformation and progress toward the UN SDGs. Depending on country context and the analytical granularity required, TNAs may be complemented by, or substituted by, targeted sector- or thematic innovation and technology ecosystem diagnostics—assessments that map system-level bottlenecks (policy, institutions, skills, infrastructure, markets and finance) and refine country-specific scopes for technology sourcing, adaptation, diffusion and scale-up. Together, these processes identify priority societal, environmental and humanitarian challenges and specify concrete technology needs in partner countries.

2 Central to the Impact Licensing Ecosystem Model is the establishment of a **Network of Technology Transfer Facilities for Impact (TT4Is)**. These Technology Transfer Facilities are defined as broker organisations operating as independent intermediary entities, mandated to facilitate the transfer of sustainable technologies between technology holders and licensees active in societal markets, with the specific objective of generating measurable positive impact in alignment with the United Nations Sustainable Development Goals and the Paris Climate Agreement. They execute their mandate by identifying, coordinating, and enabling the exchange of intellectual property protected know-how, in such a manner that maximises societal benefit within an economically sustainable and scalable framework.

TT4Is act as neutral intermediaries; i.e. they operate as an impartial actor, ensuring the balance between commercial objectives and societal impact. This role is vital in mitigating potential conflicts of interest and ensuring that licensing agreements prioritise public welfare alongside economic viability. By maintaining independent oversight, the TT4Is ensures transparency in the negotiation and enforcement of licensing agreements, thus preventing exploitation and safeguarding against -misuse of the technology. This oversight mechanism also facilitates accountability among all involved parties, particularly in monitoring compliance with agreed-upon terms. The TT4Is develops uniform licensing models that align with ethical standards and impact-driven goals. This approach ensures that technology transfer and intellectual property sharing are conducted transparently and consistently, promoting wider access to innovations for social good. It ensures that negotiated licensing agreements align with the UN SDGs and the Paris Climate Agreement, particularly

those related to poverty reduction, health, education, clean energy, and innovation. By facilitating technology access in underserved markets, it helps contribute to inclusive, sustainable, and impactful development.

The delineation of the operational scope of TT4Is is not determined by geographic boundaries but will instead be guided by the principle of ‘smart specialisation’. This strategic approach ensures that TT4Is focus on screening, evaluating, and supporting technologies that align with regionally defined innovation priorities and strengths, as identified in local or national innovation strategies and smart specialisation frameworks. By aligning the scope of work with thematic or sectoral expertise embedded in innovation hubs and regional clusters, TT4Is are better positioned to leverage existing knowledge ecosystems, institutional capabilities, and market readiness. This approach promotes efficiency, avoids redundancy, and fosters complementary roles within the network. It also encourages the development of high-quality, context-relevant pipelines of technology for impact, aligned with the UN SDGs. As a result, this market segmentation strategy supports a more coherent and differentiated service offering across the network, enabling each TT4I to become a centre of excellence within its designated field of specialisation.

The Technology Needs Assessments guide the TT4Is in the subsequent screening and selection of relevant technologies originating from universities, research institutions and private companies, with a systematic evaluation of their potential to generate measurable social and/or environmental impact. Key enabling Technologies (KETs) from technology owners go through a four-stage screening process to assess their innovation potential and are selected based on “exponentiality” criteria: their ability to address significant societal or environmental challenges, scalability potential, and

the capacity to impact at least 10 million people within eight years of commercialisation. These technologies also demonstrate strong market potential in terms of demand and productive use, potential of the technology to develop diverse applications to mitigate risks, and the potential for local innovation and production via technology transfer. To ensure the technologies maintain their intended social or environmental purpose, each technology is licensed under impact licensing terms, enforcing a ‘mission lock.’ Any misuse or deviation from the intended impact is considered intellectual property infringement.

**3** The **Impact Licensing Institute** is to be established as a global reference organisation for standard-setting, certification, compliance management and supporting the network of Tech Transfer Facilities through development of a suite of purpose-designed key instruments to support the continued operationalisation of impact licensing.

1. The **technology screening instrument** guides users in a four-step process to explore the societal value creation potential of a technology or product. It provides a structured approach to align technological innovations with societal needs, ensuring effective deployment and creating societal value.
2. The **Impact Licensing Builder** is a structured digital tool designed to support TT4Is in designing Impact Licensing Agreements that enable responsible technology diffusion and promote measurable societal outcomes. The Impact License Builder is a hierarchical decision structure supporting customisation and allowing users to select specific legal clauses, incorporate sustainability commitments or ethical standards, choose the level of enforceability and create legally secure pre-agreements. It also automatically assesses the quality of the licence.

3. The **Impact Licensing Quality Label** provides a certification and the assurance that the impact licence is ethically sound, legally secure, and socially impactful. When using the Impact Licensing Builder, an automatic scoring and report is generated, informing the user of the potential of the Impact Licence for acquiring the quality label.

The Impact Licensing Institute is also tasked with curating **Impact IP Pools** (repositories of Impact-licensed Technologies) that consolidate high-potential technologies from universities, research institutions and companies, simplifying identification, licensing, and deployment for both technology holders and adopters. The formal establishment of the partnership between the United Nations Technology Bank and Impact Licensing Initiative (ILI) serves as the backbone for an IP Pool for LMICs. By prioritising technologies with strong societal impact potential, the IP pools accelerate deployment in sectors such as health, agriculture, clean technologies, and climate adaptation. The pools encourage co-development, local adaptation, and joint innovation with partners in target markets, enhancing adoption success, building local capacity, and strengthening North–South collaboration.

**Standardised licensing frameworks** reduce risk for technology owners and provide clarity on legal and operational terms, allowing multiple market deployments while maintaining control over core intellectual property. Categorising technologies into dedicated pools for LDCs, green technologies, or global health solutions enables systematic deployment, impact tracking, and iterative improvement of licensing strategies. By demonstrating a pipeline of high-impact, SDG-aligned technologies, Impact IP Pools attract blended investment—including grants, concessionary capital, and impact finance—to fund adaptation, pilot testing, and scale-up. This strengthens financial sustainability, expands the reach of technology transfer, and ensures that innovation delivers tangible benefits to underserved markets.

**4** The **Impact Licensing Studio (ILS)** turns impact-licensed technologies into UN SDG aligned solutions for emerging markets. It operates with a dual mission: generating substantial social or environmental impact while delivering strong financial returns for its investors.

The Impact Licensing Studio accelerates the adaptation and re-purposing of existing technologies by identifying untapped use cases and applying frugal innovation principles to tailor solutions for resource-constrained markets. This approach enables sustainable technology transfer while maximising the value of existing research and development (R&D) investments. By adapting proven technologies rather than developing new ones from scratch, ILS reduces time-to-market, lowers costs, and increases the likelihood of successful deployment in emerging and developing contexts. ILS is dedicated to building asset-driven technology companies—impact ventures—and setting up pilot and demonstration projects with Global South Partners that deliver measurable contributions to the UN SDGs and the Paris Climate Agreement. Each impact venture is supported through the recruitment and coaching of strong entrepreneurial teams. ILS guides ventures from concept to market entry by developing sound business models, strengthening leadership capacity, and preparing ventures for growth and investment readiness. By ensuring alignment between technology adaptation and real market demand, ILS significantly reduces investment and implementation risk while strengthening local ownership and relevance.

The foundation of each venture is built around KETs licensed from R&D-driven companies and research centres through TT4Is, primarily in Europe and beyond. ILS operates with fund-like structures, combining impact-licensed technologies with finance-first investment approaches to ensure both profitability and positive societal impact.

Each venture building programme is supported by dedicated investment capital raised from impact investors. This capital is used to develop market-ready products and services, implement go-to-market

strategies, and establish strong entrepreneurial leadership. By integrating technology licensing, venture building, and investment mobilisation, ILS creates scalable, investable businesses that deliver measurable impact while remaining economically sustainable.

**5** Impact Ventures sub-licence IP, co-create business models and invest in multiple local companies in the Global South to achieve exponential & scalable social, economic and environmental impact. By supporting local innovation, and establishing local ownership, production and distribution channels, in partnership with local companies, the Impact Ventures co-create robust go-to-market strategies that reflect local market demand & conditions, regulatory environments, and value chains. This ensures that Impact Ventures are commercially viable and scalable from the outset and increases the long-term success rate and sustainability of SDG-aligned technology ventures.

**6** Impact Licensing (IL) is a strategic instrument for sustainable technology transfer, catalysing the private sector in connecting the EU innovation strength with contribution to the UN SDGs and the Paris Climate Agreement, while safeguarding European economic interests and strategic assets. IL operates as a tool of EU technology diplomacy, enabling long-term and trust-based partnerships in societal markets, grounded in shared prosperity and sustainable development. It introduces a value-driven entrepreneurial and scalable model for IP deployment that ensures technologies are transferred responsibly, effectively, and sustainably, while generating balanced partnerships and mutual benefits for European licensors and partner-country licensees. Strategic partnerships with Global South actors are a critical enabler of exponential and scalable social, economic and environmental impact. By embedding local innovation capacity, production and ownership at the core of technology deployment, these partnerships ensure that solutions are context-appropriate and rapidly replicable. Local co-development and manufacturing reduce costs, increase adoption rates and strengthen resilience, while local ownership models anchor value creation

within partner countries, fostering inclusive economic growth and job creation. At the same time, structured knowledge exchange and innovation feedback loops enhance the performance, adaptability and scalability of technologies across multiple geographies. This model enables impact to scale non-linearly—through regional replication, market-driven uptake and network effects—while reinforcing environmental sustainability, long-term social outcomes and mutually beneficial EU–Global South collaboration.

### *Advantages of Impact Licensing for European companies*

#### **1. Unlocking new commercial pathways from existing R&D**

Impact licensing enables European companies to transform existing R&D assets into new, sustainable commercial opportunities. By repurposing proven technologies for societal and development-oriented applications, companies can access additional markets for their innovations without duplicating research efforts. The approach opens access to new markets in emerging and developing economies while preserving intellectual property rights and core commercial interests. As a result, impact licensing creates long-term revenue opportunities and strengthens the global competitiveness of European firms.

#### **2. Driving frugal and reciprocal innovation**

Through impact licensing, European companies engage in frugal innovation, adapting technologies to operate under resource-constrained conditions. These adaptations often lead to:

- improved efficiency and robustness,
- modularisation of products,
- new use cases and applications, and
- the generation of additional intellectual property.

Crucially, these innovation processes are reciprocal. Performance data, user feedback, and deployment insights from societal and emerging-market applications are contractually fed back to the original technology owners. This innovation feedback loop directly benefits European companies by strengthening future product

development, enhancing design and functionality, and reinforcing competitiveness in both core and global markets.

#### **3. Anchoring value creation and industrial capacity in Europe**

Impact licensing ensures that high-value activities remain anchored in the EU. The repurposing, modularisation, and further development of technologies typically take place within Europe, safeguarding:

- industrial capabilities,
- manufacturing capacity, and
- skilled employment

Even as adapted technologies are deployed internationally, European companies retain control over core IP, production know-how, and system integration. This model allows firms to scale globally without offshoring strategic value, aligning international expansion with Europe's objectives on strategic autonomy and economic security.

#### **4. Reducing risk and improving investment attractiveness**

Because impact licensing is demand-driven, technology deployment is guided by verified local needs identified through stakeholder-led Technology Needs Assessments. This significantly reduces market and implementation risks for European companies and investors.

Adapted technologies are embedded in investment-ready ventures aligned with national development priorities and supported by blended finance and public-private partnerships. For European firms, this creates lower-risk entry points into high-growth markets, based on proven technologies and validated demand, making projects more attractive to private capital.

#### **5. Turning societal technology transfer into an investable proposition**

Impact licensing helps shift societal and SDG-oriented technology deployment from a perceived cost centre to a commercially viable and investable model. Frugal innovation lowers implementation costs, improves business models, and enhances economic viability. This increases the effectiveness of public funding while mobilising private finance at scale. European companies benefit from new revenue streams, de-risked partnerships, and scalable solutions that align commercial success with societal impact.

#### **6. Strengthening Europe's global position and technology diplomacy**

By enabling responsible international technology partnerships, impact licensing positions European companies as leaders in sustainable and secure innovation. It supports Europe's broader objectives in technology diplomacy, responsible IP management, and global standard-setting, while ensuring that economic value and strategic benefits accrue to Europe.

Impact licensing is therefore not merely a licensing mechanism; it is a strategic asset for European companies. It unlocks new commercial pathways, strengthens innovation feedback loops, anchors industrial value in Europe, reduces market risks, and mobilises private finance for SDG-aligned solutions. It enables European companies to expand globally in a way that reinforces competitiveness, strategic autonomy, and economic security—while simultaneously contributing to global public goods and sustainable development. By integrating impact licensing into the EU IP roadmap, Europe can consolidate its role as a global leader in sustainable and inclusive innovation whilst advancing its own economic and strategic priorities.

“ Today, financial decisions are based on risk and return. We want impact to become the third standard dimension, considered systematically by investors, banks, and public authorities. ”



*We sat down with Steven Serneels, serial entrepreneur and impact investor, to discuss his perspective on impact investing. Steven works at the intersection of social, business, and financial actors, focusing on the “sweet spot” where these worlds converge. He is the co-founder and Chair of Impact Finance Belgium (IFB) and serves on the board of GSG Impact, the global organisation working to integrate impact into every financial decision, with IFB acting as its Belgian representative. Until mid-2022, Steven chaired Impact Europe, a leading European membership organisation supporting foundations and impact investors in developing and scaling their impact strategies. Between 2018 and 2020, he served as its CEO.*

**You sit on the boards of several leading impact organisations (GSG Impact, Impact Finance Belgium, Impact Investing Institute). From that vantage point, how has the impact investing ecosystem in Europe evolved over the last decade and where do you see the biggest gaps today?**

Recent figures underline the strong growth of impact investing. According to Impact Europe, the European impact investing market reached nearly €200 billion in 2023, based on a very strict definition requiring clear intentionality, measurable outcomes, and additionality, and focused mainly on unlisted equity and private finance. While this represents around 1% of total assets under management, the sector has grown at approximately 20% annually in recent years. This trend aligns with global data from the Global Impact Investing Network (GIIN), which estimates the global market at around USD 1.6 trillion, with similar growth rates.

There is ongoing debate about how political pushback against sustainability, particularly in the United States, may affect these figures in the short term. In practice, however, sustainability-related investment remains resilient, especially in areas such as renewable energy and the circular economy. In Europe, long-term investors, including pension funds and the Norwegian Sovereign Wealth Fund, continue to strengthen their commitment to sustainable and impact investing, viewing it as a long-term value strategy, even as shorter-term investors shift capital in response to market trends.

A particularly positive development came at the end of 2025, when [Sustainable Finance Disclosure Regulation \(SFDR\)](#) 2.0 formally recognised and defined impact investing for the first time within the EU regulatory framework, positioning it within transition finance and sustainable investing. This marks a significant step, as impact investing had previously been defined largely by the market itself. In parallel, the European Investment Fund (EIF) has long played a key market-building role, providing matching capital to leading impact funds, reinforcing Europe’s position as a core hub for impact investing.

**In addition to your involvement in several boards, you are also an active impact investor and hold multiple positions on investment committees. When evaluating an investment opportunity, what are the non-negotiable criteria you consider on both the impact and financial sides?**

When we talk about investing with a positive impact on people and the planet, there are several ways to approach it. In practice, this can be understood through three main investment strategies, which apply equally to individual investors, funds, or institutions.

The first is responsible investing, which is essentially about doing no harm. This approach focuses on avoiding investments in sectors or practices that create negative impacts, such as gambling, controversial weapons, or environmentally destructive mining. The objective is not necessarily to create positive impact, but to ensure that capital does not contribute to harm.

The second strategy is sustainable investing, which aims to generate positive impact, but in a more hands-off manner. Investors seek out companies or projects that contribute to sustainability goals, while remaining largely at arm’s length from day-to-day operations. For example, investing in renewable energy projects such as wind farms would typically fall under sustainable investing. The impact is clear and intentional, but it is not actively managed on an ongoing basis.

The third approach is impact investing, which represents the most intentional and hands-on strategy. Here, investors define clear impact objectives upfront, articulate a theory of change, and actively manage both financial performance and impact outcomes. Impact is not only measured, but continuously steered and adjusted, recognising that many of these areas, such as circular economy models or biodiversity, are still evolving and require experimentation. A defining feature of impact investing is additionality, meaning the investment creates impact that would not have happened otherwise.

Through Impact Finance Belgium, we support sustainable and impact investing. In my own portfolio, I deliberately balance my assets across the three strategies. What I will never do is invest solely for financial return. At a minimum, there must be a clear intention to avoid harm, along with basic impact measurement and reporting. Some of my investments are in listed companies with credible sustainability ambitions, which aligns with responsible or sustainable investing. Others are in dedicated impact funds, where the goal is to go further and actively manage for measurable social and environmental outcomes.

**As a co-founder of Impact Finance Belgium and its current Chair, could you please outline the organisation's journey, including the motivations behind its establishment and its current key activities?**

I've been in this space for about 15 years. At the beginning, it really was a leap of faith. Doing good while doing business was far from mainstream. Over time, through impact investing, social finance, grant-making, and catalytic capital, I gained a broader view of the ecosystem, not only in Europe but also in Asia, Africa, and Latin America. When I returned to Belgium in the early 2020s, I noticed that while there were strong individual initiatives, there was no organisation focused on building the overall movement. There was no clear convening platform where investors and financiers interested in sustainability and impact could meet, learn, and grow an ecosystem, unlike in countries such as the UK or the Netherlands.

After speaking with existing banking and investment associations, it became clear that sustainable and impact investing were not central to their agendas. With the support of several of these organisations, we therefore decided to create a dedicated platform in Belgium with a simple ambition: finance as a force for good. To ground this ambition, we carried out a market study with McKinsey, which showed that impact investing in Belgium represented around €6 billion, about 1% of total assets under management. Based on this, we set a clear target: by 2030, impact investing

and sustainable investing together should reach 30% of assets under management. Today, we are at around 14%, with the goal to triple impact investing and double sustainable investing over the coming years.

Ultimately, our ambition is cultural as much as financial. Today, financial decisions are based on risk and return. We want impact to become the third standard dimension, considered systematically by investors, banks, and public authorities. If impact is treated as equal to risk and return, then we will have truly mainstreamed this way of thinking within finance.

Very briefly, Impact Finance Belgium works around four main types of activities.

First, we focus on enabling the ecosystem. This means working on policy and advocacy, engaging with regulators, policymakers, and ministers, but also producing and sharing public knowledge, such as market research, insights into who the key players are, where regulatory bottlenecks exist, and where gaps between supply and demand may lie. The goal is to create an environment in which impact and sustainable investing can thrive.

Second, we aim to inspire the broader community. We work to ensure that impact becomes part of the mainstream financial narrative, alongside risk and return. This includes media engagement, speaking opportunities, public events, and thought leadership, so that impact is increasingly discussed as a core dimension of finance.

Third, as a membership-based organisation, we connect our members and stakeholders. We act as a facilitator, creating spaces where investors, financiers, and other actors can learn from each other and collaborate.

Finally, we catalyse impact practitioners through thematic labs and working groups. Together with our members, we take deep dives into specific topics, such as social housing or sustainable agriculture, over periods ranging from several months to a few years, with active participation from all members involved.

**You serve as Chair of G1000, the Belgian platform for democratic innovation. Could you describe the mission and activities of G1000 and explain why democratic innovation is particularly important today? In addition, could you reflect on your personal role within the organisation? Finally, do you see parallels between democratic innovation and impact investing in terms of redistributing power and broadening participation?**

To some extent it was coincidental, but it also reflects a long-standing interest of mine. I strongly believe that long-term economic prosperity goes hand in hand with a well-functioning democracy. A vibrant society needs both. The concrete trigger was meeting one of the leading thinkers in democratic innovation, David Van Reybrouck, who invited me to join what was initially a think tank. Together, we turned it into a more permanent initiative. The name G1000 dates back to 2011, when Belgium went more than 200 days without a government. At that moment, the idea emerged to bring together 1,000 randomly selected citizens to formulate concrete proposals for political parties, shifting the focus from elite decision-making to citizen input.

The core mission of G1000 is to rebuild trust between citizens and politicians. While representative democracy remains essential, we aim to complement it with deliberative democracy through citizen assemblies. In these assemblies, well-informed and diverse groups of citizens discuss complex societal issues, such as migration, education, healthcare, or climate, and provide structured advice to policymakers.

We are active on two closely related fronts. First, we work not only with political institutions, but also with major civil society actors such as universities, cities, and public organisations. Our view is that democratic

innovation should not be limited to politics; these institutions also shape society and should adopt more participatory, long-term ways of thinking.

Second, we are responding to a broader context in which democracy itself is under pressure. With growing authoritarian models globally and increasing doubts about whether democracy can still support competitiveness, innovation, and resilience, we are building a European coalition of 16 organisations working on democratic innovation. The aim is to rethink how democracy can function in this new geopolitical and technological landscape.

A concrete example is data governance. In the US, personal data is largely controlled by the market, where individuals are seen as consumers with a narrow interest, in China, by the state. Europe needs a third way, one that protects certain data as a private good and defines ownership and use with citizens, not over their heads. These questions are too important to be left solely to governments or companies.

For me, this connects directly to impact investing. Closing the trust gap in democracy and introducing impact as a third dimension alongside risk and return in finance are both essential to building a healthy society. Finance should serve the real economy and society, not exist in a bubble that only generates more finance.

A recent project with a major Belgian public bank illustrates this convergence: the bank asked G1000 to involve citizens in shaping its digital strategy to ensure accessibility, affordability and social benefit. We accepted only under conditions of independence, transparency, and public value, showing how democratic innovation and impact thinking can come together in practice.

**Since 2015, you have been chairman of Kampani, focusing on entrepreneurial farming in the Global South. What have been the most persistent challenges in impact investing in the Global South, and how has Kampani adapted its model over time?**

Just recently, the Belgian Minister co-signed an agreement linked to the country's Development Finance Institute, [BIO Invest](#). BIO Invest has committed several million euros to [Kampani](#), which marked its 10-year anniversary with a major milestone.

It is a concrete example of the challenge I mentioned earlier. Many successful African small and medium enterprises and cooperatives, often involving thousands of farmers in sectors such as cocoa, sugar cane, or fruit, hit a glass ceiling. They grow and professionalise but remain too small and too risky for commercial banks, while being far beyond the scope of microfinance. As a result, their growth stalls. NGOs repeatedly flagged this frustration: they support these enterprises for years, only to see progress stop due to lack of access to finance. Rather than starting from a purely investor perspective, Kampani was designed by working backwards from this problem, what is often called the "missing middle."

The solution combines patient capital and non-financial support. Kampani provides investment tickets of €100,000 to €500,000, too large for microfinance, too small for commercial banks, alongside technical assistance, de-risking, and on-the-ground support delivered by NGOs that already know the enterprises well.

Today, Kampani has invested around €14 million across 38 enterprises, with a total fund size of €20 million. These businesses are growing by more than 40% per year, because the combination of capital and support allows them to break through that glass ceiling, investing in assets such as land, irrigation, equipment, or storage.

This model only works because financiers and NGOs collaborate. Finance alone is insufficient, and aid alone does not scale. Impact investing sits precisely at that intersection: long-term, repayable capital combined with hands-on support, clear objectives, and shared accountability. That is why Kampani has gained strong backing from actors such as the [Food and Agriculture Organization \(FAO\)](#), the European Commission, and has been featured in the Stanford Social Innovation Review "[Impact Investing for the Missing Middle in Agri-Finance](#)" as a new approach to development finance.

**Shifting the focus to your entrepreneurial activities, you co-founded Iristick in 2017 to develop smart safety glasses for industrial and healthcare applications. How did your background in impact investing influence the design, financing, and market entry of Iristick? In addition, could you elaborate on the intellectual property (IP) strategy the company adopted from an impact perspective?**

These smart glasses integrate two cameras, speakers, and a small display, and connect to a smartphone kept in the user's pocket. The phone provides the processing power, while the intelligence sits in the glasses. Through a small mirror in the frame, users can see what the camera captures, enabling a remote expert to follow the situation exactly as if looking over the user's shoulder. The remote expert can also send annotations and instructions in real time.

There are two main use cases. The first is offline support, where users follow step-by-step procedures—such as engine maintenance or medical checks—hands-free. The glasses guide the process through voice commands, capture data and images, and adapt instructions based on responses.

The second is online support, particularly in telemedicine. In projects across countries such as the Democratic Republic of Congo, Mali, and Burundi, nurses in rural hospitals wear the glasses while being assisted remotely by doctors located hundreds or thousands of kilometres away. This not only improves the quality of care, but also continuously trains and upskills healthcare workers through real-time guidance.

The technology was originally developed for remote maintenance and field service, with support from Horizon 2020, and has often been described as a "European Google Glass." From the outset, however, we agreed that it should also serve a societal purpose. As a result, the company's statutes allow the technology to be deployed at cost for non-competing, socially beneficial use cases, bringing together my business background and long-standing commitment to impact.

Until now, these impact applications have been largely project-based. What we are now seriously considering, together with [Impact Licensing Initiative \(ILI\)](#), is moving toward impact licensing to make this a more structural, long-term approach rather than a series of isolated projects. The technology is also strongly protected from an IP perspective. Multiple patents cover the smartphone-based architecture, safety-glass design for industrial use, and the integration of electronics. These patents are registered not only in Europe, but also internationally, including in the United States.

**One of the core principles of impact investing is measurability. How do you assess success when impact outcomes may take years, or even generations, to fully materialise?**

This brings us back to the classic theory of change: outputs, outcomes, and impact. Outputs are relatively easy to measure. As mentioned in the previous question, in our telemedicine project in Congo, which received significant funding from the Canadian government, an output is simply the number of telemedicine consultations carried out. That is straightforward, we can count interactions.

Outcomes are more challenging. Here, the question is whether the service provided actually improved patient care. To address this, we use proxies and KPIs. After each consultation, nurses answer a small set of simple questions on their smartphone. These data points allow us to estimate whether the advice and support improved the quality of care, especially when patients return for follow-up.

Impact sits at the highest level and is the most difficult to assess. It asks whether telemedicine contributes to improved health outcomes for the wider community over time. This cannot be measured through the glasses alone. It would require longer-term studies, surveys conducted every few years, and careful analysis to account for other factors that may also influence health outcomes.

In short, outputs are easy to track, outcomes are manageable if you organise data collection well and keep it light for users, and impact requires deeper, longer-term evaluation and caution in interpretation.

# Strategic Opportunities of Impact Licensing for Small and Medium Enterprises: Driving Investment and Growth

## About Taskforce for Impact Licensing and Impact Investment

The taskforce brings together five individuals from [Impact Licensing Initiative \(ILI\)](#), [Impact Licensing Studio \(ILS\)](#), [Infinira Ventures \(IV\)](#) and the broader impact investing community to examine impact licensing through the lens of impact investing, identify implications and possible impact licensing backed investment strategies and support the adoption of those strategies within impact investment practice.

Members: [Christian Polman](#) (chair), [Pieter Lavens](#), [Jennifer Marzullo](#), [Johan Moyersoan](#), [Klara Schneider](#)

In this article, Task Force members join forces to explore the strategic value of impact licensing, particularly for small and medium-sized enterprises (SMEs), highlighting its key benefits and how it can create pathways to impact investment opportunities.

Technology licensing rates amongst small and medium enterprises is about 1/3 or ½ less than their larger counterparts. Fewer than 20% of SMEs employ licensing as part of their technology strategy, with less than 5% actively licensing their technologies out. By contrast amongst larger firms these figures in Europe are approximately 35% and around 10-15% respectively. Impact licensing adds new dimensions to licensing opportunities for organisations of all sizes, and this article discusses the relevance of impact licensing for SMEs and their business and financing strategies, particularly those whose missions align with achieving impact outcomes such as the United Nations' Sustainable Development Goals (UN SDGs).

## What is an impact licence?

An impact licence is a “time-bound permission granted by a technology owner to bring a defined intellectual property (IP) e.g. a technology or a product or a service, to a pre-defined market for a specified societal value purpose.” It differs from traditional licensing by incorporating principles of impact investing into its defining terms. An impact license is **intentional** – the license is granted to pursue defined impact outcomes. Those outcomes must be **measurable** – able to be quantitatively and qualitatively assessed, to the extent that compliance with the impact intentions can be verified, and the outcomes must be **additional** – use of the technology discernibly contributes over and above the status quo. For details, take a look at the [Impact Licensing Toolkit](#).

In practice, different models of impact licensing occur. The two most common models are (i) cross-industry licensing, where for example a technology used as part of normal day to day operations in the automotive industry is licensed out for use in wastewater treatment, and (ii) cross-market licensing, where for example a clean technology for the industrial sector is licensed out to develop solutions for the home. Cross-market licensing is particularly powerful for start-ups wishing to tackle urgent challenges, as it allows technologies to develop multiple markets simultaneously in a way that manages risk for the technology owner and its investors. A third model is cross-geography licensing where the new geography to be targeted requires significant adaptation to the technology or business model, for example an EU business that sees potential in West Africa, but due to different customer profiles and local infrastructure changes are required such that traditional technology licensing practices are insufficient.

## How can impact licensing benefit SMEs?

Impact licensing opens new opportunities for SMEs. In many technology licensing strategies where technologies are insourced, platform, supporting and enabling technologies are those most commonly licensed. Impact licensing makes the prospect of insourcing mission critical technologies more feasible and appealing, allowing SMEs to leverage deep knowledge of markets for a technology that may be otherwise inaccessible to a technology owner. SMEs can also consider outsourcing strategically using impact licensing, allowing them to expand the impact of their research and development (R&D) whilst having some control on its further commercialisation.





Benefits of working with impact licensed technologies (insourcing) include:

- Faster and cheap routes to Minimum Viable Products (MVPs) and hardened product lines. Without bearing the full cost of technology development, SMEs can move more quickly to prototypes and industrialisation than they would if needing to develop the technologies themselves.
- By virtue of lower R&D costs, comparatively, utilising impact licensed technologies can unlock markets that would otherwise be inaccessible.
- Working with proven technologies helps lower the perceived investment risk profile, as there is already proof on the effectiveness of the licensed technology, and the exclusive access through licensing is an asset for the SME.

- Taken together, these factors support access to capital by lowering capital requirements for a given market / business model and derisking the technology development.

Benefits of SMEs licensing out their own IP through impact licenses include:

- Increased and accelerated learning from real-world use cases, where rights to technical information on tech usage are negotiated. Technical data can help SMEs more quickly spot weaknesses and opportunities for improvement, beyond what they would learn in their own operations.
- Opportunities for improvements, where rights to technical improvements have been negotiated with the licensees. A licensee's adaptation of the tech for their own use cases can identify cost savings, be implemented directly, and or spark new ideas for improvements within the SME's R&D teams.

- Potentially help achieve scale for manufacturing, depending on the nature of the licence and requirements of the licence. Impact licensing can help SMEs achieve economies of scale faster, without threatening their core business with potential competitive pressures.
- Increased commercialisation routes can help with access to subsidies.
- Existence of a licensee is a proof-point on the maturity and viability of the technology, helping SMEs strategically position themselves with potential investors and partners.

### *When should SMEs consider impact licensing?*

A broad range of SMEs should be considering impact licensing as part of their technology strategy, regardless of how central "impact" is to their business' missions as it can deliver significant additional benefits beyond traditional licensing approaches.

#### **Insourcing**

SMEs that do have an impact mission which could be accelerated by technology, but have traditionally seen costs as a barrier, are good candidates for exploring whether there is technology they can license from others.

#### **Outsourcing**

More broadly SMEs with a strong technology portfolio should consider the benefits of strategic impact licensing. Indicators that there could be good a potential for impact licensing include:

- Developing novel technologies for a specific customer base – e.g. industrial segments, developed countries, whilst there exist parallel needs in other segments.
- Developing technologies that they imagine spreading to many markets once the tech has been proven and costs have been lowered and there is an urgency around generating impact.

### *Impact licensing and (impact) investment and path to scale*

Significantly, both insourcing and outsourcing impact licences can support fundraising and improve chances of securing private investment. Insourcing impact licensed technologies improves attractiveness to investors through a lowered risk profile and lower overall capital requirements protect SME owners from unnecessary dilution, while outsourcing impact licensed technologies demonstrates a market and builds demand that investors look for.

Impact licensing can specifically support fundraising from impact investors. While a full discussion of impact investing is beyond the scope of this article, impact investing refers to a broad range of investment approaches where an investee's potential to create positive social, societal or environmental value is actively considered in the decision to invest. The lock on impact inherent in an impact licence reassures impact investors that this impact mission is secure and not subject to change even if ownership changes, ensuring impact objectives are aligned for the long term. Outsourcing technologies through impact licences shows tangible commitment to impact that can open doors to a broader array of investors.

Both insourcing and outsourcing impact licences are routes for SMEs to consider to accelerate their scaling in the EU and beyond. By offering more flexibility in how technology is acquired and deployed, SMEs can develop different strategies around their strengths. For example when insourcing, outside technology can better leverage internal resources in developing compelling propositions and reaching target markets, not diverted or blocked by gaps in technical capability. And when outsourcing, reaching a broader array of markets through licensing partners, while retaining access to learnings.



**What support is available?**

SMEs looking for support in developing and executing their licensing goals have a wide range of service providers to consider. A first step should be an evaluation of their existing technology portfolio against their mission.

A lesser-known, newer category of service providers are venture builders, that have the capabilities needed to create and co-found companies from initial idea to first customer and initial investments. [The Impact Licensing Studio](#) is a venture builder dedicated to working with impact licences and creating the path to market for impact licensed technologies. ILS, in partnership with the [Impact Licensing Initiative](#), assesses the impact alongside the financial return potential of technology use cases, identifies and manages technology adaptation requirements and develops and executes the go to market model. ILS also partners with [Infinira Ventures](#),

which supports early stage EU-backed ventures in deep tech and impact connected with an EU-wide network of collaboration partners, funding and investment. ILS can be a partner for SMEs seeking to license out their IP for new impact use cases when the SMEs do not see companies ready to take it on. ILS can manage the technology adaption to make licensing possible or go further and develop the company needed to bring the adapted technology to market, thereby unlocking many of the benefits of licensing for the SME technology owner.

SMEs looking to insource technology should reach out to the [Impact Licensing Initiative](#), an EU-funded project, coordinated by ILI or any of its affiliate Tech Transfer Facilities for Impact (TT4I). If significant technology adaptation is necessary that goes beyond the SMEs capabilities, ILS may be able to support technology adaptation.

**What can other organisations do to support impact licensing amongst SMEs?**

To support the uptake of impact licensing among SMEs, other organisations across the innovation and impact ecosystem need to actively build awareness, capacity and enabling frameworks. SME advisers and business support providers should understand what impact licensing is, recognise its strategic and financial benefits, and be able to identify when it is a suitable model for their clients, integrating it into advisory services and growth strategies.

Regional innovation agencies can raise awareness through targeted programmes, embed impact licensing into incubation and acceleration services, and provide hands-on guidance tailored to local SME ecosystems. At EU level, impact licensing could be integrated into policy frameworks and work programmes, align it with relevant funding mechanisms, and provide dedicated support to impact-driven ventures through specialised instruments and facilities (e.g. under InvestEU, Horizon Europe ).

In parallel, networks such as [Impact Europe](#) or the [Global Impact Investing Network \(GIIN\)](#) can strengthen connections between SMEs and investor communities, promote best practices, and systematically integrate impact licensing into broader impact investment and entrepreneurship ecosystems.

**Conclusion**

Impact licensing represents more than an innovative licensing strategy; it offers a forward-looking approach to aligning commercial success with societal value. By embedding impact considerations into licensing frameworks, SMEs can strengthen their market positioning while opening the door to new sources of mission-aligned capital. In doing so, impact licensing helps bridge the gap between innovation and investment, fostering business models that are both economically sustainable and socially meaningful.



# Impact-Oriented Funding in Action: Joining Forces with Leading Foundations to Leverage R&I and Social Impact

In recent years, there has been growing policy interest in ensuring that publicly funded research and innovation (R&I) deliver broad societal impact, extending beyond financial returns, both within Europe and globally. This interest has been echoed in high-level international discussions, including at the World Health Organization (WHO), particularly in the context of pandemic preparedness. These discussions have highlighted the need to link public investment in upstream innovation with downstream outcomes that ensure equitable access, affordability and contribution to the United Nations Sustainable Development Goals (UN SDGs). A key policy challenge has been identifying the appropriate

mechanisms and conditions to advance socially beneficial outcomes, such as socially responsible licensing, impact licensing and equitable access, while preserving incentives for innovation. Striking this balance remains central to ongoing debates.

Philanthropic organisations, which often operate at the intersection of innovation and public good, have developed practical approaches to addressing these challenges across diverse sectors. Their experience offers valuable insights into how access and impact considerations can be operationalised without undermining innovation.

On 10 June 2025, the [Impact Licensing Initiative \(ILI\)](#) and the [Medicines Patent Pool \(MPP\)](#) jointly organised a workshop focused on inclusive access, societal impact, and strategic licensing, bringing together a unique group of philanthropic funders and policy actors. The event was hosted by the European Commission's Directorate-General for Research and Innovation (DG RTD).

The event stood out for its exceptional participation of leading global and European foundations, including the [Wellcome Trust](#), the [Gates Foundation](#), [Unitaid](#), the [Compagnia di San Paolo Foundation](#), [Stiftung Mercator](#), the [Novo Nordisk Foundation](#), the Gilles Foundation, the [Lemelson Foundation](#), the [King Baudouin Foundation](#), and the [LifeArc](#). Together, these organisations engaged in in-depth discussions on the role of data, intellectual property (IP) governance, considerations of affordability and accessibility, and equity in grant-making practices. The representatives of the foundations examined the alignment of their respective approaches and reflected on how shared principles and coordinated impact licensing strategies could act as a catalyst for broader systemic change.

## *Impact Licensing in Practice*

Johan Moyersoer and Bruno Vandermeulen from the Impact Licensing Initiative showcased how impact can be integrated into IP strategies for research, innovation, and technology transfer, while also addressing how such approaches can be effectively incentivised. Supported by foundations and impact investors, ILI is scaling ventures that generate both economic and societal value, demonstrating that hybrid models are not only viable but increasingly essential.

## *Data as a Driver of Philanthropic Strategy*

A subsequent session focusing on data highlighted that foundations are increasingly viewing data as a driver of strategic decision-making, rather than merely a tool for accountability. Hilel Dridi from the Fondazione Compagnia di San Paolo presented the foundation's data strategy, which supports change across four key areas: decision-making, transparency, innovation, and data culture. Phil Reckermann from Stiftung Mercator then reflected on the operational and cultural barriers that foundations face when implementing shared measurement systems.





### *Embedding Equitable Access in Practice: Lessons from Leading Health Foundations*

Andrew Goldman from the Medicines Patent Pool led a structured discussion with representatives from Unitaid, the Gates Foundation, and the Wellcome Trust, focusing on how funders embed access conditions into their funding and licensing strategies to ensure that technologies reach underserved populations. He opened the session with an overview of MPP's approach, which leverages voluntary licensing and technology transfer to improve the affordability and availability of medical technologies in low- and middle-income countries. Building on this, Andrew introduced the importance of integrating access considerations at earlier stages of the research and funding lifecycle.

Kristen Dorman from Unitaid described how access commitments are tailored to the type of support provided, using flexible mechanisms such as cost-plus pricing, transparency clauses, and intellectual property step-in rights. Lauren Sullivan of the Gates Foundation highlighted the importance of embedding equitable access from the outset through measures including data sharing, royalty-free licensing in low- and middle-income countries and coordinated long-term planning across research and development partners. Katherine Anastasi-Frankovics from the Wellcome Trust outlined the foundation's pragmatic, phased approach, which begins with softer obligations that are progressively strengthened as products advance. This is complemented by financial upside-sharing and step-in rights to ensure commitments are effectively implemented.

### *Broader Reflections from Participating Foundations*

Following the main panel, several foundations shared brief reflections. Charlotte Kammer Garde from the Novo Nordisk Foundation highlighted the foundation's long-standing requirements for open access and data sharing, and its growing focus on global access and societal impact noting the [Novo Nordisk Foundation Initiative for Vaccines and Immunity \(NIVI\)](#). Antonio Capillo from the Mastercard Foundation stressed the importance of clearly defining impact and establishing structured pathways to achieve it. Christ'l Joris of the Gillès Foundation underlined the value of trust-based funding and the need to support initiatives that often remain under the radar, including the Impact Licensing Initiative itself. Finally, Maggie Flanagan from the Lemelson Foundation emphasised the importance of early engagement with local ecosystems to ensure sustainable, locally rooted impact.



### *A Shared Learning Agenda*

Throughout the event, it became clear that strategic licensing, equitable access, and responsible data stewardship are no longer peripheral considerations, but core pillars of responsible and forward-looking funding. The workshop concluded with a shared commitment to continued collaboration, including the establishment of joint working groups and peer-learning initiatives aimed at better aligning philanthropic practices with public research policy.

The workshop reaffirmed that when funders and policymakers come together, it is possible to move beyond good intentions toward practical, actionable tools and to reimagine how intellectual property and innovation can better serve both society and the market.

# news

## News from the European IP Helpdesk Team

### New Case Studies!

- [NeuroSov: Understanding Parkinson's Disease and the Urgent Need for Early And Effective Care](#)
- [dotLumen: Advancing Pedestrian Autonomy for the Visually Impaired Through Patented Innovation](#)



### Expert Insights on the Role of Impact Licensing

Watch the interview series from the European IP Helpdesk Annual Stakeholder Event, featuring leading experts who share their perspectives on the role of impact licensing as a strategic tool to translate research into societal value, foster collaboration, and strengthen innovation ecosystems.



### Some Event Highlights

#### From Innovation to Impact: Highlights from the EU-13 Roadshow in Gdańsk

The 2026 edition of the EU-13 Roadshow kicked off in Gdańsk, where the European IP Helpdesk was hosted by the Faculty of Mechanical Engineering and Ship Technology at Gdańsk University of Technology. The event engaged researchers, university leadership, innovation professionals, and support staff in exploring how intellectual property and knowledge valorisation strategies can strengthen the commercialisation of research results.



**Annual Science|Business Conference: Knowledge Valorisation in Central and Eastern Europe**

Policy and institutional developments related to knowledge valorisation in Central and Eastern Europe were discussed during a panel at the annual Science|Business conference. The panel brought together Roland Jakab, Chief Executive Officer of the Hungarian Research Network (Hun-Ren); Leon Cizelj, Director of the Jožef Stefan Institute in Slovenia; Caroline Rute, Head of the Technology Transfer Office at Tallinn University of Technology; and Ivana Vuka, Senior Innovation Manager at the European IP Helpdesk. The discussion focused on the challenges faced by EU Widening countries in translating strong research performance into marketable solutions and societal impact.



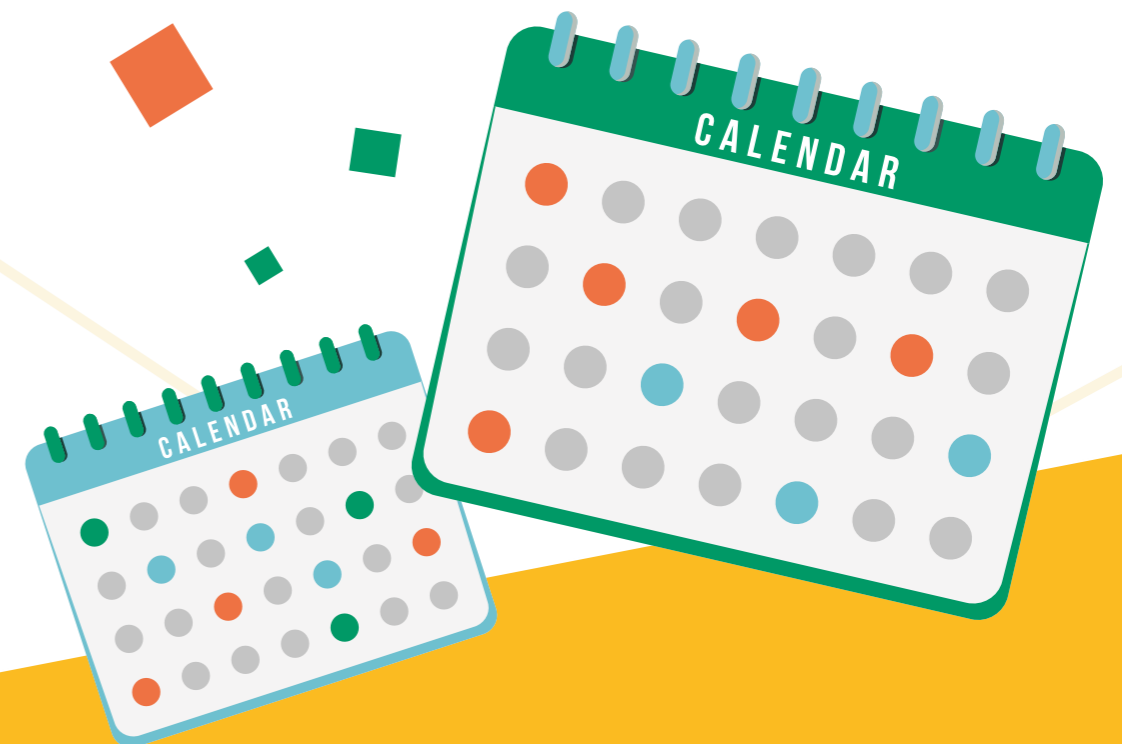
**Upcoming Webinars**

- 9 April**  
[Webinar: IP Commercialisation & Licensing \(Advanced\)](#)
- 22 April**  
[EPO Training Coop: From Lab to Market - Scaling Platform Technologies](#)
- 22 April**  
[Webinar Cooperation with Horizon Results Platform: Artificial Intelligence](#)
- 23 April**  
[Webinar: Freedom to Operate](#)
- 12 May**  
[Webinar: IP and Artificial Intelligence \(Advanced\)](#)
- 19 May**  
[Webinar: Finding Patents](#)
- 25 May**  
[Webinar : Unitary Patent](#)
- 28 May**  
[Webinar: Patents and Trade Secrets](#)

**European IP Helpdesk Participates in the Science for Industry Forum 2026**

The European IP Helpdesk took part in the Science for Industry Forum (S4i). Now in its fourth edition, the Forum convenes researchers, industry representatives, and policymakers to explore how public-private partnerships can accelerate technology transfer and innovation through Deep Science. This year's discussions focused on strengthening collaboration between the public and private sectors to turn cutting-edge scientific research into real-world applications. The European IP Helpdesk contributed to a roundtable dedicated to Public-Private Partnership models: funders' and beneficiaries' perspectives, highlighting

the critical role of intellectual property in collaborative research and innovation.



# The European IP Helpdesk Bulletin

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The European IP Helpdesk provides free-of-charge first-line support on IP-related issues aiming to help current and potential beneficiaries of EU-funded projects, as well as EU SMEs, manage their Intellectual Property assets.

The European IP Helpdesk is managed by the European Commission's European Innovation Council and SMEs Executive Agency (EISMEA), with policy guidance provided by the European Commission's Directorate-General for Research and Innovation (DG RTD).

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