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## Impact as a New Asset Class - Part II

*Impact Units represent a groundbreaking financial asset, aligning capital with measurable and verifiable outcomes across environmental and social sectors. By converting tangible impacts—such as carbon sequestration, biodiversity enhancement, or social equity—into exchangeable units, they create a system of regenerative finance that rewards sustainability. These units offer investors a transparent and traceable framework, allowing them to claim ownership and value from collaborative efforts. By integrating Impact Units into financial markets, stakeholders can trade verified outcomes, secure investments, and promote long-term planetary health.*

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### Impact Units as the Foundation of an Impact-Based Economy

In order to align financial returns with verifiable outcomes and treat impact and nature as an asset class, there is a need for an exchangeable asset that represents measurable and tangible impact—this is where Impact Units come in. These units, created through measured outputs and monitored outcomes, capture the positive and negative effects of various activities across sectors. Serving as quantifiable representations of completed actions, Impact Units encapsulate the value generated by diverse actors working together, whether enhancing biodiversity, reducing emissions, or contributing to social equity.

This innovative model expands the boundaries of traditional investment vehicles, aligning financial returns directly with verifiable outcomes. Impact Units act as vehicles for regenerative finance, bridging capital with

tangible, measurable impacts—whether through nature-based solutions like carbon sequestration or social equity improvements. These units are the result of collaborative creation and validation, with shared ownership rights distributed among the actors who contributed to their development. Impact Units can be claimed or exchanged by various stakeholders, creating a fluid system of value redistribution.

Through this framework, AxessImpact is creating a regenerative economy where natural capital and social value are no longer externalities, but foundational elements driving both ecological resilience and financial gain.

Unlike traditional metrics, which often fail to capture the multi-dimensional nature of value creation, Impact Units offer a transparent and traceable system. They provide a clear account of how actions, spread across multiple stakeholders and timelines, contribute to systemic change. By verifying tasks, workflows, and methodologies, Impact Units ensure real-world progress in impact-driven projects, fostering trust and accountability at every stage.

Impact Units also map contributions and facilitate value redistribution, enabling collective ownership, claimability, and exchange. This allows stakeholders to trade measurable outcomes on impact-focused marketplaces, secure investments, and shape future projects. Ultimately, this system nurtures an economy that supports long-term planetary health and social resilience by rewarding sustainable, regenerative contributions, and making investment-ready opportunities more transparent and attractive to capital providers

## Workflow-Based Creation of Impact Units and Causality Mapping

The creation of Impact Units is driven by structured workflows that break down complex activities into manageable, verifiable tasks. These tasks are linked within causality maps, which visualize the relationships between activities and outcomes, showing how each task contributes to multiple dimensions of impact. Each task may require distinct validation or verification processes, ensuring that responsibilities are efficiently distributed across various stakeholders—whether project developers, local communities, or auditors. This approach creates accountability at every stage of the process.

To further enhance impact tracking, the 3Ms process—Measure Output, Monitor Outcomes, and Manage Impact—is embedded into the workflows, ensuring that project performance is measured and managed throughout its lifecycle. These steps help capture both direct and indirect effects, providing a dynamic way to adjust activities for optimal impact.

A key component of this system is its ability to track direct and indirect impacts. For example, in an afforestation project, the direct output is carbon sequestration, but improvements in water retention and biodiversity might arise indirectly from the enhanced ecosystem conditions. These connections, captured in the causality map, allow for a holistic understanding of the project's broader impact across environmental, social, and economic dimensions.

The Theory of Change (ToC) integrates with these workflows, providing a roadmap for tracking how each activity contributes to the desired systemic change. By doing so, the ToC accounts for both the direct outcomes of specific tasks and the indirect, emergent impacts that arise from the interplay between protocols. This structure is highly modular, meaning workflows are adaptable and customizable based on the unique context and objectives of each project. This modularity ensures that workflows reflect the complexity and diversity of real-world conditions, making them applicable across a wide array of sectors.

The real-time feedback loops embedded within these workflows increase efficiency and provide the ability for project managers to adjust actions dynamically. This feedback system enhances trust and transparency, ensuring the optimization of activities based on verified results from previous phases. Through continuous tracking and causality-based adjustments, managers can manage risks, make data-driven decisions, and refine the project's approach to maximize impact.

## Impact Unit's Claim-ability Based on Causal Contributions

One of the unique aspects of Impact Units is the ability for different stakeholders to claim them based on their contributions, as reflected in the causality map. Each stakeholder—whether involved in project development, financing, or local implementation—can claim Impact Units based on their role in achieving specific tasks or outcomes.

For example:

- Project Developers may claim a portion of carbon impact units for their role in planting trees and managing afforestation efforts.
- Local Communities, engaged in sustainable farming or tree maintenance, might claim social impact units or improved agricultural yield units.
- Water management experts could claim water retention impact units for designing and implementing systems that increase soil moisture and water table levels.

By mapping these roles within the causality framework, the system ensures that all stakeholders receive fair compensation for their contributions to the impact project. This method also promotes collaborative risk management, since each stakeholder shares responsibility for achieving the broader outcomes, encouraging better resource allocation and adaptation strategies when challenges arise. Each stakeholder's role is supported by granular documentation, ensuring that decisions are based on verified data rather than assumptions or projections.

By incorporating the ToC, stakeholders can see how their actions contribute to multi-dimensional outcomes, such as carbon sequestration leading to secondary benefits like biodiversity enhancement and improved water retention. This holistic understanding allows for more equitable claiming and trading of Impact Units, especially across complex projects where multiple outcomes emerge from a single set of activities.

## Proof of Completion Embedded in Every Unit

A defining feature of Impact Units is the embedded proof of completion for each task within the workflow. This proof serves as a digital record, ensuring that every action is tracked and verified according to the protocols set in place. These records—whether in the form of sensor data, satellite imagery, detailed reports, or third-party audits—provide a transparent and immutable trail of the steps taken to achieve the desired impact.

In addition to serving as verification, this process enables stakeholders to claim their share of the impact units in real time, based on their actual contributions, as verified by data. This continuous validation builds trust among participants—whether local communities, experts, or investors—by making their roles in the impact creation process visible and verifiable.

Embedding proof within each task also significantly mitigates risks, particularly for investors. With validated outcomes attached to each completed task, decisions can be made based on verified results, further de-risking the investment process.

## Lifecycle Participation and Risk Management

The traceability of all the tasks and workflows in the creation of each Impact Units support participation at any stage of a project's lifecycle, offering stakeholders flexibility in how and when they engage. Investors, project developers, and verifiers can contribute at different phases, from planning and prototyping to full-scale execution. The causality map helps stakeholders understand how their contributions at various stages link to the project's overall outcomes.

For example:

- Early-stage investors might participate in high-risk, high-reward phases, claiming contribution to Impact Units based on projections and early milestones.
- Late-stage investors could join after verification of key outcomes, claiming verified units like carbon sequestration, biodiversity improvement, or water retention.

This staggered, task-based approach, along with elements of outcome-based financing, ensures that capital is deployed in a way that reflects the evolving risk profile of the project, with investment adjusted based on real-time progress and verified milestones. Blended finance mechanisms may also support projects by combining different sources of funding, optimizing both public and private capital deployment across various phases.

Furthermore, the shared responsibility across various actors helps distribute risk more effectively. Each stakeholder, from local communities to auditors, contributes to the successful completion of tasks within the workflow, reducing the risk burden on any single entity.

## Exchangeability and Monetization of Impact Units Across Protocols

Impact Units are not just representations of positive outcomes; they are also exchangeable assets with intrinsic financial value. Once validated and verified, these units can be traded on impact-focused marketplaces, linking measurable outcomes directly to financial returns. This feature allows stakeholders—whether investors, project developers, or local communities—to monetize their contributions, creating a tangible reward for their involvement in impact-driven activities.

The exchangeability of Impact Units also enables multi-dimensional impact trading. For instance, a project could simultaneously generate and trade carbon sequestration impact units, water retention impact units, and biodiversity impact units. Each stakeholder can claim and exchange units in line with their contributions, as detailed in the causality map, ensuring that all participants receive fair compensation for their specific roles in achieving the overall project impact.

This system of dynamic revenue-sharing ensures that value evolves in real-time as tasks are completed and verified, incentivizing collaboration and ongoing engagement from all stakeholders. Smaller or underrepresented actors, such as local communities, can also participate and monetize their contributions, further democratizing access to financial returns and ensuring fair compensation. This real-time value distribution encourages continuous engagement, promoting sustained collaboration across various stages of project development.

This approach creates a fluid marketplace where capital flows toward projects that generate measurable, positive impact, ensuring that financial returns are directly tied to verified real-world results. The ability to trade multiple types of impact units simultaneously—like carbon sequestration, water retention, and biodiversity—opens up new possibilities for multi-dimensional impact trading, fostering a scalable system that supports diverse sustainability projects.

## Scalability and Adaptability of Impact Units Across Diverse Projects

Impact Units serve as comprehensive digital representations of a project's entire value chain, mapping every action and actor involved in their creation. Each unit reflects the cumulative efforts of stakeholders—from project developers and local communities to investors and technical experts—by documenting their contributions in a transparent and traceable manner.

This digital mapping system enables a transparent tracking system that highlights the roles and inputs of all participants, making it possible to quantify and distribute the value generated by each actor. The use of

distributed ledger technology (DLT) ensures that these records are immutable and tamper-proof, significantly reducing the risk of fraud or misreporting.

The flexibility of Impact Units allows them to comply with one or multiple standards, without being confined to any specific methodology. This agnosticism enables Impact Units to be adopted across various sectors, including carbon markets, biodiversity conservation, and social impact initiatives. This adaptability is key to ensuring that Impact Units can be easily integrated into the impact-based economy and applied across diverse geographies and industries.

By transforming impact into a tradable asset class, Impact Units encourage a shift where positive outcomes are not only measured but also rewarded. This integration of impact and financial systems ensures that capital is directed toward projects that deliver verifiable results, driving both regenerative economic systems and global sustainability.



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