



**International Institute
for Sustainable Finance**

EXECUTIVE EDUCATION • COURSE 06 OF 06

Impact Investing

Course Syllabus

Self-paced online course

About 20 hours • 8 modules • 40 lessons

2026 Edition

Version 1.0 • October 2026

sustainablefinance.in

COURSE 06

Course Overview

Investing for measurable social and environmental results alongside a financial return.

Impact investing commits capital with the intention of producing measurable social or environmental benefit as well as a financial return. This course covers how an impact thesis is built, which instruments carry it, how impact is measured and managed, and how integrity is protected.

Participants work with the GIIN's core characteristics, the five dimensions of impact, IRIS+ metrics, the Operating Principles for Impact Management, the OECD blended finance principles, and the regulation of impact labels in the EU, the UK, and India.

At a glance

Level	Introductory to intermediate
Format	Self-paced and online. Recorded lessons on the IISF learning platform.
Study time	About 20 hours
Structure	8 modules and 40 lessons
Enrolment	Open throughout the year, with no fixed start date
Access	12 months from enrolment
Assessment	A quiz in every module, then a final quiz
Award	IISF Certificate of Completion for the course
Fee	USD 200. All six courses taken together: USD 1,000.
Prerequisites	None. Course 1, Foundations of Sustainability, is recommended first.

Who the course is for

- 1 Investment professionals moving into impact, development finance, or philanthropy.
- 2 Founders and managers of social enterprises raising impact capital.
- 3 Staff of foundations, family offices, and corporate responsibility programmes.

COURSE 06

Outcomes and Structure

What you will be able to do

On completing the course, a participant should be able to:

CO1	Distinguish impact investing from responsible investment and from philanthropy.
CO2	Construct a theory of change and assess an investment on the five dimensions of impact.
CO3	Select instruments suited to an enterprise's stage and impact objective.
CO4	Structure a blended finance vehicle using concessional capital.
CO5	Design an impact measurement and management system using IRIS+.
CO6	Evaluate an impact fund against the Operating Principles for Impact Management.

Course structure

Module	Title	Lessons	Study time
Module 1	What Impact Investing Is	5	2 h 15 min
Module 2	Impact Thesis and Theory of Change	5	2 h 15 min
Module 3	Instruments and Asset Classes	5	2 h 15 min
Module 4	Blended and Catalytic Finance	5	2 h 15 min
Module 5	Impact Measurement and Management	5	2 h 15 min
Module 6	Due Diligence, Structuring, and Exit	5	2 h 15 min
Module 7	Standards, Regulation, and Integrity	5	2 h 15 min
Module 8	Building an Impact Portfolio	5	2 h 15 min
Assessment	Revision and final quiz		2 h
Total		40	20 h

MODULE 1 OF 8 • 2 HOURS 15 MINUTES • 5 LESSONS

What Impact Investing Is

The definition, the boundaries, the market, and the debate about returns.

No.	Lesson	What it covers
1.1	Definition	The GIIN's definition and four core characteristics; intentionality, measurement, and contribution.
1.2	Boundaries	How impact investing differs from exclusion, integration, thematic investment, and grants.
1.3	The market	Size, asset classes, regions, and investors: funds, development institutions, foundations, and family offices.
1.4	Returns	Market-rate and concessionary strategies, and what the performance data show.
1.5	The ecosystem	From microfinance to the present; India's Impact Investors Council and Social Stock Exchange.

Ref.	On completing this module, you should be able to:
LO 1.1	Define impact investing using the GIIN's core characteristics.
LO 1.2	Distinguish impact investing from responsible investment and from philanthropy.
LO 1.3	Classify investors and strategies on the spectrum of capital.

Standards and frameworks	GIIN Core Characteristics of Impact Investing (2019); spectrum of capital (Impact Frontiers); GIIN market sizing and investor surveys; SEBI Social Stock Exchange framework.
Core reading	Marked extract from GIIN, Core Characteristics of Impact Investing (2019).
Key terms	intentionality; measurability; additionality; spectrum of capital; impact-first; finance-first; concessionary return; catalytic capital.
Case study	Aavishkaar. Early-stage capital for rural enterprises in India, and how the firm grew into a group.
Practice exercise	Place ten funds on the spectrum of capital and justify each placement.

MODULE 2 OF 8 • 2 HOURS 15 MINUTES • 5 LESSONS

Impact Thesis and Theory of Change

Defining the problem, the people, the change sought, and the investor's part in it.

No.	Lesson	What it covers
2.1	The problem and the people	Defining the need, the stakeholders, and the Sustainable Development Goal targets addressed.
2.2	Theory of change	Inputs, activities, outputs, outcomes, and impact; assumptions and evidence.
2.3	Five dimensions of impact	What, who, how much, contribution, and risk, as defined by Impact Frontiers.
2.4	Investor contribution	Signalling, engagement, growing new markets, and flexible capital; additionality.
2.5	Classifying impact	Act to avoid harm, benefit stakeholders, contribute to solutions: the ABC classification.

Ref.	On completing this module, you should be able to:
LO 2.1	Construct a theory of change for an enterprise.
LO 2.2	Assess an investment on the five dimensions of impact.
LO 2.3	Explain investor contribution and distinguish it from enterprise impact.

Standards and frameworks	Five dimensions of impact and ABC classification (Impact Frontiers); SDG Impact Standards (UNDP, 2021); theory of change; Sustainable Development Goal targets and indicators.
Core reading	Marked extract from Impact Frontiers, Five Dimensions of Impact.
Key terms	theory of change; output; outcome; impact; counterfactual; investor contribution; impact risk; ABC classification.
Case study	LeapFrog Investments. Profit with purpose: insurance and health services for low-income consumers in Africa and Asia.
Practice exercise	Write a theory of change for an off-grid solar company and state its riskiest assumption.

MODULE 3 OF 8 • 2 HOURS 15 MINUTES • 5 LESSONS

Instruments and Asset Classes

The financial instruments that carry impact capital, from venture equity to listed bonds.

No.	Lesson	What it covers
3.1	Private equity and venture	Impact funds, stage of investment, and fund terms.
3.2	Private debt and microfinance	Microfinance institutions, small business lending, and non-bank lenders in India.
3.3	Bonds	Green, social, and sustainability bonds; orange bonds; instruments of India's Social Stock Exchange.
3.4	Real assets	Affordable housing, renewable energy, and sustainable land use.
3.5	Listed equity	Whether public markets can deliver impact, and the GIIN's guidance on the question.

Ref.	On completing this module, you should be able to:
LO 3.1	Compare equity, debt, and bond instruments for impact investment.
LO 3.2	Explain the components of the ICMA Social Bond Principles.
LO 3.3	Select an instrument suited to an enterprise's stage and impact objective.

Standards and frameworks	ICMA Social Bond Principles and Sustainability Bond Guidelines; Orange Bond Principles; SEBI zero coupon zero principal instruments; GIIN Guidance for Pursuing Impact in Listed Equities (2023).
Core reading	Marked extract from ICMA, Social Bond Principles.
Key terms	venture capital; growth equity; private debt; microfinance; use of proceeds; orange bond; zero coupon zero principal; real asset.
Case study	The Women's Livelihood Bond. A listed bond series from IIX that funds enterprises serving women in South and Southeast Asia.
Practice exercise	Match six enterprises at different stages to the instrument that suits each.

MODULE 4 OF 8 • 2 HOURS 15 MINUTES • 5 LESSONS

Blended and Catalytic Finance

Using public and philanthropic capital to bring private investors into markets they would otherwise avoid.

No.	Lesson	What it covers
4.1	Why blend	Risk and return gaps, the financing gap for the Sustainable Development Goals, and mobilisation.
4.2	Archetypes	Concessional capital, guarantees and insurance, technical assistance, and design-stage grants.
4.3	Principles	The OECD blended finance principles and the enhanced principles of development finance institutions.
4.4	Structuring a tiered fund	Senior, mezzanine, and junior tranches; the waterfall; minimum concessionality.
4.5	Outcomes-based finance	Social and development impact bonds, outcomes funds, and impact-linked finance.

Ref.	On completing this module, you should be able to:
LO 4.1	Explain additionality and minimum concessionality in blended finance.
LO 4.2	Structure a three-tier fund and calculate the protection given by a first-loss tranche.
LO 4.3	Compare an impact bond with a conventional grant.

Standards and frameworks	OECD DAC Blended Finance Principles (2017); DFI Enhanced Principles for Blended Concessional Finance (2017); Convergence blended finance archetypes; outcomes-based contracting.
Core reading	Marked extract from OECD, DAC Blended Finance Principles (2017).
Key terms	concessional capital; first-loss tranche; mezzanine; guarantee; technical assistance; minimum concessionality; mobilisation; outcome payer; impact bond.
Case study	The Educate Girls Development Impact Bond. A three-year programme in Rajasthan in which investors were repaid on verified learning and enrolment results.
Practice exercise	Structure a fund with three tranches and calculate losses to each under a default scenario.

MODULE 5 OF 8 • 2 HOURS 15 MINUTES • 5 LESSONS

Impact Measurement and Management

Setting impact goals, choosing metrics, gathering evidence, and using the results.

No.	Lesson	What it covers
5.1	The cycle	Setting goals, defining metrics, collecting data, analysing, managing, and reporting.
5.2	Metrics	IRIS+ core metric sets, the harmonised HIPSO indicators, baselines, and counterfactuals.
5.3	Evidence	Customer surveys, lean data, experimental and quasi-experimental methods, and proportionality.
5.4	Valuing impact	Social return on investment, impact-weighted accounts, and the IFVI and VBA methodology.
5.5	Scoring and portfolios	Impact ratings such as the IFC's AIMM, impact risk, and aggregation across a portfolio.

Ref.	On completing this module, you should be able to:
LO 5.1	Select IRIS+ metrics and set targets for an investment.
LO 5.2	Distinguish between outputs, outcomes, and impact, and between attribution and contribution.
LO 5.3	Calculate a social return on investment ratio and explain its limits.

Standards and frameworks	IRIS+ (GIIN); HIPSO harmonised indicators; IFC Anticipated Impact Measurement and Monitoring system; Principles of Social Value; IFVI and VBA General Methodology for impact accounting (2024).
Core reading	Marked extract from GIIN, IRIS+ Core Metrics Sets.
Key terms	impact goal; metric; baseline; target; attribution; contribution; lean data; social return on investment; impact rating.
Case study	Acumen. Lean data: listening to low-income customers by mobile phone, at scale and at low cost.
Practice exercise	Build a metric set with baselines and targets for a chain of low-cost clinics.

MODULE 6 OF 8 • 2 HOURS 15 MINUTES • 5 LESSONS

Due Diligence, Structuring, and Exit

The investment process from sourcing to exit, with impact considered at every step.

No.	Lesson	What it covers
6.1	Sourcing and screening	Building a pipeline, and applying impact and financial screens.
6.2	Due diligence	Commercial, financial, legal, environmental and social, impact, and integrity checks.
6.3	Deal terms	Valuation, convertible and revenue-based instruments, impact covenants, and impact-linked pay.
6.4	Managing the portfolio	Board roles, technical assistance, monitoring, and follow-on investment.
6.5	Responsible exit	Timing, buyer selection, and protecting the mission after the sale.

Ref.	On completing this module, you should be able to:
LO 6.1	Describe the stages of impact due diligence.
LO 6.2	Design impact terms for an investment agreement.
LO 6.3	Evaluate the options for a responsible exit.

Standards and frameworks	IFC Performance Standards; Operating Principles for Impact Management, Principle 7; GIIN, Lasting Impact: The Need for Responsible Exits (2018); British International Investment ESG Toolkit.
Core reading	Marked extract from GIIN, Lasting Impact: The Need for Responsible Exits (2018).
Key terms	pipeline; screening; impact due diligence; convertible note; revenue-based finance; impact covenant; mission lock; impact-linked carry; responsible exit.
Case study	M-KOPA. Pay-as-you-go finance for solar and smartphones in Africa, built with successive rounds of debt and equity.
Practice exercise	Draft the impact clauses of a term sheet for a growth-stage enterprise.

MODULE 7 OF 8 • 2 HOURS 15 MINUTES • 5 LESSONS

Standards, Regulation, and Integrity

The standards an impact investor is held to, the regulation of labels, and how impact washing is prevented.

No.	Lesson	What it covers
7.1	The Operating Principles	The nine Operating Principles for Impact Management, disclosure statements, and independent verification.
7.2	Reporting norms	The Impact Performance Reporting Norms and the SDG Impact Standards.
7.3	Regulation of labels	The EU SFDR and its reform, UK sustainability labels, ESMA fund-name rules, and SEBI's fund categories.
7.4	Impact washing	Its forms, notable failures, and the controls that prevent it.
7.5	Related standards	The Principles for Responsible Investment, the 2X Criteria for gender, and PCAF for financed emissions.

Ref.	On completing this module, you should be able to:
LO 7.1	Describe the nine Operating Principles for Impact Management.
LO 7.2	Compare the regulation of impact and sustainability labels in the EU, the UK, and India.
LO 7.3	Evaluate an impact report against the Impact Performance Reporting Norms.

Standards and frameworks	Operating Principles for Impact Management (2019); Impact Performance Reporting Norms (Impact Frontiers, 2024); EU SFDR (EU 2019/2088); UK Sustainability Disclosure Requirements and investment labels (2023); ESMA Guidelines on funds' names (2024); 2X Criteria; PCAF Standard.
Core reading	Marked extract from Impact Frontiers, Impact Performance Reporting Norms (2024).
Key terms	disclosure statement; independent verification; fund label; naming rule; impact washing; gender-lens investing; financed emissions.
Case study	Abraaj. The 2018 collapse of a prominent emerging-market investor, and the governance failures behind it.
Practice exercise	Review a fund's impact report against the Reporting Norms and list its gaps.

MODULE 8 OF 8 • 2 HOURS 15 MINUTES • 5 LESSONS

Building an Impact Portfolio

Mandates, portfolio construction, themes, manager selection, and the investment decision.

No.	Lesson	What it covers
8.1	Investors and mandates	Foundations, family offices, pension funds, development institutions, and corporate programmes in India.
8.2	Portfolio construction	Allocating across themes, and weighing risk, return, and impact together.
8.3	Themes	Financial inclusion, energy access, agriculture, health, education, climate adaptation, and gender.
8.4	Selecting managers	Track record, impact management systems, alignment of interest, and fees.
8.5	The investment paper	Thesis, impact case, financial case, risks, terms, and recommendation.

Ref.	On completing this module, you should be able to:
LO 8.1	Analyse the mandate and constraints of a given impact investor.
LO 8.2	Evaluate an impact fund manager using the Operating Principles for Impact Management.
LO 8.3	Formulate an investment committee paper for an impact investment.

Standards and frameworks	Operating Principles for Impact Management; 2X Criteria; GIIN COMPASS methodology; Section 135 of India's Companies Act, 2013; programme-related and mission-related investment.
Core reading	Marked extract from Operating Principles for Impact Management (2019).
Key terms	mandate; programme-related investment; mission-related investment; total portfolio approach; thematic allocation; manager selection; investment committee paper.
Case study	The Ford Foundation. A 2017 commitment of one billion US dollars from its endowment to mission-related investments.
Practice exercise	Outline an investment committee paper for a proposed impact investment.

COURSE 06

Learning and Assessment

How you will learn

Recorded lessons	Five lessons in each module, available at any time on the IISF learning platform.
Core reading	One marked extract in each module, of about ten pages, taken from the standards and reports named in this syllabus.
Practice exercise	One exercise in each module, with a worksheet and a worked solution. It is not assessed.
Case study	One case in each module, drawn from practice in advanced and emerging markets.

How you will be assessed

Module quizzes	A short quiz at the end of each of the eight modules.
Final quiz	A quiz covering all eight modules, taken once the module quizzes are complete.
Pass requirement	Completion of the eight module quizzes and a pass in the final quiz. The pass mark is stated on the learning platform.

Certificate

Course certificate	The IISF Certificate of Completion for this course is awarded to participants who meet the pass requirement.
Executive Certificate	Participants who earn the certificate in all six courses receive the IISF Executive Certificate in Sustainability and Sustainable Finance.
Verification	Every certificate carries a reference that can be checked online.

COURSE 06

Core References

The course draws on the sources below. Each module names the standards and frameworks it teaches, and the learning platform links to the current edition of each.

Publisher or author	Document
GIIN	Core Characteristics of Impact Investing (2019)
GIIN	IRIS+ system and core metric sets
Impact Frontiers	Five Dimensions of Impact, and Impact Performance Reporting Norms (2024)
Impact Principles	Operating Principles for Impact Management (2019)
UNDP	SDG Impact Standards (2021)
OECD	OECD DAC Blended Finance Principles (2017)
DFI Working Group	Enhanced Principles for Blended Concessional Finance for Private Sector Projects (2017)
Convergence	State of Blended Finance (annual)
ICMA	Social Bond Principles and Sustainability Bond Guidelines
GIIN	Lasting Impact: The Need for Responsible Exits (2018)
IFC	Performance Standards on Environmental and Social Sustainability (2012)
Securities and Exchange Board of India	Framework for the Social Stock Exchange

Currency of the syllabus

Standards and regulations are cited as in force in October 2026. Lessons are revised when a named standard changes, and the revision is recorded on the learning platform.

EXECUTIVE EDUCATION

The Learning Pathway

This course is one of six. Each stands alone and may be taken in any order, although Course 1 is recommended first.

Course	Title	Study time
Course 1	Foundations of Sustainability	20 h
Course 2	Sustainable Business Models	20 h
Course 3	Sustainable Supply Chains	20 h
Course 4	Sustainable Agriculture and Food Systems	20 h
Course 5	Renewable Energy and Green Infrastructure	20 h
Course 6	Impact Investing This course	20 h

Fees and the Executive Certificate

Each course costs USD 200. The six courses taken together cost USD 1,000. Completing all six earns the IISF Executive Certificate in Sustainability and Sustainable Finance.

Short courses and the CSFP

A short course is assessed by online quiz. The Chartered Sustainable Finance Professional (CSFP) is a designation earned by proctored examination. The short courses carry no exemption from the CSFP examinations, and they are useful preparation for Level I.

About IISF

The International Institute for Sustainable Finance (IISF) is a professional body that sets standards of competence and conduct for sustainable finance, transition capital, climate risk, and responsible investment. It awards the CSFP designation.

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