



Value Balancing Alliance and Harvard Business School Impact-Weighted Accounts

Announcement: Striving for Integration

Value Balancing Alliance (VBA) and the Impact-Weighted Accounts Project at Harvard Business School (HBS IWA) have announced their collaboration designed to harmonize methodologies on impact accounting. Analysis shows that the two methodologies individually developed by VBA and HBS IWA are based on the same concepts and principles. Differences are due mainly to the two separate perspectives on impact: VBA from the corporate/data preparer point of view and HBS IWA from the investor/data user perspective. The team is working towards a consistent impact accounting methodology following a building blocks approach.

The time and ecosystem are now ripe for more intensive collaboration, as referenced in the G7 Impact Taskforce's report Time to Deliver: "... the ITF urgently calls for mandatory accounting for impact as a destination ...and recommends that the G7 countries and partners collaborate with the private sector, standard-setters, and academia on approaches to impact valuation..."

Recognizing the growing focus on impact and the need for consistent impact measurement and valuation data, VBA and HBS IWA are seeking even closer collaboration. Over the coming weeks, they will explore ways in which an integration of the two initiatives can drive the impact movement and increase the value and effectiveness of both organizations' efforts to achieve the specific goals each has set for itself.

The potential integration of VBA and HBS IWA would build upon the shared principle that the work be made publicly available, is scientifically rigorous in its approach, seeks to value impacts for all stakeholders, is open for collaboration with other initiatives and offers standardized methodologies to inform international standards development and regulators.

A handwritten signature in black ink, appearing to read "CHR HELLER".

Christian Heller
Chief Executive Officer
Value Balancing Alliance

A handwritten signature in black ink, appearing to read "T. Robert Zochowski".

T. Robert Zochowski III
Program Director
HBS Impact-Weighted Accounts



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“The VBA and HBS IWA are advancing a crucial dimension of effective transparency – the monetary valuation of impacts. “

Sir Ronald Cohen – Chair, Global Steering Group for Impact Investment (GSG) Co-founder Chair, Apax Partners Worldwide LLP, Bridges Fund Management, Big Society Capital Co-founder, British and European Venture Capital Associations, Social Finance

“Over the past three years, the IWA at Harvard Business School has provided evidence that impact-weighted accounts are feasible, valuable and scalable. It has published 22 papers, conducted over 2 dozen pilots and released four open source data sets comprising thousands of companies.”

George Serafeim – Faculty co-lead Impact-Weighted Accounts Project at Harvard Business School

“The members of the Value Balancing Alliance – international companies – have successfully piloted impact-based accounts, including testing in day-to-day business decision making. The additional data and information have proved to be of great benefit for business steering and long-term value creation.”

Christian Heller – CEO, Value Balancing Alliance