

**IMPACT VALUE STANDARDS BOARD
TERMS OF REFERENCE**

Article 1 – Establishment

- 1.1 The Impact Value Standards Board (IVSB) was established by the Capitals Coalition to fulfill the Mandate outlined below, to support the goal of the valuation of impacts and dependencies of all capitals in decision-making.

Explanatory note

The mandate of the [IVSB] is a continuation of the development of work historically governed by the Valuation Technical Practitioner Committee (VTPC) as managed by IFVI in partnership with VBA, and the Value Commission as managed by the Capitals Coalition. All work approved by these respective bodies maintains its relevance and approval and will continue to be expanded for the work of the combined governance and mandate moving forward.

Article 2 – Mandate

- 2.1 To oversee a governance framework for valuation that organizations can consistently apply to build confidence in the development and use of methods of valuation.
- 2.2 To develop and expand a common and comprehensive Impact Accounting Methodology for value creation, including standardized pathways and value factors, that organizations can consistently apply to empower them to understand the value they create, preserve, and erode through their activities.
- 2.3 To advise on and provide standardized guidance on implementation and best practices for valuation.

Explanatory note

The first focus in the mandate of the [IVSB] is on the provision and maintenance of a governance framework for valuation, and standardized methodologies, including value factors. With these, the [IVSB] provides a rigorous structure with appropriate methodologies for valuation that can consistently be applied by businesses, financial institutions, and governments.

The second focus in the mandate of the [IVSB] is on providing guidance on the application of the governance framework and standardized methodologies.

To ensure that the governance framework, standardized methodologies, and guidance remain relevant in the light of progress made and opportunities occurring, in line with the Due Process Protocol, the Capitals Coalition will develop and maintain a work plan of active projects overseen by the [IVSB]. The yearly development and approval of the work plan is detailed in the Due Process Protocol

Article 3 – Composition

3.1 Overall composition:

- i. The IVSB will comprise one Chair, one Vice Chair, and a minimum of eight members with a maximum number of 18 members in total.
- ii. The IVSB may include up to four Observers, who meet the same expertise criteria as Members but have no voting rights. Their terms align with the Members, and removal may be requested by the Chair or Vice-Chair and agreed by the Capitals Coalition.
- iii. The Capitals Coalition will act as Secretariat and will have support staff participating in meetings (no voting rights).

3.2 Expertise of the body:

- i. The IVSB members shall collectively represent diversity of expertise across environmental, social, and economic areas, investor and practitioner applications, sectors, regions, and different stages of economic development, including emerging markets.
- ii. Members have a demonstrated commitment to the development of accessible and common approaches to valuing impacts and dependencies, including using monetization. They must be capable of, and willing to, provide input regarding measurement of impacts and dependencies, valuation, accounting, or market uptake of impact valuation to contribute meaningfully to the discussion.
- iii. Members will represent key areas, including developers, providers, users, or regulators, of value factors.
- iv. The group of IVSB members shall, collectively and to the extent possible, demonstrate diversity with respect to gender, ethnicity, national origin, and other ways.
- v. Members can be drawn from academic institutions, civil society organizations, public entities, and/or the private sector if conflicts of interest are disclosed and managed.
- vi. To ensure independence and limit corporate influence, members from corporations* may not exceed 33% of total IVSB membership, including the Chair and Vice Chair.

Explanatory note:

Members will disclose any Conflicts of Interest on appointment, and those disclosures will be recorded by the secretariat.

Members will be asked to disclose any new Conflicts of Interest before voting.

**Corporations will exclude accounting firms.*

3.3 Term and Selection Process:

- i. The secretariat will nominate individuals to join the IVSB based on their expertise outlined in Section 3.2.
- ii. IVSB Members will be appointed for a term of two years, which is renewable. The Capitals Coalition will manage selection rounds.
- iii. To ensure continuity, membership will be renewed every two years for up to 66% of the membership.

- iv. The Chair and Vice Chair will be nominated by the Capitals Coalition Management Board and endorsed by the Audit and Risk Committee of the Supervisory Board.

Explanatory note:

Members may resign at any time with written notice to the Chair and Vice Chair, who may also remove a member for non-compliance with IVSB terms. If a Chair or Vice Chair steps down or is removed, the secretariat will coordinate the nomination of a replacement from current members.

3.4 Responsibilities:

- i. Each member of the [IVSB] is responsible for attending meetings and participating fully in the process and deliberations, reading, and commenting on work as required, collaborating and communicating openly with all Members, the Chairs, and the Capitals Coalition about concerns, issues or opportunities, and acting as an advocate for the work of the [IVSB].
- ii. The Chair and Vice Chair are responsible for chairing the [IVSB], ensuring good governance and the delivery of outputs, in adherence with these Terms of Reference. With the support of the secretariat, they will advise on agendas and materials, chair and host meetings, and seek to build consensus and alignment within the group, while hearing diverse views and addressing concerns.
- iii. It is anticipated that membership of the [IVSB] will equate approximately eight days of work per year, including the preparation for meetings.

3.5 Remuneration for participation in IVSB activities will not be provided, but all pre-agreed expenses incurred during the delivery of the [IVSB] can be claimed through the Capitals Coalition expenses policy.

Article 4 – Process

4.1 The Capitals Coalition will provide oversight governance through its [Supervisory Board](#). The Board's Audit & Risk Committee will ensure that the practices described in the Process in these terms of reference and the Due Process Protocol, which outlines the processes for development of and approval of [IVSB] materials, to increase public and stakeholder confidence that the research work is properly responsive to public interest.

4.2 Board Meetings and Procedures:

- i. The IVSB will meet at a minimum of four times a year. The agenda and materials will be prepared by the Secretariat with the support of the Chair and Vice Chair and shared at least five working days ahead of the meeting.
- ii. Additional participants may be invited to attend the IVSB meeting(s), with the aim to speak to and/or support discussion of specific technical matters beyond the standard members, observers, and secretariat, with approval from the Chair and Vice Chair.

- iii. The Due Process Protocol sets out the due process followed by technical staff and the [IVSB] for development of resources to achieve the mandate. It includes an overview of the governance structure, due process, and operating procedures.
- iv. The Due Process Protocol is approved by the Audit and Risk Committee of the Capitals Coalition Supervisory Board.

Explanatory note:

The Due Process Protocol addresses sections on the transparency of meetings and procedures, Confidentiality, Intellectual Property Rights, the process for [IVSB] Members to advise the mandate, as well as the decision-making through a voting procedure.

Article 5 – Amendments, Modifications, or Variations

- 5.1 The Chair and Vice Chair, in consultation with the Capitals Coalition, by mutual agreement, can review and modify the Terms of Reference of the [IVSB] as needed, upon the recommendation of the Members. The modifications will be reviewed and approved by the Capitals Coalition Supervisory Board.