

Insights from Impact Frameworks

Part II: Turning Narratives into Lessons & Frameworks



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Turning Narratives into Lessons & Frameworks

This report focuses on the learnings across four case studies of blockchain-based impact projects – EthicHub, Giveth, GainForest, and Octant Labs. Please refer to the detailed impact stories here¹. Across these four case studies, a set of **common themes and recommendations** emerges for designing an impact framework in blockchain-enabled projects:

1. Integrate Impact Planning into Project Design:

All projects highlighted that impact measurement isn't something to bolt on later; it must be woven into the project's theory of change and operations from the start. Octant exemplified this by structuring funding rounds around measurable outcomes, and EthicHub collaborated early with researchers to track the outcomes of farmers.

- **Guideline:** Define your intended impact and key metrics at launch, and incorporate feedback loops (such as surveys and data collection) and incentive mechanisms into the user journey or funding process.

2. Use Blockchain for Transparency, But Combine with Off-Chain Data:

Blockchain excels at transparent tracking of funds and outputs (donations, loans, tokens created). However, assessing social outcomes (e.g., poverty reduction, biodiversity) requires off-chain data collection (e.g., environmental sensors, IoT) and expertise knowledge (e.g., audits in EthicHub).

- **Guideline:** Leverage the blockchain to prove inputs (money in, services delivered) and to store immutable records of outputs, but invest in off-chain data pipelines (community reporting, IoT, 3rd-party audits) to capture impact or verify results.

Utilize blockchain's strengths – make all fund flows visible, use smart contracts to enforce conditions, and, where possible, put **milestones and metrics on-chain** (attestations, tokenized impact certificates). This builds trust and distinguishes your project from “black box” nonprofits. It's also important to communicate this transparency in an

¹  Part3_Impact_Stories_Web3UseCases

accessible way (dashboards, regular updates).

3. Provide Incentives and Support for Reporting:

A recurring challenge is tracking and reporting project impact data amid other priorities.

- Guideline: Use a mix of carrots and sticks – e.g., offer bonus funding, recognition, or token rewards for thorough impact reports; make reporting a prerequisite for continued funding or platform benefits. Additionally, offer support in the form of templates, simple tools (such as mobile apps for field data entry), or even funding for hiring M&E (Monitoring & Evaluation) expertise for the project. EthicHub's partnership with a university and 60 Decibels effectively outsourced some impact tracking to experts, which is a model others can follow (perhaps subsidized by impact-focused grants).

The most effective designs create win-win scenarios for all participants. Whether it's donors getting some reward (GIVbacks, NFTrees, or retained principal in Octant), or beneficiaries gaining beyond just funds (EthicHub farmers get market access and agronomy support, not just a loan), aligning incentives ensures longevity. Projects should ask: How can we reward good actors (donors, voters, and reporters of impact) and make the experience a positive-sum experience? Token economics and gamification, used ethically, can amplify engagement and impact.

4. Customize Metrics to Context, Avoid One-Size-Fits-All:

Projects operate in varied domains – what counts as success differs. Giveth explicitly noted the difference between digital public goods and on-the-ground social projects.

- Guideline: An impact framework should be a flexible toolkit rather than a fixed mandate. Provide common categories (e.g., Economic, Social, Environmental, Technical) and examples of metrics, possibly aligned with SDG indicators, but allow projects to select and justify those most relevant to their mission. This aligns with GainForest's approach of integrating existing frameworks as needed while using custom AI metrics.

5. Bear in mind the implications of Design, Stakeholders, and Innovative Methodologies (Everything has implications, design the governance considering them)

All cases show the need for thoughtful governance. The guidance here is to clearly define roles (e.g., what decisions the community makes vs. the core team, who decides and how), and implement measures to prevent abuse (such as quadratic voting to limit whales, verification of projects to avoid fraud, or multi-sig oversight for funds). In

understanding on-chain funding, it is important to distinguish:

- Funding modalities:
 - proactive/ex-ante funding (grants, loans),
 - retroactive/outcome-based funding (impact certificates, hypercerts, retro funding)
- Funding sourcing mechanisms:
 - Crowd-funding,
 - Donor-based,
 - Yield-based models or donor-funded pools,
 - Regenerative financing models

The differences require aligning different evidence mechanisms, incentives, and governance with the strategic priorities.

- Guideline:
 - The use mixed portfolios can provide a more balanced approach (as seen in Giveth): proactive support for foundational infrastructure, plus retroactive rewards for documented outcomes when loans demonstrably improve livelihoods.
 - Check who actually receives funds (farmers, community scientists, civil-society organisations, core devs) and whether they have a role in governance (e.g., Data Councils, citizen scientists, ETHIX stakers)

If the goal is broad adoption, design for non-crypto natives. This might mean abstracting wallet addresses behind email logins, subsidizing gas fees, or integrating with familiar platforms. Giveth's efforts to simplify onboarding and provide guides are a good practice. Partnerships with organizations like tech nonprofits or community leaders can help educate users (EthicHub works with local co-ops; GainForest trained locals on taking photos and using the app). In design, consider a two-layer approach: a crypto back-end for transparency and automation, and a friendly front-end that speaks the user's language (both literally and metaphorically). Furthermore, community support channels (Discord, forums, and even in-person workshops) are crucial to help new users and build trust.

6. Encourage Collaboration, Reuse, and Knowledge Sharing:

The projects often learned from each other – e.g. GainForest was inspired by Octant's approach to funding governance, and hypercerts are used across different settings. Such cross-pollination accelerates progress.

- Guideline: Create forums or working groups (perhaps under the Ethereum Foundation or an alliance of impact projects) to share best practices on impact measurement. Develop open-source standards (like the emerging hypercerts protocol for impact claims) so that efforts aren't siloed.
- Project developers should make ToC and grant-impact tools (like the Grant Impact Handbook) open and modular so other ecosystems (Gitcoin, Giveth, Optimism, etc.) can reuse them².
- Design your system with components that can be easily plugged into others. Octant's vaults and allocation contracts are modular, enabling others to reuse them. GainForest's approach could plug into carbon credit markets or other conservation DAOs. EthicHub could integrate its loan pools with DeFi platforms for liquidity. By being composable, you make your impact solution part of a larger impact ecosystem, where different projects reinforce each other. For example, an Octant vault could feed a Giveth cause fund, or EthicHub's farmers could issue hypercerts for their environmental benefits that GainForest users could buy. This interoperability is unique to Web3 and should be maximized. Using open standards (ERC tokens, etc.) and publishing open APIs or documentation encourages others to build on or with your solution, scaling impact in ways you might not predict.

7. Align with Global Standards but prioritize impact generation:

Many stakeholders, such as UN agencies, will ask how these blockchain projects contribute to the SDGs or adhere to traditional impact guidelines. EthicHub explicitly maps to multiple SDGs, while GainForest focuses on climate and land goals.

- Guideline: Impact frameworks should allow projects to tag or translate their outcomes into SDG or ESG indicators where relevant and incorporate methodologies used across agencies. This makes it easier for traditional actors to understand the value.
 - Encourage mapping of on-chain evidence (certificates, hypercerts, QF metrics) to SDG targets/indicators or sectoral frameworks where relevant and promote the use of established evaluation approaches.

Finally, a lesson from all, especially Octant, GainForest, and EthicHub, is the importance of thinking long-term. Impact often accrues over years. Octant's multi-year funding and EthicHub's revolving loans show benefits that compound (farmers build credit histories,

² <https://golem.foundation/>

protocols become self-sufficient).

- Guideline: Design impact programs to be longitudinal – include follow-up measurements 1, 3, 5 years down the line, and secure or encourage multi-year funding commitments. Blockchain can facilitate this via smart contracts (e.g., streaming funds or conditional tranches). Impact investors should value long-term outcomes (like community self-reliance) and be patient, while projects should plan for sustainability beyond initial grants.

Case-specific Learnings

EthicHub: ReFI for Smallholder Coffee Farmers

EthicHub's experience underlines the value of partnerships between blockchain innovators and traditional development organizations. By teaming up with NGOs (like Heifer) and impact investors, they enhanced both their reach and their ability to measure social outcomes. They suggest forming partnerships and alliances with development entities for measuring, delivering, and assessing impact.

For impact investors and agencies, EthicHub shows that well-structured crypto lending can advance financial inclusion – but to verify impact, on-the-ground data (e.g. farm productivity, borrower feedback) must complement on-chain metrics. Blended finance models (combining smart contracts with community organizations) can be a powerful tool to meet 2030 SDG targets, provided stakeholders move quickly to support and scale these solutions.

For project developers and partner organizations, EthicHub's model addresses a global problem: the financing gap for smallholder farmers. The approach has already expanded from a pilot in Chiapas, Mexico, to communities in Brazil, Colombia, and Honduras. It is inherently replicable across many developing regions and various commodities. Similar conditions exist in much of Latin America, Africa, and Asia, suggesting wide replication potential. For instance, small tea growers in Kenya or cocoa farmers in Ghana could similarly benefit from crowdlending backed by a blockchain collateral fund.

Giveth: Decentralizing Philanthropy with Transparency

Operating since 2016 (with major relaunches around 2020), Giveth has learned several lessons about merging blockchain with charitable giving:

1. User experience is paramount:

- a. Meet users at their comfort level (hence, multi-chain donations in the token of their choice).
- b. Simplify onboarding – for example, by providing clear guides for projects to set up wallets or convert cryptocurrency to fiat. Over time, the interface was improved to resemble familiar crowdfunding sites, hiding blockchain complexity unless a user wants to delve deeper.

2. Incentives need balance:

- a. The introduction of GIV token rewards taught Giveth about striking a balance between generosity and sustainability. Too high rewards could attract exploiters or drain the treasury, too low and they don't motivate.
- b. Gamification can boost engagement, but it must be tuned carefully.

3. Community governance is powerful but messy:

- a. Giveth transitioned to a DAO model, allowing its community to vote on many key decisions. However, it can lead to lengthy debates on topics such as verification criteria, or fund distribution and governance could be dominated by a few voices. To counteract, provide clear proposals and educate the community to make informed decisions.

4. Not all projects are equal – curation helps:

- a. Initially, Giveth allowed anyone to post any project (even anonymously), trusting the crowd to vet the content. They discovered this could lead to donor confusion or skepticism, and that having a curation layer (verification and featured rounds) was important. Now Giveth proactively curates thematic rounds (e.g., climate-focused or local community rounds) and highlights high-impact projects, which improves the overall impact per dollar donated. The lesson: Central curation or segmentation can enhance the effectiveness of a decentralized platform.

GainForest: How GainForest Uses AI and Blockchain to Democratize Nature Conservation

GainForest transitioned from a top-down tech implementation model to a co-design approach. Initially, the team considered individual payments, but after receiving feedback from the Kayapó community in Brazil regarding their communal culture, they adapted the model to entrust elders with distribution, thereby avoiding the potential for unhealthy competition (Goethe-Institut, 2025).

- Co-Design is Essential: Top-down technological imposition fails. Success requires adapting the tech to local governance structures, as seen with the Kayapó.
- Data Privacy as Safety: Indigenous communities raised valid concerns that

revealing the real-time location of endangered species³ could attract poachers. GainForest adapted by creating "Treasure Boxes"—secure data vaults where communities can archive indigenous knowledge privately without public release.

- Balance high-tech with appropriate-tech: GainForest initially leaned heavily on advanced tools (AI, blockchain), which is their unique angle, but they also invest in capacity-building solutions.
- Quality of data over quantity: In early data collection, they encouraged communities to upload everything – lots of pictures, recordings, etc. They discovered that not all data is equally useful and sifting through it taxed their system. Now they emphasize key indicators (tree cover, species calls) and teach communities how to take standardized measurements (e.g., using a simple protocol for acoustic sampling).
- Incentives and Trust for Communities: GainForest's model centers on incentivizing local communities to protect nature while minimizing the need for blind trust between donors and stewards. Funds from donors are held in a smart contract "green fund" and released in staggered micropayments once milestones are verified, instead of as one-off grants⁴
- Regulation should differentiate different kinds of technology use and impact⁵.
- A multi-modal verification approach⁶: ML model might flag tree cover loss due to seasonal variation or misclassify sounds/pixels due to training bias, combining various data sources (satellite data with drone photos, bioacoustic recordings, and on-the-ground observations via a Telegram bot) is necessary to cross-validate findings.
- Scaling up operations while maintaining data quality and integrity requires collaboration: GainForest Data Council⁷ enable regional representatives and experts to co-create data policies and oversee standards for all community projects.

Finally, GainForest understands that transforming conservation finance is a long game – one that requires patience and an inspiring narrative to bring on board large funders and align with global goals. The team emphasizes "we need \$130 billion per year to halt deforestation by 2030"⁸. By situating their work in the context of this \$130B/year funding

³https://youtu.be/9Ei-L_sBDSk?t=691

⁴<https://docs.gainforest.earth/whitepaper/chapter-two>

⁵<https://youtu.be/dtrwyNCkRh4?t=2634>

⁶<https://medium.com/@ClimateCollective/gainforest-joins-climate-collective-battling-deforestation-with-ai-citizen-science-and-8bbf1e9c72a3>

⁷<https://gainforest.substack.com/p/introducing-the-gainforest-data-council>

⁸<https://medium.com/@ClimateCollective/gainforest-joins-climate-collective-battling-deforestation-with-ai-citizen-science-and-8bbf1e9c72a3>

gap, they speak the language of institutional donors (governments, development banks, climate funds) who operate at that scale, and communicate that sustainable, long-term impact can be achieved through investing in trust and systems. The successful pilots indicate that the core approach (community-driven data collection rewarded via blockchain) is not ecosystem-specific. The model can be readily applied to tropical forests in Africa, where many Indigenous and local communities face similar incentives to curb deforestation. Beyond forests, the measure-to-earn framework might extend to other natural resources: wetland or peatland conservation, wildlife monitoring in savannahs, or marine ecosystem restoration (like coral reefs or fisheries). To replicate this impact, engaging local communities and partner organizations with a genuine commitment might be the key. Anywhere local stakeholders can take actions to preserve biodiversity or carbon stocks, and where those actions can be monitored, the GainForest incentive system could be introduced through modular and contextual adaptation.

Octant Labs: Staking-yield-backed Funding for Public Goods

Octant's approach to monitoring and evaluation is evolving, with an increasing emphasis on data and iterative learning. Each funding epoch in Octant is treated as an experiment with its own goals and metrics⁹. The Octant team notes that "each funding round has been different" – for instance, a creator-focused round tracked community engagement metrics, whereas a climate-focused round tracked real-world environmental impact metrics. This indicates Octant tailors indicators and KPIs to the context of the projects in that cohort. Technical performance is a common dimension measured (e.g., for open-source software projects, metrics such as usage, contributions, or integrations may be tracked). But beyond output metrics, Octant encourages projects to report outcomes over time. Between epochs, projects often provide updates on progress, which are shared with the community; for example, the Hypercerts Foundation (a grantee) reports metrics such as the number of hypercerts issued, users, and funds raised via hypercerts as a way to demonstrate impact and justify continued support. Octant's journey yield valuable lessons:

1. Sustainable funding might work, but it needs planning: Octant validated that a yield-based funding model can indeed generate steady resources for public goods. However, the team learned that this doesn't run on autopilot – careful planning is needed to select appropriate yield strategies and to adjust for market conditions.
2. Giving the community a voice in allocation improved legitimacy and engagement, but Octant observed that decentralization alone doesn't guarantee optimal

⁹ <https://octant.build/en/blog/calling-eth-creators-epoch-9-applications-are-now-open-2>

outcomes. Early on, they encountered instances of low voter turnout, with voters favoring projects of popular appeal over perhaps more critical but less understood projects. This echoes a point made in the Grant Impact Handbook: “Decentralization doesn’t guarantee impact.”

3. Impact Measurement Must Be Incentivized: Initially, Octant relied on grantees to voluntarily report their progress. It became clear that many teams, while well-intentioned, were slow or minimal in reporting – an understandable situation, given that they are busy building their projects. However, it is important to note that, many funded projects are infrastructure (e.g. client teams, privacy tools), where causal links to end-beneficiary outcomes are multi-step and highly mediated¹⁰.

The lesson is that hybrid models (expert input + community vote + fun incentives) can yield better results than naive fully open voting. Octant’s experience suggests that carefully curating the voting process and aligning incentives is key to avoiding governance apathy. Innovative funding models need equally innovative governance and impact measurement and evaluation strategies that are diverse.

¹⁰<https://www.cryptoaltruists.com/blog/trailblazers-of-octant-episode-3-protocol-guild-powering-ethereums-future-with-decentralized-funding>