

Focus :

NIMPACT EVALUATION

CONFERENCE

[AP6]

Room Dalai Lama  
Palais Brongniart

Thursday, Septembre  
20, 2012

## IMPACT EVALUATION: CHOOSING THE RIGHT METHODOLOGY FOR DIFFERENT PROJECTS AND OBJECTIVES

### MAIN FINDINGS

There are more than a hundred methods for measuring social impact. Most stakeholders (investors and operators) currently have difficulties in finding their place in such undertakings. It is vital for every organisation to clearly focus its objectives, to identify the needs it aims to respond to, the resources it has available and to carefully select the information it wishes to obtain. Too often, organisations go after a large number of indicators that are of no use as a result of their being too focused on results and not on impact. By defining all of these limitations, a method can be chosen with greater ease. The actors in the sector should accept the complexity of this approach. Rather than a standardised evaluation, a standardised framework is what should be put in place. For this, awareness has to be raised at all levels. In itself, measuring social impact is simply one element in a larger process which aims to improve social benefit.

### SPEAKERS

**Ximena Escobar de Nogales**

Head of Social Performance Management, Bamboo  
Finance

**Lisa Hehenberger**

Research Director, EVPA

**Catherine Sanders**

National Delegate on Quality, Social Utility and  
Sustainable Development, French Red Cross

**Emeline Stievenart**

Project Manager, Social Impact Evaluation,  
ESSEC-IIES

### MODERATOR

**Cécile Lapenu**

Executive Director, Cerise

## SUMMARY OF INTERVENTIONS

### The current state of play and the progress made in recent years

**Emeline Stievenart** starts by defining what measuring social impact consists of and the role it plays. A social impact assessment complies with a number of functions. It provides data to investors, allows practices to be improved and helps in social enterprise decision making. Expectations for it are high. Social impact must be proven. This is both a rigorous and flexible approach because it must adapt to the double demand of result clarity and situation diversity. There are currently hundreds of methods ranging from the most academic, such as randomised studies, to the most practitioner-based, which come from the business or association spheres. Social impact assessments should accept the complexity of their subject. Obtaining absolute scientific proof is not an attainable goal. The assessment is also a process which allows the stakeholders to focus on a shared objective. This method can only be chosen once limits on time, resources and other aspects have been set. Ultimately, whatever the method used, the most fundamental points regarding evaluations crop up: relevance, efficiency, remit and effectiveness.

**Lisa Hehenberger** completes this overview by offering the point of view of investors. EVPA is a network of investors that aims to promote venture philanthropy and investment in social impact by supporting best practices and by facilitating peer learning. The organisation's members are currently in need of receiving guidance in order to assess their impact. There is a need to work towards standardising procedures or providing a general framework for all investors to use. EVPA proposes a framework based on five pillars: 1. Clarify and implement objectives. 2. Analyse the stakeholders and identify the key actors and their interests. 3. Measure impact by going beyond results while paying attention to each actor's remit and role. 4. Verify that the impact obtained has real meaning for those involved. 5. Carry out follow-up and evaluation of the activities. This framework is included in the manual which has been put together by EVPA in collaboration with a group of experts (available for download, see box below labelled "More on this topic"). A great deal of work is yet to be done in this field, particularly by

working towards standardised reports (see PULSE or GIIRS links below).

### Measuring social impact, a reality for organisations

**Ximena Escobar de Nogales** introduces Bamboo Finance, an investor in social impact with 250 million dollars in a private fund invested in 46 companies and 24 countries. At the heart of Bamboo Finance lies the responsibility of identifying, following up and measuring non-financial indicators in order to understand the impact and social performance of investments. Impact follow-up is carried out in cooperation with business leaders. It is necessary to sit down with them and discuss the best indicators for identifying their impact in relation with their objectives. Sometimes, unexpected impacts emerge. For example, Greenlight Planet, a company that sells solar lamps in rural India, noted that one of the impacts of installing solar lamps was that there was a drop in the number of snake bites suffered. Of the indicators that are available, it is vital to distinguish those for outreach/output (product), from outcome and impact indicators. There is a chain of causality at play. The further one gets from the "intervention" (a type of treatment, a loan, etc.), the harder it is to attribute consequences. Let us take the example of a project against malaria. If one were to settle for an outcome indicator such as the number of mosquito nets distributed, the objective might be missed. It had been noticed that on occasions the mosquito nets were being used for fishing. In this example, what really matters is the number of people sleeping under a mosquito net. In impact investing, a fledgling industry, stakeholders have to agree on the language they will use and the way in which they will define indicators through initiatives such as IRIS, in order to be more rigorous.

**Catherine Sanders** describes how a training programme on measuring social impact was set up in partnership with ESSEC-IIES within the French Red Cross. The objective is threefold: to obtain funding and build loyalty with fund providers, to provide follow-up on projects and to enhance the work of volunteers. Of these, the main task is that of raising awareness among collaborators and volunteers on the importance of measuring social impact. The second priority is that of finding a way of ensuring that the information gathering

process can be carried out without getting in the way of the actors on the ground. Evidently, a programme for measuring impact requires a great deal of time in order for evaluation questions to be framed correctly and the programme's role and tools to be defined. However, an approach of this type is very good at providing structure. It forces those involved to ask the right questions at an early stage in the process and reveals the grey areas which would not have otherwise been seen. This process allows one to go back to the question of needs, looking at those involved and the changes they undergo. For example, the food distribution sector has witnessed huge changes. Measuring social impact is not the only ongoing process in an organisation, but rather one among many others, including that of focusing on quality. The fundamental question remains that of seeking to find out how organisations are managed and the transformations they undergo.

## SUMMARY OF DEBATE WITH THE AUDIENCE

### Can a social impact assessment be carried out for an entire organisational structure?

**Catherine Sanders** answers that it all depends on the size of the structure and the extent to which the organisation shows uniformity throughout. All of the different measuring methods could be used, but would that make sense given the diversity of the organisation's

activities? **Lisa Hehenberger** points out that from an investor's point of view it is indeed simpler to have one single overall method for measuring impact. However, the question remains the same, how can the impact of different sectors be included while still ensuring that the exercise is still meaningful? Maybe cross-sector indicators could be a solution.

### How can those who do not have the means to measure impact receive help?

**Emeline Stievenart** notes that those working for a social solidarity economy already have a social impact. Measuring it is simply a way of making it visible. A very thorough evaluation can cost up to €500,000. Of course, significantly less costly evaluations are available which nonetheless have relevant results. This highlights another problem which consists of the following contradiction: donors want evaluations and impact to be measured without having to pay for it. What is more, often the information which has been requested is later not used. Ensuring that information is well targeted can lower the costs in this area.

### How can the overall impact of one small element be measured? How can the role of the distributor and the producer be separated, for example?

**Ximena Escobar de Nogaes** answers that for Bamboo Finance, only those that are very close to the action are taken into account when measuring social impact.

## REPORTER

Mission Innovation et Entrepreneuriat Social,  
Croix-Rouge française

## MORE ON THIS TOPIC

- Social Impact Measurement Methods, TRASI: [trasi.foundationcenter.org/](http://trasi.foundationcenter.org/)
- Reports standardisation: [pulse.app-x.com/home](http://pulse.app-x.com/home) et [giirs.org/](http://giirs.org/)
- Indicators' definitions, IRIS: [iris.thegiin.org/](http://iris.thegiin.org/)
- EVPA manual to measure social impact, section 'Knowledge Center': [www.evpa.eu.com](http://www.evpa.eu.com)